

Airbus to set aside 3.6 bn euros to settle corruption probe

January 28 2020, by Mathieu Rabechault



Airbus is to pay up to 3.6 billion euros to settle a corruption probe in France, Britain and the US

European aerospace giant Airbus said Tuesday it has agreed to set aside up to 3.6 billion euros to settle a corruption probe by authorities in

France, Britain and the United States.

Courts in all three countries will on Friday examine the proposed settlement with Serious Fraud Office in Britain, the PNF in France and the US Department of Justice, Airbus said.

"If approved by the courts, the agreements will result in Airbus taking a provision of 3.6 billion euros (\$4 billion) for the payment of potential penalties to the French, UK, and US authorities," Airbus said in a statement.

The amount will be booked in the aerospace giant's 2019 accounts.

Earlier, Airbus had announced that it had reached agreement in principle with the French, British and US authorities as part of efforts to avoid expensive litigation, but had not provided any figure.

The affair began as an internal investigation and was a factor in a more than year-long executive shake-up at Airbus that ended in April 2019 when Guillaume Faury replaced Tom Enders as chief executive.

The United Kingdom's Serious Fraud Office (SFO) and its French equivalent, the PNF, told AFP Tuesday that they would not comment on the statement or report.

"These agreements are made in the context of investigations into allegations of bribery and corruption, as well as compliance with the US International Traffic in Arms Regulations," Airbus said.



An internal Airbus probe was a factor in the departure of executive chairman Tom Enders (R), who was replaced as chief executive by Guillaume Faury (L)

Hit to profits

The amount of the potential settlement is roughly equivalent to the group's 2018 [net profit](#).

Airbus is to release its 2019 results on February 13, when the company may provide more detail about the affair's potential cost.

Airbus has been under investigation for financial irregularities in France and Britain, having approached the authorities itself in 2016.

The US also launched a probe into the company later.

In 2013, Airbus found irregularities, notably in commission levels, in some transactions carried out by its Strategy and Marketing Organization unit.

Commercial agents for some transactions had not been identified to government export aid agencies.

Meanwhile, US authorities suspect that Airbus did not obtain necessary approval for the export of some military equipment that contained US components.

Airbus manufactures civilian and military aircraft from drones and helicopters to long-haul airliners, along with rockets, satellites and communications systems.

The procedure launched by Airbus in France should allow it to negotiate the amount of possible fines without prolonged [legal proceedings](#) that could make the final bill much higher.

The strategy has already been used by British engine maker Rolls-Royce, which was ordered in early 2017 to pay 763 million euros to Brazilian, British and US authorities in connection with corruption that it had itself reported to the SFO in late 2012.

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