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Addendum

First Evaluation Round

Addendum to the Compliance Report on Iceland

Adopted by GRECO
at its 26th Plenary Meeting
(Strasbourg, 5-9 December 2005)

I. INTRODUCTION

1. GRECO adopted the First Round Evaluation Report on Iceland at its 6th Plenary meeting (10-14 September 2001). The Report (Greco Eval I Rep (2001) 10E), which contains 3 recommendations addressed to Iceland was made public on 14 September 2001.
2. Iceland submitted the Situation Report required by GRECO's compliance procedure on 11 April 2003. On the basis of this report and a Plenary debate, GRECO adopted the First Round Compliance Report (RC-report) on Iceland at its 15th Plenary meeting (17 October 2003) which was made public on 17 October 2003. The Compliance Report (Greco RC-I (2003) 9E) concluded that recommendation i had been dealt with in a satisfactory manner, whereas recommendations ii and iii had been partly implemented; GRECO requested additional information on their implementation. The additional information requested was submitted on 11 November 2005.
3. Pursuant to Rule 31, paragraph 9.1 of GRECO's Rules of Procedure the objective of the present Addendum to the First Round Compliance Report is to appraise the implementation of recommendations ii and iii in the light of the additional information referred to in paragraph 2.

II. ANALYSIS

Recommendation ii

4. *GRECO recommended that the Unit for economic and environmental crime of the National Commissioner of Police be provided with necessary training to pursue a more pro-active approach to the prevention, investigation and prosecution of corruption. The Unit could thus become a better specialised law enforcement organ dealing with corruption cases.*
5. GRECO recalls that, according to the National Commissioner of Police in Iceland, additional staff were needed to enable the Economic and Environmental Crime Department to adopt a more pro-active operational attitude to corruption offences. Besides, as pointed out in the National Commissioner's report, the Department did not have sufficient international cooperation in anti-corruption training.
6. The Icelandic authorities have reported now that the budget allocations to the Department have doubled since 2001 (58.239.000 ISK in 2001; 112.893.000 ISK in 2005) and that the number of staff members in investigations has increased from 10 to 15 between 2001 and 2005. Furthermore, the Ministry of Justice has increasingly involved the Unit in international cooperation against corruption, both in GRECO and the OECD Working Group on Bribery.
7. GRECO concludes that recommendation ii has been implemented satisfactorily.

Recommendation iii

8. *GRECO recommended the introduction of legal provisions ensuring that information on corruption offences or suspicions thereof that was received by public officials in the exercise of their duties will be reported to the investigating authorities.*
9. GRECO recalls that there is no express obligation for public officials to report crimes of which they become aware in the exercise of their functions. However, the non-reporting would constitute

a breach of duty and would be sanctioned pursuant to Article 141 of the General Penal Code. In the First Evaluation Round Compliance Report on Iceland, GRECO considered that in the absence of new norms in this area, this recommendation had only been partly implemented.

10. The Icelandic authorities have reported that, in the light of Article 141 of the General Penal Code (sanctioning a breach of duty), the introduction of a new legal provision for failure to report a crime is not deemed necessary. Moreover, special provisions on duty to report criminal offences to investigative authorities are very rare in Icelandic law. An example on the duty of an *institution* to report criminal offences to the police can be found in Art. 12 of Act No 87/1998 on official supervision of financial operations. Finally, almost similar recommendations (on the duty to report) have been addressed to Iceland in the Second Round Evaluation Report (which includes the protection of whistleblowers) and in the Phase 2 Report of the OECD Working Group on Bribery (which focuses on tax officials' duties), which continue to be examined by the Ministry of Finance.
11. GRECO welcomes the fact that the duty of public officials or institutions to report criminal offences is still being examined by the Icelandic authorities even in the context of a public administration within a country which shows little tolerance to corruption and appears to be much less affected by this phenomenon than others. GRECO notes that this issue will continue to be considered in the context of its follow-up procedures of its recommendations adopted in the context of its Second Round Evaluation Reports.
12. GRECO concludes that recommendation iii has been partly implemented.

III. CONCLUSION

13. In addition to the conclusions contained in the First Round Compliance Report on Iceland and in view of the above, GRECO concludes that Iceland has implemented satisfactorily Recommendation ii. Recommendation iii has been partly implemented. GRECO welcomes the progress made since the adoption of the Compliance Report on Iceland as well as the fact that the duty of public officials or institutions to report criminal offences continues to be considered by the Icelandic authorities.
14. The adoption of the present Addendum to the Compliance Report terminates the First Evaluation Round compliance procedure in respect of Iceland.