

Detecting Structural Deficiencies in China's Legal Framework on Multinational Corporate Commercial Bribery: Liability Gaps and Reform Imperatives

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ABSTRACT

This paper systematically analyses the criminal, civil, and administrative liabilities of multinational corporations for commercial bribery under Chinese law. Using a dual-perspective framework, it examines China's legal role both as a home country, regulating outbound bribery by domestic enterprises, and as a host country, addressing bribery committed by foreign companies within its territory. The criminal liability section assesses the application and limitations of Articles 164 and 393 of the Criminal Law. The civil dimension explores relevant provisions of the Civil Code, Company Law, and Anti-Unfair Competition Law regarding contract invalidation, unjust enrichment, tort damages, and managerial responsibility. The administrative part evaluates enforcement powers under the Anti-Unfair Competition Law, including fines, disgorgement, and business licence revocation. The paper identifies structural deficiencies in China's legal framework, including fragmented enforcement, insufficient compliance incentives, and limited extraterritorial jurisdiction. Through comparison with the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act 2010, it argues that China's current approach remains largely punitive and reactive, with inadequate emphasis on preventive and coordinated enforcement. Rather than proposing specific legal reforms, the paper adopts a doctrinal and



comparative methodology to expose institutional weaknesses and provide a theoretical basis for future reform-oriented research.

Keywords: Commercial bribery; Multinational corporations; Chinese law; Legal liability

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1. Introduction

In the context of intensified global economic integration, commercial bribery has emerged as a complex, multiple-jurisdictional legal issue that poses serious challenges to national governance, market regulation, and international legal cooperation.¹ Multinational corporations (MNCs), operating across multiple legal systems, often engage in conduct that implicates multiple jurisdictions, and commercial bribery has become a core concern in the development of multinational anti-bribery enforcement.² Acting as both a home country, controlling Chinese businesses' worldwide activity, and a host country, enforcing domestic anti-bribery laws against foreign companies operating within its borders.³ China, the second-largest economy in the world and a main source of outbound investment, plays a dual role in the global anti-bribery regime.⁴

In recent years, China has undertaken a series of legislative and regulatory reforms to enhance its anti-bribery framework, including expressly prohibiting the bribery of foreign public officials under Article 164 of the Criminal Law of the People's Republic of China (Criminal Law), and significantly strengthening private-sector bribery regulations through the 2017 amendments to the Anti-Unfair Competition Law of the People's Republic of China (Anti-Unfair Competition Law).⁵ However, China has yet to accede to the Organisation for Economic Cooperation and Development (OECD) Anti-Bribery Convention.⁶ The current legal regime exhibits systemic limitations, particularly in preventive mechanisms,

¹ Yiqing Wang, 'Jurisdictional Conflicts and Solutions in Bribery Cases of Multinational Corporations' (2024) 65 Lecture Notes in Education Psychology and Public Media 38 <<https://www.ewadirect.com/proceedings/Inep/article/view/15409>>.

² Qingxiu Bu, 'Multijurisdictional Prosecution of Multinational Corporations: Double Jeopardy Vis-à-Vis Sovereign Rights in the Globalized Anti-Bribery Regime' (2022) 60(2) *International Annals of Criminology* 269 <https://www.cambridge.org/core/product/identifier/S0003445222000186/type/journal_article>.

³ Liyang Tian, 'Legal Resolution of Commercial Bribery by MNEs: Based on Foreign Corrupt Practices Act' (2022) 1 *Journal of Education, Humanities and Social Sciences* 71 <<https://drpress.org/ojs/index.php/EHSS/article/view/640>>.

⁴ International Monetary Fund, 'GDP, Current Prices Billions of U.S. Dollars: List' (*International Monetary Fund*, 2025) <<https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEOWORLD>>; Xuan Han, 'Study on the Criminal Regulation of Foreign Commercial Bribery by Chinese MNEs' (2024) 71 Lecture Notes in Education Psychology and Public Media 26 <<https://www.ewadirect.com/proceedings/Inep/article/view/16898>>.

⁵ Han (n 4); William Rosoff and Jingli Jiang, 'The Proposed Amendments to China's AUCL Commercial Bribery Provisions: Comments and Suggestions' (2016) 8(2) *Tsinghua China Law Review* 191 <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2814226>.

⁶ Organisation for Economic Co-operation and Development, 'China (People's Republic of) and the OECD' <<https://www.oecd.org/en/countries/china-people-s-republic-of.html>>.

compliance incentives, and international enforcement coordination.⁷ In practice, enforcement remains predominantly punitive and *ex post facto*, with insufficient institutional focus on fostering corporate compliance programs or preventive measures.⁸

Due to the politically sensitive nature of cross-border commercial bribery and the limited public availability of original court judgments in China, particularly in cases involving foreign corporations, accessing detailed judicial decisions remains highly challenging. While some cases have been disclosed through administrative sanctions or media coverage, full judicial records are rarely published. Accordingly, this paper does not adopt a case study approach but instead focuses on statutory interpretation and structural analysis. The lack of transparent judicial information itself constitutes a key institutional deficiency in China's anti-bribery enforcement framework.

The paper analyses three aspects of liability—criminal, civil, and administrative—to determine the legal liability that multinational corporations may face under Chinese law when they commit commercial bribery. Based on the Criminal Law, criminal liability consists of fines, detention, and imprisonment. Under the Civil Code of the People's Republic of China (Civil Code), the Company Law, and the Company Law of the People's Republic of China (Anti-Unfair Competition Law), civil liability results under contracts invalidation, restitution, tort damages, and managerial liability. Based mostly on the Anti-Unfair Competition Law and associated legislative instruments, administrative liability entails fines, seizure of illegal earnings, and business licence revocation imposed by regulatory authorities like the State Administration for Market Regulation. Importantly, the Anti-Unfair Competition Law in China operates as a hybrid legal instrument with both civil and administrative applications. It is frequently used by administrative regulators and serves as a substantive basis for civil liability in court proceedings. Accordingly, it is examined in both the civil and administrative liability sections of this paper.

