

IN-DEPTH

International Investigations

CHINA



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International Investigations

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In-Depth: International Investigations (formerly The International Investigations Review) answers the most common questions and concerns that corporate counsel face in guiding their clients through criminal or regulatory investigations worldwide. It highlights the major issues and critical characteristics of a given country's legal system and will serve as an invaluable aid in engaging, advising and directing local counsel in that jurisdiction.

Generated: June 23, 2025

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Introduction

External investigations in China can be generally divided into two major categories: criminal investigations and administrative investigations, with the investigative power being vested among multiple authorities. From a criminal perspective, authorities with criminal investigative powers include:

1. public security bureaus (PSBs), responsible for investigations, criminal detentions, the execution of arrests and preliminary inquiries in criminal cases;^[1]
2. the people's procuratorates (procuratorates), responsible for prosecutions, the approval of arrests and conducting investigations into criminal violations relating to judicial functionaries' infringement on citizens' rights or judicial justice;
3. national security authorities, which investigate and handle cases of crimes that compromise national security, performing the same functions and with the same powers as PSBs;
4. military security authorities, which may exercise the right to investigate criminal cases occurring in the military;
5. the China Coast Guard, a law enforcement body that safeguards marine rights and exercises the right to investigate criminal cases occurring at sea; and
6. prisons.

From an administrative perspective, authorities with investigative powers include:

1. the State Administration for Market Regulation (SAMR), which oversees market regulation, food safety, healthcare compliance, advertisement violations, competition violations, commercial bribery, anti-monopoly, etc.; and its subsidiary bureaus, including administrations for market regulations (AMRs) at the provincial, municipal and county levels;
2. the National Development and Reform Commission and its subsidiary bureaus, responsible for overall planning and control of the national economy, and investigating price-related violations;
3. the China Securities Regulatory Commission (CSRC) and its subsidiary bureaus, responsible for the administration of securities and investigating securities fraud;
4. PSBs, which are also responsible for investigating administrative violations impacting public security;
5. the People's Bank of China (PBOC) and its subsidiaries, responsible for carrying out monetary policy and regulation of financial institutions in mainland China, and regulating money laundering activities; and
6. other administrative authorities, such as the State Taxation Administration, the Customs, and the Environmental Protection Bureaus.

Notably, supervisory commissions, which supervise all public officials exercising public powers, are responsible for investigating duty-related illegal activities and criminal offences, and carry out anti-corruption work.

For criminal investigations, the authorities are empowered to:

1. interrogate the criminal suspect;
2. interview with the witnesses;
3. inspect or examine the sites, objects and persons relevant to a crime (including dawn raids);
4. search the criminal suspect and their belongings and residence, and anyone who might be hiding a criminal or criminal evidence, as well as other relevant places;
5. seal up or seize the property and documents; and
6. access or freeze a criminal suspect's deposits, remittance, bonds, stocks, shares, funds or other property.

For administrative investigations, the authorities are generally empowered to:

1. conduct on-site inspections (including dawn raids);
2. interview the parties involved in the suspected violation;
3. require the parties involved in the suspected violation to produce relevant supporting documents;
4. review and reproduce documents and materials;
5. seal up or seize property; and
6. access bank accounts.

External investigations may be triggered by routine inspections, whistleblowing reports, accusations, complaints, self-disclosure, transfers of cases between authorities or even media exposure concerning certain types of misconduct. Once an external investigation has commenced, the responsible authorities will exercise their discretion as to the investigation methods, depending on the nature of the alleged misconduct and the resources available for investigation.

Among the enumerated investigation methods, dawn raids are adopted quite frequently by government authorities. A dawn raid may be carried out if the authorities believe that prior notice or warning could possibly lead to the destruction or falsification of evidence. During a government dawn raid, the officers will show up without prior notice, usually in the morning at the start of the working day at the predetermined sites. Several sites can be targeted simultaneously within or across provinces and a dawn raid can last for several days. Government authorities may have already collected evidence through peripheral investigations before initiating a dawn raid or sometimes a dawn raid could be triggered under exigent circumstances.

The time frames for external investigations are usually set in the respective laws and regulations of the different authorities. Companies under investigation are obliged to cooperate with the authorities and it is crucial to timely evaluate the potential legal

implications and conduct necessary interactions with the authorities to contain the legal risk exposures and to achieve a favourable result.

