IN-DEPTH

# International Investigations

## CHINA

LEXOLOGY

# International Investigations

Contributing Editor

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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.

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# China

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## Summary

# Introduction

Corporate investigations in China should not be understood as a simple choice between criminal and administrative proceedings. In practice, the same set of facts may move across regulatory inspections, administrative penalties, criminal investigation, procuratorial review and, in some cases, supervision by disciplinary or supervisory authorities. The core feature of the Chinese system is therefore not only the number of authorities involved, but also the convertibility of procedures and evidence. A market regulation inspection may become a criminal case if rebates, false services or circular payments are identified. Conversely, a criminal case that ends with a non-prosecution decision may still be transferred back to an administrative authority for penalties, credit consequences, debarment risks or rectification obligations.

The principal criminal investigation authority remains the public security organ. It investigates most economic crimes, including contract fraud, illegal business operations, embezzlement, commercial bribery and trade secret offences. Supervisory commissions investigate duty-related violations and crimes involving public officials, managers of state-owned enterprises and persons performing public functions in sectors such as finance, healthcare, education, infrastructure and public procurement. The procuratorates exercise powers that go beyond approval of arrest and prosecution: through filing supervision and reverse transfer to administrative enforcement, they can materially affect the direction of a case. Other specialised bodies, including state security organs, military security departments and the China Coast Guard, exercise investigation powers in their respective fields.

Administrative enforcement is similarly fragmented but highly coordinated. The State Administration for Market Regulation investigates antitrust, unfair competition, commercial bribery and consumer protection matters. The China Securities Regulatory Commission, the National Financial Regulatory Administration and the People's Bank of China investigate securities misconduct, banking and insurance violations and anti-money laundering issues. The Cyberspace Administration of China, the Ministry of Commerce, Customs, the tax authorities and environmental regulators may become involved where data, export controls, smuggling, tax evasion or environmental issues are present. Materials produced in an administrative process, including electronic data, interview notes, rectification reports and accounting records, often form the evidential basis for later transfer to the judicial authorities or for procuratorial supervision.

This two-way movement is now supported by measurable enforcement practice. According to the 2026 work report of the Supreme People's Procuratorate, administrative authorities transferred 3,238 suspected criminal cases in 2025, an increase of 9.2% year on year. During the same period, the procuratorates handled 265,900 reverse-transfer cases, issued 115,800 procuratorial opinions and the relevant administrative authorities imposed penalties on 127,800 persons, with a penalty rate of 90.9%.[1] A company's explanations, ledgers, invoices, contracts, bank statements and internal interview materials created at the administrative stage may therefore be reassessed later as criminal evidence. A decision not to prosecute does not, by itself, bring the matter to a close.

Investigative powers should be assessed from the perspective of evidence control. On-site inspections, copying, sealing, account inquiries, attachment, freezing, retention, search

and dawn raids all aim to fix facts before the company has shaped its internal narrative. Dawn raids are relevant not only in criminal matters but also in antitrust, commercial bribery, securities, data and financial regulatory investigations. Before submission, a realistic response:

1. verifies officials and procedural documents;
2. defines the scope of materials;
3. keeps handover records; and
4. reviews personal information, important data, trade secrets, state secrets, employment issues and criminal exposure.

Common errors include assuming foreign privilege will protect China investigation materials, as well as:

1. premature admissions;
2. inconsistent submissions;
3. informal interviews;
4. back-dated records; and
5. overseas extraction of China-based data.

## Year in review

Over the past 12–18 months, the main trend in Chinese corporate investigations has been more complex than a simple intensification of enforcement. On the legislative side, rules have increasingly clarified how concealed benefits, employee conduct and third-party responsibility are attributed to companies and individuals. On the enforcement side, sectoral campaigns, administrative-to-criminal transfer and data security inspections have pushed investigations away from isolated wrongdoing and towards a combined review of transaction chains, funds flow and responsible personnel.