Under the Chinese legal system, bribery may constitute a criminal offence, a civil wrong, or an administrative violation, depending on the nature of the act and the identity of the parties involved. Criminal bribery generally refers to the act of offering or accepting bribes involving state functionaries and is governed by Articles 389 to 393 of the Criminal Law, with penalties including fines, detention, or imprisonment. In contrast, commercial bribery typically arises in the context of private sector transactions, such as between companies or between business operators and transaction-related parties. These cases fall under Article 7 of the Anti-Unfair Competition Law and relevant provisions of the Civil Code, such as Articles 153 and 1165, and may result in civil consequences including contract invalidation, restitution of unjust enrichment, or tort compensation. Additionally, regulatory authorities may impose administrative sanctions such as fines or licence revocation under

⁷ Heidi Frostestad Kuehl, 'The "Fight Song" of International Anti-Bribery Norms and Enforcement: The OECD Convention Implementation's Recent Triumphs and Tragedies' (2019) 40(2) *University of Pennsylvania Journal of International Law* 465.

⁸ Zhiyuan Guo, 'Anti-Corruption Mechanisms in China after the Supervision Law' (2023) 1 *Journal of Economic Criminology* 100002 <<https://linkinghub.elsevier.com/retrieve/pii/S2949791423000027>>.

the Anti-Unfair Competition Law. These three types of liability operate under distinct legal regimes but are not mutually exclusive. Depending on the circumstances of a given case, criminal, civil, and administrative sanctions may be applied separately by relevant authorities under their respective mandates.

This paper uses a dual analytical framework to methodically evaluate the reach and efficacy of China's anti-bribery legislation within the framework of multinational corporate behaviour, addressing China's legal responses both as a home country addressing outbound bribery by Chinese companies and as a host country tackling bribery committed by foreign entities inside its jurisdiction. By means of doctrinal analysis and comparative reference to the United States (US) Foreign Corrupt Practices Act (FCPA) and the United Kingdom (UK) Bribery Act, the paper detects structural flaws in China's legal and enforcement architecture and seeks to provide a theoretical basis for additional legal reform and institutional improvement.

2. Criminal Liability Under Chinese Law

Since signing the United Nations Convention against Corruption (UNCAC) on December 10, 2003, and formally ratifying it on October 27, 2005, China has steadily advanced reforms to its criminal legal system to strengthen regulation and punishment of commercial bribery, both domestically and in cross-border contexts.⁹ Important changes include multiple amendments to the Anti-Unfair Competition Law, the inclusion of corporate bribery clauses into the Criminal Law, and the publication on April 18, 2016, and effective from May 1, 2016, Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in Handling Criminal Cases Involving Embezzlement and Bribery.¹⁰ This interpretation clarifies standards for conviction, sentencing ranges, and the scope of property-related benefits in bribery cases, providing more specific guidance for judicial practice.

Although China has made clear progress in legislation and judicial clarification, it has not signed the OECD Anti-Bribery Convention, and its extraterritorial enforcement mechanisms remain underdeveloped.¹¹ China still suffers major restrictions in the legal application and pragmatic execution of multinational anti-bribery standards.¹² This section examines the criminal liability structure that applies to multinational corporations under Chinese law and assesses how well it works to combat transnational bribery from both the home-country and host-country angles.

⁹ United Nations Convention Against Corruption (UNCAC) 2003.

¹⁰ Changdong Wei, 'China's Criminal Legislation on Embezzlement and Bribery: A Historical Overview' in R Liu (eds), *Research Series on the Chinese Dream and China's Development Path* (Springer 2019) <http://link.springer.com/10.1007/978-981-32-9313-7_1>.

¹¹ Branislav Hock, 'Transnational Bribery: When Is Extraterritoriality Appropriate?' (2017) 11 *Charleston Law Review* 305 <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2931043>:~:text=Drawing upon the economic and,regime in which it functions.>.

¹² Kuehl (n 7).

2.1 Analysis of Criminal Liability Under Chinese Law

In the area of anti-bribery legislation, China has made significant strides in enhancing judicial application and legislative clarity.¹³ However, China still faces significant legal and practical obstacles in complying with international anti-bribery norms because it has not ratified the OECD Anti-Bribery Convention and lacks a functional extraterritorial enforcement mechanism.¹⁴ The 2011 amendment to the Criminal Law introduced Article 164(2), which criminalises the act of offering property to foreign public officials or officials of international public organisations for the purpose of securing improper commercial advantages.¹⁵ This marked an important legislative move toward the standards set out in Article 16 of the United Nations Convention against Corruption and Article 1 of the OECD Anti-Bribery Convention.¹⁶ Nonetheless, enforcement remains extremely limited in practice. Reports from the Supreme People's Court show that cases under this provision are still rare.¹⁷ Jurisdictional reach also remains unclear. Although Article 7 of the Criminal Law provides for extraterritorial jurisdiction over Chinese nationals committing crimes abroad, it lacks the detailed criteria seen in the United States Foreign Corrupt Practices Act, particularly Sections 78dd-1 to 78dd-3.¹⁸

There is no comparable clause in Chinese law that would subject businesses operating in China that do not put anti-bribery procedures in place to criminal culpability. This is in contrast to Section 7 of the UK Bribery Act 2010, which establishes strict corporate liability for failing to prevent bribery.¹⁹ Additionally, it does not mandate that businesses set up and maintain efficient internal accounting control systems, as does Section 13(b) of the US

¹³ Wang Peng-xian and Zhang Yan-kui, 'Bribery Crime Criminal Law Governance in Contemporary China' [2014] 2 Hebei Law Science 75.

¹⁴ Xiaoping Qian, 'Criminal Legislation against Bribery in the People's Republic of China: Formation, Evolution and Evaluation' (2014) 11(3-4) *Debrecei Jogi Műhely* <<https://doi.org/10.24169/DJM/2014/3-4/8>>; Elizabeth Spahn, 'Multi-Jurisdictional Bribery Law Enforcement: The OECD Anti-Bribery Convention' (2012) 53(1) *Virginia Journal of International Law* 1 <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2023138>.

¹⁵ Amendment VIII to the Criminal Law of the People's Republic of China 2011; Elizabeth K Spahn, 'Implementing Global Anti-Bribery Norms: From the Foreign Corrupt Practices Act to the OECD Anti-Bribery Convention to the UN Convention Against Corruption' (2013) 23(1) *Indiana International and Comparative Law Review* 1 <<https://doi.org/10.18060/17871>>.

¹⁶ UNCAC 2003 (n 9); OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions 1997; Wu Yi-min, 'Compare and Contrast The United Nations Convention Against Corruption and the Criminal Legislation of the People's Republic of China on Bribery Legislation' [2008] *Journal of Shanghai University* <<https://www.jsus.shu.edu.cn/EN/>>.