Year in review

Published statistics show that, in 2024, AMRs have substantially strengthened their enforcement of anti-monopoly and anti-unfair competition. AMRs undertook specialised anti-monopoly enforcement initiatives and special operations against unfair competition, which contributed to resolving 36,000 monopoly cases related to the internet, imposing fines totalling 264 million yuan, and handling more than 14,000 cases of unfair competition with fines totalling 805 million yuan.

With respect to securities fraud, in 2024, the CSRC concluded 739 cases (178 cases of suspected crimes were transferred to PSBs), issued 592 punishment decisions, with fines totalling 15.342 billion yuan (2.4 times more compared to 2023), punished 1327 entities (a 24 per cent year-on-year increase) and imposed market bans on 118 individuals (a 14.56 per cent year-on-year increase).

In January 2022, the PBOC, the Supreme Court, the Ministry of Public Security, the State Supervision Commission, the Supreme People's Court, the Supreme People's Procuratorate, the Ministry of State Security, the General Administration of Customs, the State Administration of Taxation, the China Banking Regulatory Commission, the CSRC and the State Administration of Foreign Exchange jointly issued the Three-Year Action Plan to Combat Money Laundering Offences (2022–2024) and launched a nationwide three-year campaign to crack down on all kinds of money laundering activities from January 2022 to December 2024, to improve the risk prevention and control mechanism against money laundering and effectively safeguard national security, social stability, economic development and the interests of the people. It is noteworthy that the revised Anti-Money Laundering Law of PRC came into effect on 1 January 2025, marking its first revision since its initial promulgation in 2006. The amended Anti-Money Laundering Law clearly emphasises the administrative supervision and regulatory responsibilities of the anti-money laundering authorities. It also provides detailed provisions regarding the supervision and inspection measures of the anti-money laundering authorities on the obligated institutions, clarifies the penalty power of the anti-money laundering authorities and specifies the types and measures of administrative penalties that may be imposed. Additionally, the scope and severity of these penalties has been greatly increased.

For healthcare industry particularly, starting from May 2023, a collaborative effort involving 14 ministries and administrations has been initiated based on the 'Key Points for Crack-down on Malpractice in the Pharmaceutical Purchasing and Sales and Medical Services in 2023'. This concerted action aims to address misconduct and irregularities prevalent in the medical product industry. Building upon this foundation, in July 2023, 10 ministries and administrations announced their intentions to launch a year-long nationwide campaign dedicated to combating corruption within the industry. This campaign is set to receive guidance and support from the Central Commission for Discipline Inspection of the Communist Party of China (CCDI) and the National Commission of Supervision (NCS). Emphasising a comprehensive approach, the CCDI and the NCS have underscored the significance of conducting thorough and systematic oversight across 'all aspects, the

entire value chain, and achieving full coverage in this sector'. This signifies a resolute commitment to ensuring integrity and accountability throughout the healthcare sector. In May 2024, 'Key Points for Crack-down on Malpractice in the Pharmaceutical Purchasing and Sales and Medical Services in 2024' was released, aiming to consolidate, deepen and expand the results of the nationwide campaign to combat corruption in the healthcare sector. It is also noteworthy that in January 2025, the SAMR issued Compliance Guidance for Pharmaceutical Companies in Preventing Commercial Bribery Risks (the Guidance) for marketing participants in the healthcare industry. The Guidance proposes advice on the establishment of an effective compliance program, and the compliance requirements as well as risk identification and prevention for nine scenarios that are inclined to be exposed to bribery risks. Although it is non-compulsory, as the first nationwide anti-bribery guidance for healthcare industry promulgated by the SAMR, the Guidance is highly likely regarded as a significant reference for AMRs across the country during law enforcement actions.

