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## Developments in German Law Regarding Gifts of World Cup Tickets to Government Officials

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As a client to whom we have provided advice regarding compliance with the United States Foreign Corrupt Practices Act, we wanted to inform you of developments under German law with respect to the upcoming World Cup soccer matches that may be of interest to you.

Under German law, the issue of providing free World Cup tickets to German government officials is very sensitive. Recently, at least one company has been prosecuted for offering such tickets to German government officials. The outcome of that case is not yet settled. In addition, the German government has internally cautioned officials neither to accept such tickets nor to purchase them from sponsors at their regular price (the latter due to the enormous demand for tickets, which makes it almost impossible to acquire them via regular channels).

The German government's internal guidelines, which govern offers of hospitality to German officials, are interpreted much more strictly with regard to World Cup tickets than in other cases. Generally, government officials are required to ask for prior approval by their employer before they accept any gift (including free tickets) relating to their service, whenever such gifts are worth more than 25 Euros (\$30 US). The rules completely prohibit, however, certain gifts (such as cash). Under the guidelines, business entertainment must be customary and reasonable. See *Internal Guidelines on the Prohibition of Accepting Rewards or Presents for Federal Employees (Rundschreiben zum Verbot der Annahme von Belohnungen oder Geschenken)* (November 8, 2004). Although no formal restrictions apply to members of the German federal or state parliaments, there is likely to be similar concern about offering World Cup tickets to members of parliament. Given the enormous interest in the World Cup, German authorities seem to fear a public discussion about "free rides" by government officials.

In light of this debate, many German companies are refraining entirely from offering World Cup tickets as business hospitality to government officials. Others have implemented stringent procedures to ensure prior approval from the official's employer before accepting such tickets and to ensure that taxes are paid on the value of the tickets.

We thought that this information might interest you. Please let us know if you have any questions or want to speak directly with any of WilmerHale's German lawyers.

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