¹⁷ Qian (n 14).

¹⁸ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; Foreign Corrupt Practices Act (FCPA) 1997; Spahn (n 14).

¹⁹ Kuehl (n 7).

Foreign Corrupt Practices Act.²⁰ The absence of legally mandated preventive mechanisms restricts the capacity of China's criminal framework to deter transnational corporate bribery.

China's criminal justice framework is mostly punitive and reactive,²¹ particularly when compared to the UK and US laws. For example, corporate entities are subject to fines under Article 393 of the Criminal Law, and directly accountable employees who engage in corporate bribery may face up to five years in jail or detention.²² The 2024 Amendment to the Criminal Law further increased the applicable fine levels under Article 393 but did not incorporate requirements for internal controls or accounting systems, nor did it introduce compliance-based defence mechanisms.²³ On the other hand, the UK Bribery Act 2010 and the US FCPA independently establish two pillars of corporate anti-bribery compliance, that is, internal accounting control obligations and severe liability. Commercial entities are subject to strict liability under Section 7 of the UK Bribery Act if related persons, such as employees or agents, conduct bribery for the company's profit, unless the corporation can demonstrate that it had taken 'adequate procedures' to prevent such behaviour.²⁴ The UK Ministry of Justice's Guidance on Adequate Procedures covers six principles, including risk assessment, third-party due diligence, and top-level commitment.²⁵ In *R v Skansen Interiors Ltd*, the court found a corporation guilty only for failing official written compliance procedures, highlighting the strictness of procedural rights.²⁶ In contrast, the financial governance of listed companies is the focus of the FCPA's accounting standards (15 U.S.C. §78m(b)), which means that maintaining internal controls that provide 'reasonable assurances' of transaction authorisation and asset tracking is necessary.²⁷ The provision acts as an anti-bribery tool through financial transparency, even if it does not expressly criminalise bribery.²⁸ This was most evident in *SEC v KPMG Siddharta*, where the corporation was punished for using false paperwork to conceal bribes.²⁹

²⁰ FCPA 1997 (n 18); Amod Choudhary, 'Anatomy and Impact of Bribery on Siemens AG' (2013) 16(2) *Journal of Legal, Ethical and Regulatory* 131 <https://www.researchgate.net/publication/295924188_Anatomy_and_impact_of_bribery_on_Siemens_AG>.

²¹ Qian (n 14).

²² Fan Jun-li, 'The Speculation on China's Legal Liability Against Commercial Bribery' [2011] *Journal of North University of China* 72.

²³ Criminal Law of the People's Republic of China (Amendment XII) 2023; Qian (n 14).

²⁴ Jon Jordan, 'The Adequate Procedures Defense Under the UK Bribery Act: A British Idea for the Foreign Corrupt Practices Act' (2011) 17(1) *Stanford Journal of Law, Business and Finance*; Stanford 25.

²⁵ Jordan (n 24).

²⁶ Addleshaw Goddard LLP, 'Bribery Case Summary: R v Skansen Interiors Limited, Southwark Crown Court' (*Addleshaw Goddard LLP*, 2018) <<https://www.addleshawgoddard.com/en/insights/insights-briefings/2018/corporate-crime-investigations-update/r-v-skansen-interiors-limited-southwark-crown-court-case-summary/>>; House of Lords Select Committee on the Bribery Act 2010, 'The Bribery Act 2010: Post-Legislative Scrutiny (HL 303, 2019)' <<https://publications.parliament.uk/pa/ld201719/ldselect/ldbriact/303/30309.htm>>.

²⁷ Karen E Woody, 'No Smoke and No Fire: The Rise of Internal Controls Absent Anti-Bribery Violations in FCPA Enforcement' (2017) 38 *Cardozo Law Review* 1727.

²⁸ Woody (n 27).

Furthermore, the 2016 Judicial Interpretation issued by the Supreme People's Court and the Supreme People's Procuratorate clarifies bribery thresholds, defining a 'relatively large' amount as over 30,000 yuan (approximately USD 4,140) and an 'especially huge' amount as exceeding one million yuan (approximately USD 137,930), but it does not impose compliance obligations.³⁰ The employment of third-party middlemen, facilitation payments, and successor liability in business purchases are examples of contemporary bribery activities that are still not covered by the Criminal Law.³¹ Conversely, US enforcement policies push target companies to answer for prior bribes made by acquiring companies.³² In cases of cross-border bribery, China's lack of similar laws causes enforcement gaps and reduces the deterrent power.

Moreover, international corporations that commit commercial bribery within China run the risk of being prosecuted criminally under Chinese law.³³ The concept of territorial jurisdiction is established in Article 6 of the Criminal Law, which states that all activities performed within Chinese territory are subject to Chinese criminal law, even those carried out by foreign legal persons or their agents.³⁴ Where a foreign company offers improper benefits to Chinese public officials or commercial counterparts, it may be prosecuted for corporate bribery.³⁵ Articles 389 and 391 define the basic elements and penalties for bribing state functionaries, while Article 393 establishes the liability of corporate offenders, including fines for the entity and custodial penalties for directly responsible individuals.³⁶ In addition, Article 7 of the Anti-Unfair Competition Law prohibits business operators from offering bribes to transaction-related persons, and Article 19 sets out enforcement procedures and regulatory authority, forming the legal basis for addressing bribery in the private sector.³⁷

²⁹ *Commission v KPMG Siddharta Siddharta and Harsono and Sonny Harsono* (SD Tex, filed 11 September 2001) Litigation Release No 17127, Accounting and Auditing Enforcement Release No 1446.

³⁰ Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in Handling Criminal Cases of Embezzlement and Bribery 2016.

³¹ Peter Lewisch, 'Corporate Criminal Liability for Foreign Bribery: Perspectives from Civil Law Jurisdictions within the European Union' (2018) 12(1) *Law and Financial Markets Review* 31 <<https://www.tandfonline.com/doi/full/10.1080/17521440.2018.1435457>>.

³² Jennifer G Hill, 'Prohibiting Bribery of Foreign Public Officials—Implications for Corporate Criminal Liability' (1998) 16 *Company and Securities Law Journal* 384.

³³ Yuhan Zhang, 'Judicial Application and Perfection of Commercial Bribery of Transnational Corporations in China' (2023) 21 *BCP Social Sciences and Humanities* 469 <<https://bcpublication.org/index.php/SSH/article/view/3630>>.