Conduct

Self-reporting

Article 110 of the Criminal Procedure Law imposes a general obligation on individuals and entities to report any suspected crimes or criminal activity, but on literal interpretation and from a general public perspective, the requirement is construed to mean reporting the criminal activities of others, rather than self-reporting, and no legal consequences are clearly stipulated for failing to self-report. Article 67 of the Criminal Law to some extent encourages self-reporting of criminal activity by stipulating mitigation or even exemption from the criminal penalties under circumstances of voluntary confession. Similar principles could also be reflected in some other provisions prescribed in the Criminal Law. For example, Article 164 of the Criminal Law provides that 'any briber who confesses the bribery voluntarily prior to prosecution may be given a mitigated punishment or be exempted from punishment'. Paragraph 2 of Article 55 of the Counter-Espionage Law provides that:

whoever joins an espionage or hostile organisation abroad under duress or inducement to engage in activities compromising the national security of China, but that honestly states the fact to a mission of China abroad in a timely manner or, after his or her return from abroad, honestly states the fact directly, or through his or her employer, to a national security authority in a timely manner and shows repentance, may be exempted from legal liability.

From the administrative law perspective, self-reporting obligations are scattered in various laws and regulations, mostly related to violations that might have an impact on social security and public welfare, such as food and drug safety, environmental protection and cybersecurity. For example, Article 47 of the Food Safety Law requires food manufacturers or business operators to cease food manufacturing or food business operations, and report to the food safety supervision and administration departments in the event of a food safety incident with potential risks. For other administrative violations, self-reporting is now appearing more often as a prerequisite in certain leniency programmes for companies to receive self-disclosure or cooperation credit. A typical situation is a horizontal monopoly

agreement case, where business operators could choose to self-disclose the violation and provide important evidence in exchange for lenient treatment.

Internal investigations

In general, conducting internal investigations is not a statutory obligation in China, unless prescribed in the applicable industry-specific legislation (mostly in response to safety incidents). For instance, the Administrative Measures for Medical Device-Related Adverse Event Monitoring and Re-evaluation provides that, after identifying a medical device-related adverse event, marketing authorisation holders must immediately cease sales and operations, notify the user, in parallel with conducting an investigation and self-inspection of manufacturing quality control systems, and report the findings to the supervision authorities.

In addition, Chinese authorities (often industry supervision authorities) may initiate enforcement actions and require companies to conduct self-inspections and report non-compliant activities. For instance, in an ad hoc enforcement against commercial bribery in the healthcare industry, initiated by the AMRs in Tianjin in 2017 and 2018, companies and medical institutions were required to conduct self-inspections on commercial bribery and take corresponding remedial actions in this regard.

In practice, internal investigations are incorporated into the internal control mechanism by companies for compliance purposes. The cause of the actions varies in each company but white-collar crime and fraud (e.g., commercial bribery, bid rigging and embezzlement) are usually among the focuses for the majority of companies in China.

Commonly, internal investigations are undertaken by in-house counsels in the company or external local counsels depending on the nature and severity of the issues under investigation. The methodology and process for these internal investigations usually include document review, financial review and interviews with employees and other personnel. The key issues during internal investigations involve the legal issue identification, design and implementation of the investigation process analysis based on the findings and determining the solutions. Notably, due process and evidence preservation are often overlooked by companies, as it is very likely that the facts and evidence gathered under internal investigation may end up in labour arbitration tribunals or court for litigation purposes or be submitted to the Chinese authorities. Therefore, how to preserve the integrity of the internal investigation and ensure the admissibility of the evidence should be carefully evaluated during the preparation and implementation of the internal investigation.

Companies in China also commonly conduct internal investigations in relation to foreign law considerations, such as the Foreign Corrupt Practices Act (FCPA), but this practice has been substantially impacted by the newly enacted International Criminal Judicial Assistance Law (ICJAL) in October 2018, which expressly stipulates that institutions, organisations and individuals in China must not provide to foreign countries evidence materials or assistance provided for in this Law without the consent of the competent Chinese authority. It is noteworthy that in April 2024, seven departments, including the National Supervisory Commission, the Supreme People's Court and the Supreme People's Procuratorate, jointly issued specific regulations to implement the ICJAL, mandating the establishment of a working mechanism under the State Council to review the application

for the cross-border transfer of criminal evidence. Consequently, any provision of criminal evidence or related information from entities, organisations, or individuals within China to foreign parties – either directly requested by the foreign authorities, or collaterally through instructing companies in China to collect evidence through internal investigation – is subject to review and approval by this working mechanism. The regulation also specifies that the criminal lawsuit activities conducted by foreign institutions, organisations and individuals must obtain the consent of the competent Chinese authority in advance, including but not limited to collecting and retrieving criminal evidence from institutions, organisations and individuals in China.

Whistleblowers

Companies in China are now being exposed to the risks arising from the high frequency of whistleblower complaints. The right to report crimes and other legal violations by citizens is well established in principle in the laws and regulations, such as the Constitution, the Criminal Procedure Law and the Anti-Unfair Competition Law. Although there is currently no consolidated legal regime to regulate whistleblowing reports, various authorities have respectively promulgated legislation to regulate whistleblowing reports against certain types of misconduct in their domain. For instance, in the pharmaceutical sector, the precedent of rewarding whistleblowers dates back to 2013, with the Measures for Rewarding Whistleblowing against Food and Drug Violations, which initially capped rewards at 300,000 yuan per case. This limit was raised to 500,000 yuan with the revision of the document in 2017. On 30 July 2021, the SAMR and the Ministry of Finance jointly issued the Interim Measures for Rewards for Whistleblowing of Major Violations in the Field of Market Regulation (effective from 1 December 2021) to improve the system of rewarding whistleblowing against major violations in the market regulation field, which has replaced the above-mentioned Measures for Rewarding Whistleblowing against Food and Drug Violations and expanded the scope of application to include two other areas: (1) special equipment safety; and (2) industrial product quality and safety. Additionally, the maximum reward was further raised to 1 million yuan, a threshold that has been upheld in the draft Announcement on Rewarding Internal Whistleblowers for Whistleblowing Drug and Medical Device Quality and Safety Violations released in October 2024 for public comment. These incremental increases in reward amounts underscore a clear trend over recent years towards stricter regulation of drug and medical device safety, gradually strengthening post-event supervision and combining internal and external oversight.

In practice, to encourage reporting misconduct, multiple authorities have set up reporting hotlines and online gateways to receive whistleblowing reports from the public. For instance, the State Supervisory Commission is now operating an ad hoc online channel and hotline (12388)^[2] for receiving whistleblowing reports against government officials' duty-related crimes or misconduct either by real name or anonymity (real-name reporting is highly encouraged). The national security authorities also encourage whistleblowing reports made to the designated online platform and hotline (12339).^[3] Similarly, AMRs at all levels have provided online and offline channels to encourage the public to report leads regarding company misconduct, and the handling procedures and specific timelines are published and well implemented.

With respect to whistleblowers' protection, some specific rules, such as the Rules of the Supreme People's Procuratorate on Protecting the Citizens' Tip-off Rights, were formulated

to provide a comprehensive mechanism on both substantive and procedural levels, and the Supreme People's Procuratorate, the Ministry of Public Security and the Ministry of Finance jointly issued the Several Provisions on Protecting and Rewarding Whistleblowers of Duty Crimes in 2016.

Strict confidentiality throughout the handling process is the foundational requirement imposed on authorities that receive any reporting. Further, the authorities need to take measures (i.e., restricting physical access to the reporter by those being reported) to ensure the safety of reporters and their close relatives whenever necessary. Retaliation towards whistleblowers is forbidden and incurs liability for the imposition of legal penalties such as administrative sanctions, criminal detention or imprisonment.

Enforcement

Corporate liability

Administrative and criminal corporate liabilities are stipulated in the Criminal Law and relevant administrative laws and regulations. For criminal liabilities, among the 483 crimes prescribed by the Criminal Law, there are approximately 164 unit crimes for which a company could be qualified as the perpetrator, and for these unit crimes a company will be held criminally liable if:

1. a collective decision has been made by the management of the company, or an individual decision by the relevant responsible personnel on behalf of the company, such as the legal representative; and
2. the crime is committed in the name of the company and the illegal proceeds go to the company.

The Criminal Law adopts a dual punishment system for unit crime, which means both the company and the responsible persons are subject to criminal liability, with only a few exceptions otherwise prescribed in the Criminal Law.

As for administrative corporate liability, this derived from the provisions of the relevant administrative laws and regulations, such as the Anti-Unfair Competition Law, the Anti-Monopoly Law and the Advertisement Law, covering violations such as commercial bribery, monopoly, company illegal operation and illegal advertising.