³⁴ Criminal Law 2023 (n 23); Ziming Ren, 'Study on Jurisdictional Disputes and Coordination Mechanisms in Foreign Criminal Cases: Taking Commercial Bribery as an Example' (2024) 12 *Transactions on Social Science, Education and Humanities Research* 235 <<https://wepub.org/index.php/TSEHR/article/view/2497>>.

³⁵ Zhang (n 33).

³⁶ Criminal Law 2023 (n 23); Zhang Li-min, 'The Right Understand of Crime of Taking Bribes Regulated in the Criminal Law' [2011] *Journal of Shanxi Politics and Law Institute for Administrators*; Jun-li (n 22).

³⁷ Anti-Unfair Competition Law of the People's Republic of China (2019 Amendment) 2019; Han (n 4).

Even though the legal structure seems comprehensive, it is nonetheless uncommon for foreign corporations to be criminally prosecuted for commercial bribery.³⁸ Courts, procuratorates, public security departments, and the State Administration for Market Regulation all share some degree of jurisdiction as enforcement is distributed.³⁹ Lack of interagency cooperation yields regional variations in practice, unclear duties, and inconsistent enforcement standards.⁴⁰ Usually, foreign businesses are subject to administrative penalties; criminal sanctions are hardly used against them.⁴¹ Particularly in delicate or politically connected circumstances, enforcement is often selective, which raises issues regarding the objectivity and consistency of the legal system.⁴² Lack of a centralised national database of corporate offenders greatly limits the applicability of the 2023 Criminal Law Amendment XII, which created higher penalties for persistent bribery.⁴³

China faces significant challenges as a host country in holding multinational corporations criminally liable for commercial bribery, a situation intrinsically linked to systemic issues in its law enforcement mechanisms.⁴⁴ At the implementation level, while Article 8 of the Criminal Law establishes the principle of protective jurisdiction, its stringent dual requirements—that offenses committed overseas by foreigners must meet both China's minimum sentencing threshold of three years imprisonment and be recognized as crimes under local laws—create major obstacles for prosecuting cross-border bribery cases.⁴⁵ These institutional barriers compound practical enforcement difficulties.⁴⁶ As previously noted, under the current fragmented enforcement system involving courts, procuratorates, public security organs, and market regulators, systemic bribery schemes conducted through foreign affiliates often only result in administrative penalties, with criminal prosecution remaining exceptionally rare.⁴⁷

The situation is further complicated by structural factors: most commercial bribery cases fail to meet the three-year sentencing threshold for triggering jurisdiction, while cross-border money flows create evidentiary challenges.⁴⁸ This legal framework has inadvertently enabled regulatory arbitrage by multinational corporations.⁴⁹ The absence of a unified national corporate offenders database not only undermines the deterrent effect of the

³⁸ Zhang (n 33).

³⁹ Ren (n 34).

⁴⁰ Yishi Luo, 'Governance Dilemma of Commercial Bribery by Multinational Corporations in China' (2024) 66 *Lecture Notes in Education Psychology and Public Media* 132 <<https://www.ewadirect.com/proceedings/lnep/article/view/15635>>.

⁴¹ Zhang (n 33).

⁴² Daniel CK Chow, 'How China's Crackdown on Corruption Has Led to Less Transparency in Its Enforcement of Its Anti-Bribery Laws' (2015) 49 *UC Davis Law Review* 685 <<http://www.ssrn.com/abstract=2599448>>.

⁴³ Han (n 33).

⁴⁴ Zhang (n 33).

⁴⁵ Han (n 4).

⁴⁶ Luo (n 40).

⁴⁷ Zhang (n 33).

⁴⁸ Han (n 4).

heavier penalties introduced in Criminal Law Amendment XII for repeat offenders but also reinforces the entrenched enforcement pattern of prioritizing administrative over criminal sanctions.⁵⁰

At present, China's Criminal Law does not expressly prohibit the imposition of multiple penalties for the same act of transnational commercial bribery already sanctioned abroad, nor does it provide a coordinated enforcement mechanism with other jurisdictions. In practice, it remains unclear whether Chinese authorities would initiate separate proceedings against companies already penalised overseas for equivalent conduct. By contrast, both the United States Foreign Corrupt Practices Act (FCPA) and the United Kingdom Bribery Act 2010 permit dual liability in principle, but enforcement authorities frequently coordinate through mechanisms such as Deferred Prosecution Agreements (DPAs) to avoid excessive punitive duplication. In notable cases such as *Airbus*⁵¹ and *Telia*,⁵² the US Department of Justice adjusted its penalties in consideration of sanctions already imposed by other jurisdictions. To strengthen the proportionality and legitimacy of cross-border enforcement, China may consider adopting similar coordination mechanisms or sentencing flexibility when enhancing extraterritorial anti-bribery enforcement.

2.2 Challenges in Enforcing Criminal Liability Under Chinese Law

There are structural restrictions on China's criminal liability system for international commercial bribery. Although giving bribes to foreign public officials is illegal in the home country, Article 164(2) of the Criminal Law does not have any implementation guidelines.⁵³ The requirements and cutoff points for applying this clause are still unclear in court practice. On the other hand, Section 7 of the UK Bribery Act establishes a strict liability paradigm for corporate failure to prevent bribery, whereas Sections 78dd-1 to 78dd-3 of the US Foreign FCPA create a multi-layered jurisdictional structure.⁵⁴ These legislative strategies provide insightful information about institutional prevention as well as enforcement capability.

China faces two challenges in enforcing the Criminal Law's regulation of international commercial bribery as a host country. The scope for holding foreign individuals and legal entities accountable is limited by Article 8 on protective jurisdiction, which sets relatively high thresholds for applicability.⁵⁵ The requirement is that the act must be punishable under both Chinese and foreign law and typically carry a minimum sentence of three years. On the

⁴⁹ Qingxiu Bu, 'The Culture Variable Vis-à-Vis Anti-Bribery Law: A Grey Area in Transnational Corporate Criminal Liability' (2018) 19 *European Business Organization Law Review* 183 <<http://link.springer.com/10.1007/s40804-017-0089-8>>.

⁵⁰ Han (n 4).

⁵¹ *Director of the Serious Fraud Office v Airbus SE* (2020) 1 *Weekly Law Reports* 23.

⁵² *US Securities and Exchange Commission, In the Matter of Telia Company AB* (Exchange Act Release No 81669, 21 September 2017).