Notably, for the same misconduct committed by a company, the criminal and administrative regimes are mutually exclusive. The Regulations on the Transfer of Suspected Criminal Cases by Administrative Law Enforcement Agencies which was promulgated by the State Council in 2001 and revised in 2020, set the regulatory framework for the conversion between administrative and criminal cases. A series of other regulations have been promulgated in the following years to further address the procedure of conversion. For example, on 10 January 2023, the National Medical Products Administration, the SAMR, the Ministry of Public Security, the Supreme People's Court and the Supreme People's Procuratorate jointly issued the Notice on Promulgation of the Measures for the Conversion between Drug Administrative Law Enforcement and Criminal

Justice. According to these regulations, while investigating an administrative case, if the agency suspects that the case should be prosecuted as a criminal case based on elements such as the monetary amount involved, the specific fact patterns or the consequences, then the case must be transferred to a PSB and the PSB will examine the cases transferred. If criminal fact patterns are identified and the PSB decides to investigate the case for criminal liability, it shall notify the administrative agency that transferred the case in writing. If there is no criminal fact pattern or the facts are insignificant and the agency decides not to prosecute the case, it will state the reasons, notify the administrative agency and return the case. On the other hand, if a PSB discovers that a case it is investigating should not be criminally prosecuted but there may be administrative liability, it shall transfer the case to the relevant administrative agency. Further enhancing the working mechanism for conversion, the Supreme People's Procuratorate issued the Guidelines for the Reverse Conversion between Criminal and Administrative Cases by the People's Procuratorates in December 2024. These guidelines require that when procuratorates decide not to pursue criminal prosecution, they should issue procuratorial suggestions and transfer the case to the relevant administrative authorities if administrative penalties appear warranted upon review. The Guidelines also require procuratorates to monitor and supervise the subsequent handling of these cases by the administrative authorities. This mechanism aims to create a more accountable process by ensuring that potential administrative violations are addressed even when criminal prosecution is not pursued.

Penalties

Under the Criminal Law, the only sanction applicable to a company is the monetary penalty, but an individual's liabilities for a unit crime include public surveillance, criminal detention, imprisonment, the monetary penalty, the deprivation of political rights, deportation (in the case of foreign nationals) and even the death penalty.^[4]

Penalties for administrative corporate liabilities generally include disciplinary warnings, monetary fines, the confiscation of illegal gains or unlawful property, the suspension of production or business, and the temporary suspension or rescission of a permit or licence.^[5] The range of penalties varies. Taking commercial bribery as an example, a fine could range from 100,000 yuan to 3 million yuan, as well as the confiscation of illegal gains and the revocation of the business licence.^[6] The amount of illegal gains is calculated based on revenue with the corresponding cost being deducted, which could easily add up to several million yuan or more and, therefore, in practice, create a larger concern for companies. Other restrictions, such as being banned from participating in government procurement, might also be imposed depending on the nature and severity of the violations. For example, the National Health Commission has established a recording system, which functions as a blacklist, specifically to track commercial bribery activities committed by pharmaceutical companies during drug procurement. Companies committing commercial bribery will be disqualified or severely disadvantaged in public procurement.

Administrative penalties that have a certain social impact are made public. From a criminal perspective, court hearings are in principle conducted in public, allowing for transparency and accountability, with some exceptions, such as where these cases involve state secrets, minors, individual's privacy or trade secrets. Despite these exceptions, all criminal penalties are in theory made public. Additionally, companies will be included on

the publicly available blacklist administrated by the AMRs under certain circumstances (i.e., if a company commits an unfair competition act that violates trade secrets, defames business, organises false transactions and other serious violations of the fair competition order) pursuant to the Administrative Measures for the List of Subjects with Seriously Illegal or Dishonest Acts under Market Regulation, and will therefore be subject to stringent supervision by the AMRs and restrictions such as being disqualified for certain commercial transactions or relevant honorary titles for three years.

Compliance programmes

Although there is no regulatory requirement for compliance programmes, many companies in China have already incorporated compliance efforts into their internal control mechanisms to ensure compliance with a variety of laws designed for commercial bribery prevention and detection, anti-monopoly, employment and personal information protection. Specific compliance roles and responsibilities within a company are becoming increasingly prominent.

A practical reason for implementing compliance programmes is mitigating and reducing liability for legal violations. For example, in criminal cases where employees are committing crimes in the name of the company, a well implemented compliance programme is likely to negate the company's involvement and knowledge of the criminal conduct to some extent, and be used to corroborate evidence in the company's favour. In addition, for administrative violations such as commercial bribery, AMRs will consider a compliance programme to be an important factor when evaluating the company's legal liabilities.

On 2 November 2018, the State-owned Assets Supervision and Administration Commission of the State Council, which is the governing authority for all the state-owned enterprises in China, released compliance guidance for all state-owned enterprises. Although this compliance guidance is mainly applicable to state-owned enterprises, other companies could benefit from using it as a major reference for establishing a solid compliance system. A wider range of compliance issues are identified as the key focuses, including anti-corruption and bribery, and anti-unfair competition. Specific requirements include policymaking, establishing risk identification and response systems, compliance review, strengthening accountability, regular compliance training, compliance evaluation and continuous improvements.

Prosecution of individuals

Where there has been a unit crime, persons such as legal representatives, general managers or directors could be charged for the crime by the procuratorate depending on their involvement and substantial knowledge of the charged crime. Law enforcement authorities often pursue individuals for misconduct committed by a company. Notably, Amendment XII to the Criminal Law, which took effect on 1 March 2024, has broadened the scope of criminal charges applicable to employees, extending beyond state-owned enterprises to encompass those employed by private firms. These charges now encompass actions such as illegally engaging in similar business activities, unlawfully generating profits for associates or family members and undervaluing stocks or selling enterprise assets.

Noteworthy in industry observations is the steadfast adherence of enforcement authorities, particularly in sectors like the food and drug industries, to the principle of holding individuals accountable. As early as January 2018, the Ministry of Public Security and former China Food and Drug Administration jointly issued the Provisions on Intensifying Law Enforcement Concerning Food and Drug Safety and Fully Implementing the Requirement of Imposing Punishment against All Individuals Held Liable for Food and Drug Violations to emphasise the enforcement on individual liabilities for related violations or crimes.

From another perspective, if an employee is being prosecuted for misconduct related to their duty, such as offering bribes to a state functionary in exchange for business opportunities without substantial evidence of the company's involvement, the situation will often get complicated owing to the stakeholders' conflicts of interest. It is likely that the employee will raise the defence that the misconduct was under the instruction, approval or with the knowledge of the company to be acquitted from the individual crime of offering bribes, because the individual criminal liabilities for the unit crime of offering bribes are relatively lighter compared with the individual crime of offering bribes. According to Amendment XII to the Criminal Law, if the employee is convicted of the unit crime as the person responsible for the offence, they shall be sentenced to a fixed-term imprisonment of up to 10 years or criminal detention, and concurrently sentenced to a fine. In comparison, if the employee is convicted of the individual crime of offering bribes, the severest punishment could be life imprisonment with confiscation of property. Under these circumstances, the company has to provide evidence to prove its ignorance of the employee's conduct and that the bribery is not related to efforts in seeking a transaction opportunity or competitive advantage for the company. Further, it is important for the company to demonstrate compliance efforts in preventing employees' misconduct, such as the internal control mechanisms in place, training regularly provided to the employees and disciplinary actions imposed on violations, to negate the wilful intent and mitigate the legal risk exposures for the company.

International

Extraterritorial jurisdiction

The Criminal Law mainly adopts the principle of territorial jurisdiction over criminal offences, supplemented by the extraterritorial jurisdiction over the circumstances where the perpetrator is a Chinese citizen or a foreign national commits a crime against China or a Chinese citizen. Article 10 of the Criminal Law states that any Chinese citizen who commits a crime outside the territory of China may still be investigated for their criminal liabilities under Chinese law, even if they have already been tried in a foreign country. However, if they have already received criminal punishment in the foreign country, they may be exempted from punishment or given a mitigated punishment. Article 8 further states that the Criminal Law may be applicable to any foreigner who commits a crime outside the territory of China against China or against any Chinese citizens, if for that crime this Law prescribes a minimum punishment of fixed-term imprisonment of not less than three

years; however, this does not apply to a crime that is not punishable according to the laws of the place where it is committed.