⁵³ *Criminal Law 2023* (n 23).

⁵⁴ FCPA 1997 (n 18); Bribery Act 2010.

⁵⁵ *Criminal Law 2023* (n 23).

other hand, Article 393, which governs corporate bribery, focuses primarily on monetary fines and lacks any compliance-linked mechanisms for liability mitigation.⁵⁶ In addition to failing to encourage business internal risk management, this legal paradigm has difficulty addressing intricate bribery schemes, including offshore payments, covert transfers, or third-party intermediaries.

Three significant changes are necessary to increase the effectiveness of China's criminal liability system from a comparative standpoint. First, the concept of 'substantial effects' should be incorporated into the legal foundation for extraterritorial jurisdiction to reinforce the link between domestic legal interests and international bribery. The term 'substantial effects' refers to circumstances where conduct occurring outside China produces tangible harm or disruption to the integrity of China's domestic market, legal order, or commercial fairness. This concept has been used in other jurisdictions such as the United States and the European Union to justify extraterritorial application of laws, particularly in antitrust and anti-bribery enforcement. Incorporating a similar test into China's Criminal Law framework could provide clearer normative grounding for prosecuting overseas commercial bribery that undermines domestic interests. Second, to change corporate criminal responsibility from a solely punitive paradigm to a preventative one, corporate compliance structures ought to be incorporated into the liability assessment process. Third, to overcome procedural challenges like cross-border investigations and evidentiary transfers, a strong framework for international judicial cooperation needs to be put in place. In addition to strengthening deterrence, these measures would increase China's institutional presence and normative influence in international anti-corruption governance.

3. Civil Liability Under Chinese Law

In the context of transnational commercial bribery, civil liability is both a remedy for affected parties and a necessary addition to the more general anti-bribery legal framework. In the context of commercial bribery that distorts fair competition or invalidates contracts, affected parties typically include unsuccessful bidders, domestic firms excluded from competitive processes, potential market participants denied equal access to business opportunities, and even minority shareholders or creditors whose interests were harmed by managerial bribery. Legal remedies may take the form of contract rescission, restitution of unjust enrichment, tort compensation, or fiduciary liability claims against company directors. Clarifying the scope of affected parties helps improve the practical enforceability of civil liability and ensures more targeted access to judicial redress. Main laws controlling civil liability in China are the Civil Code, the Company Law, and the Anti-Unfair Competition Law. Each of these statutes offers special legal instruments for corporate responsibility, deterrence, and compensation. This section looks at civil responsibility from two aspects, considering China's twin positions as a home country where Chinese companies bribe abroad and as a host nation where foreign companies commit bribery inside Chinese borders.

⁵⁶ Criminal Law 2023 (n 23).

3.1 Analysis of Civil Liability Under Chinese Law

When a Chinese enterprise secures improper business advantages abroad through bribery, the possibility for affected parties to seek civil remedies under Chinese law remains limited.⁵⁷ On one hand, Chinese courts are generally reluctant to resolve conflicts arising totally outside China because of their principle of territoriality.⁵⁸ Conversely, even if the impacted party is a Chinese corporation, seeking claims like contract invalidation or recovery of illegal earnings encounters major legal applicability and cross-border evidence collection challenges.

But some legal rules can apply if the defendant keeps assets or a commercial presence in China. Article 153 of the Civil Code states that contracts breaking mandatory requirements of laws or administrative rules are void; Article 157 calls for the return of any property acquired via a void contract. These can be used to nullify agreements reached by bribery.⁵⁹ Moreover, Article 122 states that those who acquire unjust enrichment at another's expense must reimburse the advantage, which could apply in cases when a corporation benefits from illegally acquired commercial prospects.⁶⁰

Furthermore, establishing the fiduciary and due diligence responsibilities of directors and top executives is the Company Law of Articles 191 and 192.⁶¹ Management may be held accountable for losses suffered by the business or its owners where it neglects to monitor foreign companies or outside agents engaged in bribery. Though the law does not yet clearly mandate extraterritorial compliance obligations, Chinese courts are more ready to assign culpability based on internal control shortcomings and corporate governance lapses.⁶²

China has not yet established a developed class action or investor redress system; however, unlike the United States—where the Securities Exchange Act permits shareholders to pursue class actions for securities fraud resulting from unreported bribery.⁶³ This reduces investors' capacity to seek reimbursement for indirectly resulting damages from offshore commercial bribery.

China's legal system provides a rather simple mechanism for rendering foreign companies civilly answerable for commercial bribery carried out on its territory.⁶⁴ Article 7

⁵⁷ JiangYu Wang, 'Enforcing Fiduciary Duties as Tort Liability in Chinese Courts', *Enforcement of Corporate and Securities Law* (Cambridge University Press 2017) <<https://www.ssrn.com/abstract=3037837>>.

⁵⁸ Han (n 4).

⁵⁹ Civil Code of the People's Republic of China 2021; Jun-li (n 22).

⁶⁰ Civil Code 2021 (n 59); Jun-li (n 22).

⁶¹ Company Law of the People's Republic of China 2023; Shaowei Lin and Lin Lin, 'Directors' Duty of Care in China: Empirical and Comparative Perspective' (*Social Science Research Network*, 2021) <<https://www.ssrn.com/abstract=3891181>>.

⁶² Zhaoyi Li, 'Judicial Review of Directors' Duty of Care: A Comparison Between US and China' (2022) 83 *University of Pittsburgh Law Review* 597 <<https://www.ssrn.com/abstract=4232576>>.

⁶³ Wang (n 63).

⁶⁴ Zhang (n 33).

of the Anti-Unfair Competition Law forbids business owners from paying bribes to transaction counterparties or other people that might influence transactions.⁶⁵ Under Article 17, victims of such behaviour are entitled to legal recompense.⁶⁶ Article 1165 of the Civil Code on general tort liability lets affected domestic companies seek damages for financial losses, including lost commercial possibilities, declining market share, or reputation damage.⁶⁷

Unlike criminal accountability, which needs the bribe amount to satisfy statutory standards, civil culpability is established by showing blame, damage, and causation.⁶⁸ If a foreign company utilises bribery to land a government contract, a losing Chinese bidder could be entitled to the refund for its expected revenues and bidding costs.⁶⁹

Two interesting pragmatic issues exist. First, even if Chinese courts have geographical jurisdiction over bribes paid within China, if the foreign company has executable assets in China, it may be challenging to enforce civil penalties.⁷⁰ Second, under Article 10 of the Supreme People's Court's Provisions on Civil Evidence, facts established in final administrative punishment decisions or criminal judgements could be straightly admitted as evidence in civil procedures.⁷¹ For the plaintiff, this drastically lowers the burden of proof.

3.2 Challenges in Enforcing Civil Liability Under Chinese Law

China's legal framework for civil liability in commercial bribery has laid a foundation. However, when assessed from the dual perspective of China as both a home and host country, it reveals notable structural shortcomings—particularly in the areas of cross-border civil accountability, liability determination, and private law remedies—when compared to jurisdictions such as the United States and the United Kingdom.

China lacks a clear civil liability system as a home country to control the foreign bribery operations of Chinese businesses.⁷² While Article 121 authorises repayment of unjust enrichment, Article 153 of the Civil Code lets transactions violating required legal provisions be void.⁷³ Still, these clauses are not meant to function as stand-alone civil enforcement tools;

⁶⁵ Anti-Unfair Competition Law 2019 (n 37); Jiang (n 5).

⁶⁶ Anti-Unfair Competition Law 2019 (n 37); Jiang (n 5).

⁶⁷ Civil Code 2021 (n 59); Jun-li (n 22).

⁶⁸ Jiang (n 5).

⁶⁹ Zhang (n 33).

⁷⁰ Luo (n 40).

⁷¹ Provisions of the Supreme People's Court on Several Issues Concerning Evidence in Civil Procedures 2019; Jun-li (n 22).

⁷² Enshen Li and Simon Bronitt, 'Combating Foreign Bribery in China: Rethinking Zero Tolerance with "Chinese Characteristics"' (2017) 5(2) *The Chinese Journal of Comparative Law* 308 <<http://academic.oup.com/cjcl/article/5/2/308/4772221>>.

⁷³ Jun-li (n 22).

they generally depend on past criminal or administrative findings of bribery.⁷⁴ Furthermore, although the Company Law (2023 revision) imposes duties of loyalty and diligence on directors and senior executives (Articles 180 and 191), it remains unclear how these provisions are to be applied in transnational bribery circumstances involving overseas subsidiaries or third-party intermediaries.⁷⁵

Under the FCPA and the Securities Exchange Act, the United States has evolved a sophisticated civil liability system containing procedures for class action litigation resulting from failure to disclose bribery-related risks and for disgorgement of illegal profits.⁷⁶ Established in *Basic Inc v Levinson*, the 'fraud-on-the market' doctrine greatly reduces the proof load for securities fraud cases.⁷⁷ Under Section 7 of the UK Bribery Act 2010, the United Kingdom also puts strict accountability on corporate actors for failing to prevent bribery; under the Companies Act 2006, especially in circumstances whereby internal compliance mechanisms are considered insufficient, the United Kingdom also holds directors civilly liable.⁷⁸

China's legal system, as a host country, provides more sensible means for imposing civil responsibility on international businesses engaged in bribery within its borders. While Article 1165 of the Civil Code lays a broad fault-based tort liability framework, Articles 7 and 17 of the Anti-Unfair Competition Law forbid commercial bribery and give victims the opportunity to seek damages.⁷⁹ Nonetheless, practical obstacles persist. First, there remains no consistent judicial standard for distinguishing between illegitimate bribery and lawful commercial conduct.⁸⁰ Second, Chinese courts often lack clarity in coordinating restitution of illegal gains, contract invalidation, and compensatory damages.⁸¹ Third, there is insufficient integration between administrative or criminal determinations and civil adjudication, limiting the ability of victims to rely on prior rulings to establish liability.⁸²

In comparison, the United States and the United Kingdom provide more robust host country frameworks for holding foreign firms civilly accountable.⁸³ US authorities such as the Department of Justice and the SEC frequently pursue civil actions alongside criminal or

⁷⁴ Jun-li (n 22).

⁷⁵ Lin and Lin (n 61).

⁷⁶ Jiang (n 5).

⁷⁷ *Basic Inc v Levinson*, (1988) 485 US 224, US Supreme Court decision establishing the 'fraud-on-the-market' doctrine in securities fraud litigation.

⁷⁸ F Zeng, 'A Primer on China's Bribery Regulation: Status Quo, Development, Drawback, and Proposed Solution' (Upper Level Writing Requirement Research Papers, American University Washington College of Law 2017) <http://digitalcommons.wcl.american.edu/stu_upperlevel_papers/33>.

⁷⁹ Jun-li (n 22); Jiang (n 5).

⁸⁰ Zhang (n 33).

⁸¹ Jun-li (n 22).

⁸² Han (n 4).

⁸³ Hannah Harris, 'Corporate Liability for Bribery—in Favour of Systematic Approach' (2020) 32(3) *Current Issues in Criminal Justice* 309 <<https://www.tandfonline.com/doi/full/10.1080/10345329.2020.1813384>>.

administrative enforcement, and private litigants can rely on findings from official investigations as indirect evidence in civil proceedings.⁸⁴ Likewise, British courts have invoked director responsibility clauses under the Companies Act in circumstances involving failing internal controls by overseas businesses functioning in the United Kingdom.⁸⁵ Both regimes stress the corrective role of civil law by making businesses answerable for governance mistakes causing bribes.

China must improve its civil liability framework in both dimensions. As a home country, it should develop civil liability mechanisms that operate independently from criminal law and clarify managerial responsibility in overseas bribery cases. As a host country, it should strengthen the civil characterization of bribery, unify judicial standards, and enhance the evidentiary impact of administrative or criminal findings. Only by building an integrated and enforceable civil liability system can China ensure that private law plays a substantive role in the global fight against transnational bribery.

4. Administrative Liability Under Chinese Law

Particularly in countries where criminal enforcement is still lax or inconsistently applied, administrative liability is becoming an increasingly important factor in the control of commercial bribery committed by multinational corporations. Administrative liability for commercial bribery in the Chinese legal environment is mostly based on the Anti-Unfair Competition Law, the Government Procurement Law, and several regulatory measures published by the State Administration for Market Regulation. Often outside of criminal investigations, these legal tools allow administrative authorities to look at and punish bribery-related misbehaviour. Focussing on China's role as a home country in addressing overseas misbehaviour by Chinese companies and as a host country in reacting to commercial bribery committed by foreign businesses operating under its jurisdiction, this section examines the scope, enforcement mechanisms, and institutional limitations of administrative liability from two perspectives.