International cooperation

China has been actively promoting international and regional judicial cooperation in combating crimes relating to cybersecurity, corruption, money laundering, terrorism and drugs; joined international conventions; and signed bilateral judicial assistance and extradition treaties. In 2018 alone, China signed extradition treaties and mutual legal assistance treaties on criminal matters with 16 countries, and the issuance of specific regulations to implement the ICJAL in 2024 enhanced the working mechanism of international cooperation on criminal justice, further clarifying the required process for China to raise requests to, or accept requests from, foreign judicial authorities regarding criminal judicial assistance. As at September 2024, China had signed bilateral judicial assistance treaties with 88 countries and treaties on the transfer of sentenced persons with 18 countries.

Anti-corruption is a priority for China in its international cooperation efforts, as evidenced by claims of a zero-tolerance approach to corruption, and its work on strengthening international cooperation with a focus on deterrence should help achieve this goal. Since 2015, China has annually launched the anti-corruption operation code-named 'Skynet' to track and recover fugitives. In November 2018, the State Supervisory Commission successfully extradited a suspect from Bulgaria accused of taking bribes, which was also the first time that China extradited a suspect from the European Union and made a request for extradition under the United Nations Convention against Corruption in the absence of an extradition treaty. During 2024, 1,597 fugitives were successfully repatriated and 18.28 billion yuan in stolen assets were recovered. All these efforts demonstrate China's commitments in international cooperation to combat corruption.

According to the Work Report of the Supreme People's Procuratorate that was released during the First Session of the 14th National People's Congress in 2023, the Procuratorates have handled 885 criminal judicial assistance-related cases over the past five years, safeguarding the legitimate rights and interests of Chinese and foreign parties. Additionally, according to the Work Report of the Supreme People's Procuratorate that was released during the Second Session of the 14th National People's Congress in 2024, 4,243 foreign-related criminal cases and 220 cases of judicial assistance in criminal matters were handled throughout 2023. Building on this, in 2024, China prosecuted 49,800 individuals in foreign-related criminal cases and handled 293 requests of judicial assistance in criminal matters, reflecting China's continued efforts in international criminal justice cooperation as well.

As emphasised at the Fourth Plenary Session of the Central Commission for Discipline Inspection in January 2025, China will continuously deepen international cooperation in combating bribery and corruption.

Local law considerations

Under the circumstances where an external investigation involves multiple jurisdictions, conflicting law issues might arise. This is particularly true when a foreign government

initiates an investigation into conduct occurring in China and attempts to carry out an investigation and collect evidence without the proper approval from the Chinese authorities. The ICJAL clearly prohibits any unauthorised criminal investigation by any means, either conducted directly by the foreign authorities or collaterally by instructing companies in China to collect evidence through internal investigation.^[7]

Outlook and conclusions

With an increasingly robust legal framework and intensified government enforcement actions, 2025 remains a busy year for government enforcement in various areas. Companies in China are advised to pay close attention to updates and changes in regulatory enforcement trends, establish and operate well-founded compliance mechanisms and continuously strengthen their compliance status, especially in the high-risk areas of anti-corruption, anti-monopoly, anti-money laundering, securities fraud and data protection. Since Chinese authorities announced their collaborative efforts to launch the nationwide campaign targeting corruption within the healthcare industry in 2023, this industrial anti-corruption campaign has become a priority for China. As the regulatory compliance landscape in China is anticipated to become increasingly stringent, best practices dictate a dual approach: proactive measures to prevent non-compliance issues and reactive strategies to effectively manage potential external investigations.

Endnotes

- 1 PSBs are empowered with dual investigative authorities at both criminal and administrative levels. [^ Back to section](#)
- 2 See www.12388.gov.cn. [^ Back to section](#)
- 3 See www.12389.gov.cn. [^ Back to section](#)
- 4 Articles 31, 33 and 34 of the Criminal Law. [^ Back to section](#)
- 5 Article 9 of the Administrative Punishment Law. [^ Back to section](#)
- 6 Article 19 of the Unfair Competition Law. [^ Back to section](#)
- 7 Article 111 of the Criminal Law: 'whoever steals, spies into, buys or unlawfully supplies state secrets or intelligence for an organ, organisation or individual outside the territory of China shall be sentenced to fixed-term imprisonment of not less than five years but not more than 10 years; if the circumstances are especially serious, he shall be sentenced to fixed-term imprisonment of not less than 10 years or life imprisonment; if the circumstances are minor, he shall be sentenced to fixed-term imprisonment of not more than five years, criminal detention, public surveillance or deprivation of political rights'. [^ Back to section](#)



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