4.1 Analysis of Administrative Liability Under Chinese Law

As a home country, China has not yet developed a systematic administrative enforcement regime for regulating overseas commercial bribery committed by Chinese enterprises. The Anti-Unfair Competition Law, as the principal instrument for administrative regulation, is territorially confined and contains no express provisions for extraterritorial application.⁸⁶ Although the State Administration for Market Regulation has the power to punish domestic commercial bribery, its capacity for enforcement does not include misbehaviour occurring

⁸⁴ Ian Bagley, 'Securities Law—Eighth Circuit Rejects Knowledge Requirement in Assessing Civil Liability for Corporate Executives Who Deceive Auditors—SEC v Das' (2014) 47(3) *Suffolk University Law Review*.

⁸⁵ Zeng (n 78).

⁸⁶ Zhang (n 33).

elsewhere.⁸⁷ As a result, Chinese businesses that pay foreign officials usually avoid administrative examination unless the behaviour concurrently results in criminal culpability or foreign regulatory investigation.

The United States uses a multi-layered enforcement strategy by contrast. Both the Securities and Exchange Commission and the Department of Justice are authorised under the FCPA to impose administrative remedies, including fines, injunctions, and compliance monitoring, in addition to criminal and civil penalties. Further adding a debarment mechanism, the Federal Acquisition Regulation disqualifies businesses found guilty of bribery from engaging in public procurement, hence improving administrative exclusion from government markets and hence increasing deterrence.⁸⁸

One similarly advanced concept comes from the United Kingdom. Although the UK Bribery Act 2010 is essentially criminal in character, the Serious Fraud Office can negotiate Deferred Prosecution Agreements with companies, requiring them to pay large fines, install outside compliance monitors, and commit to internal reforms.⁸⁹ These Deferred Prosecution Agreements have been effectively used in well-publicized international cases, including Airbus and Rolls-Royce, therefore demonstrating regulatory flexibility and cross-border collaboration. They also have punitive and preventive purposes.⁹⁰

China does not now have such systems, by contrast. China has not established an administrative debarment system or Deferred Prosecution Agreements that would let businesses get leniency in return for compliance pledges or collaboration.⁹¹ Though the State Administration for Market Regulation has developed corporate compliance rules recently, these remain advisory in character and non-binding. Consequently, the control of foreign commercial bribery by Chinese companies mostly depends on the Criminal Law since administrative agencies play a little part. This institutional void hampers the development of a preventive compliance culture as well as regulatory adaptability.

At the host-country level, China has established a basic administrative framework for regulating commercial bribery committed by foreign enterprises, but significant institutional gaps remain in areas such as enforcement coordination, sanction effectiveness, and international cooperation. Article 7 of the Anti-Unfair Competition Law explicitly prohibits business operators from obtaining transactional opportunities through improper financial inducements, while Article 13 authorises administrative authorities to conduct on-site

⁸⁷ Elizabeth K Spahn (n 15).

⁸⁸ Drury D Stevenson and Nicholas J Wagoner, 'FCPA Sanctions: Too Big to Debar?' (2011) 80 *Fordham Law Review* 775 <<http://www.ssrn.com/abstract=1811126>>.

⁸⁹ Qingxiu Bu, 'The Viability of Deferred Prosecution Agreements (DPAs) in the UK: The Impact on Global Anti-Bribery Compliance' (2021) 22 *European Business Organization Law Review* 173 <<https://link.springer.com/10.1007/s40804-021-00203-5>>.

⁹⁰ Laura Lintott, 'Rise in Corruption and Bribery Prosecutions' [2018] *Construction Law* 6.

⁹¹ Ritankar Sahu, 'A Gap Analysis of Enforcing FCPA-Compliant Codes of Conduct in Low- and Middle-Income Countries' (2020) 41(6) *Business Law Review* 225 <<https://kluwerlawonline.com/journalarticle/Business+Law+Review/41.6/BULA2020123>>.

inspections, review account books, and freeze assets during investigations.⁹² Under this law, the State Administration for Market Regulation may impose fines ranging from RMB 100,000 to RMB 3 million (approximately USD 13,800 to 41,400), confiscate illegal gains, and revoke business licenses in serious cases. However, the current ceiling for administrative penalties remains relatively low compared to international standards, and China lacks a long-term market exclusion mechanism.⁹³ In contrast, the United States enforces debarment through the Federal Acquisition Regulation, and the United Kingdom imposes similar restrictions under the Public Contracts Regulations via a national blacklist system. China has yet to establish a unified exclusion mechanism that effectively prevents bribery-convicted companies from continuing to access public procurement opportunities.

Furthermore, administrative enforcement in China suffers from pronounced fragmentation.⁹⁴ Under the current system, multiple agencies—including State Administration for Market Regulation, the Ministry of Finance, and local government procurement centres—share jurisdiction over commercial bribery enforcement. However, the division of responsibilities remains unclear, and there is no centralised data platform or national blacklist system.⁹⁵ As a result, companies penalised for bribery in one region may continue to operate normally in other provinces, weakening the overall deterrent effect.

China also faces institutional limitations in cross-border administrative cooperation.⁹⁶ Unlike the United States and the United Kingdom, which have established enforcement coordination frameworks through the OECD and other multilateral platforms, Chinese administrative authorities lack mechanisms for information sharing, evidence exchange, or coordinated sanctions in international cases. This inward-looking enforcement structure places China at the periphery of global anti-bribery collaboration.

By contrast, the United States uses debarment under the Federal Acquisition Regulation to exclude violators from federal contracts and enforces the FCPA through coordinated action by the Department of Justice and the Securities and Exchange Commission. By means of the Bribery Act 2010 and associated Public Contracts Regulations, the United Kingdom maintains a mature exclusion list whereby corporations engaged in bribery are not allowed to participate in public bids.⁹⁷ Both nations also combine administrative penalties with compliance requirements via Deferred Prosecution Agreements, therefore obtaining both institutional reform and punishment.

⁹² Jiang (n 5).

⁹³ HO Androshchuk, 'Review of China's Unfair Competition Law: Impact on Intellectual Property' [2024] *Science, Technologies, Innovation* 58 <https://nti.ukrintei.ua/?page_id=5791&lang=en>; Liming Zhou, Zhangfeng Jin and Zheng Wang, 'Who Gets Caught for Corruption When Corruption Is Pervasive? Evidence from China's Anti-Bribery Blacklist' (2017) 24(4) *Applied Economics Letters* 258 <<https://www.tandfonline.com/doi/full/10.1080/13504851.2016.1181826>>.

⁹⁴ Jingyuan Ma, 'Enforcement of Competition Law: Public Enforcement and Competition Agencies', *Competition Law in China* (Springer 2020) <http://link.springer.com/10.1007/978-981-15-5105-5_9>.

⁹⁵ Zhou, Jin and Wang (n 93).

⁹⁶ Elizabeth K Spahn (n 15).

⁹⁷ Bu (n 89).

4.2 Challenges in Enforcing Administrative Liability Under Chinese Law

As a home country, China's administrative framework for regulating outbound commercial bribery by its enterprises remains underdeveloped.⁹⁸ The current Anti-Unfair Competition Law does not grant administrative bodies such as the State Administration for Market Regulation extraterritorial jurisdiction, nor does it provide binding provisions for overseas enforcement. As a result, Chinese companies involved in commercial bribery overseas usually fall outside the purview of administrative control unless their activities also result in criminal or civil responsibility inside China. Under the FCPA, on the other hand, US authorities—that is, the Securities and Exchange Commission and the Department of Justice—regularly impose fines, compliance monitoring, and procurement restrictions.⁹⁹ The UK, through the Bribery Act and Public Contracts Regulations, empowers the Serious Fraud Office to implement Deferred Prosecution Agreements, embedding compliance duties into administrative settlements.¹⁰⁰ China, by comparison, lacks such mechanisms, resulting in an administrative regime that is both limited in flexibility and disconnected from international enforcement networks.

As a host country, China maintains a basic administrative enforcement structure through Articles 7 and 13 of the Anti-Unfair Competition Law, which authorize regulators to investigate and sanction commercial bribery. Still, there are important restrictions. RMB 3 million is quite a low statutory fine ceiling that does not have enough deterrent effect. China also lacks a uniform nationwide debarment system; hence businesses punished in one area could still be free in another.¹⁰¹ Moreover, without a centralised database or coordination tool, enforcement authority is dispersed among several agencies—including the State Administration for Market Regulation, the Ministry of Finance, and local procurement bureaus. In cross-border enforcement, China has not yet developed mechanisms equivalent to the FCPA's multilateral cooperation or the mutual recognition frameworks used by the UK and its partners, constraining China's global anti-bribery engagement.¹⁰²

To strengthen the administrative liability system, China should take parallel actions on both fronts.¹⁰³ As a home country, it should legislate the administrative punishment ability of overseas bribery and establish compliance cooperation and settlement mechanisms. As a host country, it should raise the statutory fine threshold, create a nationwide debarment system, and facilitate inter-agency information sharing. Only through such reforms can

⁹⁸ Jiang (n 5).

⁹⁹ Gordon E Kaiser, 'Corruption in the Energy Sector: Criminal Fines, Civil Judgments, and Lost Arbitrations' (2013) 34(1) *The Energy Law Journal* 193.

¹⁰⁰ Amanda Sanseverino, 'The Impact of Anti-Corruption Laws: Evidence from the UK Bribery Act's Extraterritorial Reach' (2020) CUNY Academic Works <https://academicworks.cuny.edu/gc_etds/3782>.

¹⁰¹ Stevenson and Wagoner (n 88).

¹⁰² Elizabeth K Spahn (n 15).

¹⁰³ Jiang Dong, 'Does China Need an Anti-foreign Bribery Statute? Some Lessons From the FCPA of US' (2017) 12(3) *Frontiers of Law in China* 355.

administrative liability evolve into a substantive pillar in China's anti-bribery commercial legal framework.

5. Conclusion

China's legal framework for addressing commercial bribery by multinational corporations reflects notable progress in recent years but remains limited in scope, coherence, and effectiveness. By analysing criminal, civil, and administrative liabilities from both external (home country) and internal (host country) perspectives, this paper demonstrates that although China has established basic legal tools to sanction corporate bribery, the current regime is still predominantly punitive, fragmented, and reactive.

On the criminal side, the lack of clear extraterritorial jurisdiction, vague legislative language, and absence of compliance incentives weaken enforcement against outbound bribery by Chinese enterprises. While the 2016 Judicial Interpretation and the 2023 Criminal Law Amendment mark important developments, China's approach still falls short when compared to the more preventive and incentive-driven frameworks of the U.S. FCPA and UK Bribery Act.

In the civil liability domain, although victims may pursue remedies through contract invalidation, restitution, and tort claims, cross-border enforcement difficulties and limited procedural tools—such as class actions or collective redress—reduce the system's accessibility and impact. Administrative enforcement, while relatively more active domestically, remains hampered by low penalties, a lack of national coordination, and the absence of effective tools to regulate Chinese firms' overseas bribery.

Comparative analysis further highlights that China's current anti-bribery system lacks an integrated, compliance-oriented, and internationally coordinated approach. Without institutional reforms—such as incentivizing voluntary disclosures, unifying enforcement efforts, and enhancing cross-border cooperation—China will continue to face difficulties in deterring and addressing transnational commercial bribery effectively.

At the regional level, Singapore is regarded as a successful model of anti-corruption institutional design. Its framework centres on the Prevention of Corruption Act and the independent Corrupt Practices Investigation Bureau (CPIB), integrating a preventive orientation, robust enforcement capacity, and cross-agency coordination.¹⁰⁴ The system addresses bribery in both the public and private sectors, supported by reporting mechanisms, a culture of compliance, and highly deterrent penalties to establish a comprehensive anti-bribery regime.¹⁰⁵ The Singapore model highlights the critical importance of enforcement independence, corporate compliance obligations, and the coordination between administrative and criminal enforcement, offering valuable insights for institutional reform in China. This paper aims to reveal the underlying structural

¹⁰⁴Prevention of Corruption Act 1960 (Cap 241, 1993 Rev Ed) (Singapore).

¹⁰⁵Jon ST Quah, *Curbing Corruption in Asian Countries: An Impossible Dream?* (ISEAS/Emerald Publishing 2013).

deficiencies in China’s anti-corruption legal framework—such as limited enforcement independence and the absence of compliance incentives—through comparative legal analysis, rather than prescribing specific legislative reforms, thereby laying a theoretical foundation for future reform-oriented research.

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