Anti-money laundering has become a second main axis connecting financial supervision, criminal asset tracing and cross-border assistance. The revised Anti-Money Laundering Law took effect on 1 January 2025. Supporting measures then followed, showing a move from rule-building to implementation testing. In June 2025, the People's Bank of China issued measures for anti-money laundering and counter-terrorist financing in the precious metals and gemstones sector. PBOC Order No. 10 reorganised large-value and suspicious transaction reporting and supervisory rules. Further rules on customer due diligence, record-keeping, beneficial ownership and special preventive measures were issued between October 2025 and January 2026.[2]

Criminal anti-bribery enforcement has also become more detailed. On 10 April 2026, the Supreme People's Court and the Supreme People's Procuratorate issued the Interpretation on Several Issues concerning the Application of Law in the Handling of Criminal Cases of Embezzlement and Bribery (II), effective from 1 May 2026.[3] This Interpretation

refines rules on entity bribery, bribery involving non-state functionaries, introduction of bribes, expected-benefit bribes, return of illegal gains and proceeds recovery. Its practical significance is that courts and prosecutors must look through civil-law forms such as remuneration, consultancy services, cooperative arrangements, interest spreads, real estate price differentials and equity returns, and ask whether they are consideration for official convenience, approval resources or transaction opportunities.[4]

Administrative commercial bribery rules were strengthened by the revised Anti-Unfair Competition Law, adopted on 27 June 2025 and effective from 15 October 2025.[5-] Article 8 brings bribe recipients within the framework. Article 24 raises the maximum corporate fine to 5 million yuan and introduces individual administrative liability of up to 1 million yuan for legal representatives, principal responsible persons and directly responsible personnel. Employee bribery to obtain a transaction opportunity or competitive advantage is presumed to be attributable to the business operator unless it proves otherwise. Recent healthcare equipment and student milk supply cases show the overlap between administrative bribery investigations and criminal risk in healthcare and public procurement.

Available data show a stronger focus on the bribe-paying side and on key industries. The 2026 work report of the Supreme People's Procuratorate states that:

1. 3,292 persons were prosecuted for bribe-giving crimes in 2025, up 7.3% year on year;
2. 832 persons were prosecuted for new or concealed forms of corruption involving expected benefits, nominee holding arrangements and inflated transaction layers; and
3. 29,000 persons were prosecuted for duty-related crimes.[6]

Construction and bidding, healthcare, education, finance and energy remain high-risk areas. In healthcare, national pharmaceutical anti-bribery compliance guidelines and 15 Shanghai practical cases were issued in 2025.[7]

Securities enforcement continued to target key insiders and external facilitators. The China Securities Regulatory Commission investigated 701 cases in 2025, issued 661 penalty decisions, imposed confiscations and fines totalling 15.474 billion yuan, penalised 1,506 responsible entities or individuals, imposed market bans on 142 individuals and transferred 172 suspected securities and futures crime leads to the public security authorities.[8] The target has expanded from issuers and listed companies to controlling shareholders, actual controllers, directors, supervisors, senior management, finance officers, intermediaries and third parties who assisted the misconduct.

Anti-money laundering penalties likewise show a move from formal compliance to accountability across business lines. In 2025, PBOC penalty disclosures involving Shanghai Bank, Bank of Beijing, Bank of Communications and Industrial and Commercial Bank of China identified failures in customer identification, record retention, large-value or suspicious transaction reporting and dealings with customers of unclear identity. Responsible personnel in operations, retail, international business, internal control and compliance were also penalised.[9] Anti-money laundering enforcement is therefore no

longer a procedural risk borne only by the compliance department. It increasingly reaches business departments, management and system-building responsibilities.

Cross-border data and network security have become a separate boundary for international investigations. A 2025 cyber security enforcement case involving Dior (Shanghai) shows that overseas transfer of Chinese users' personal information without the required transfer mechanism, adequate notice and separate consent, or sufficient technical safeguards may result in administrative penalties. Cases publicised in connection with the 2025 network security campaign also show concern over unauthorised FTP access, open database ports, weak passwords and data scraping.-[10] Companies using global SaaS, enterprise resource planning, customer relationship management, e-discovery or cloud storage systems should distinguish active export, passive synchronisation, remote access and overseas technical support.

## Conduct

### Self-reporting

China does not have a single general regime under which voluntary disclosure automatically produces immunity. Whether a company should report, when it should report and to which authority depend on the legal mechanism involved. Criminal cases focus on voluntary surrender, confession and acceptance of punishment, return of illegal gains and restitution. Administrative cases focus on voluntary elimination of harmful consequences, cooperation and truthful statements. Antitrust cases have a more established leniency regime. A report does not itself create a favourable outcome. The key question is whether the company has already developed a verifiable factual basis and a credible remediation plan.

Articles 22 and 23 of the 2026 bribery interpretation reinforce the importance of tracing and recovery of benefits. Under the full-chain recovery approach, a company should, at an early stage, map the funds flow and identify whether value moved to public officials, agents or third parties. A self-review report alone is unlikely to be treated as meaningful cooperation. Stopping payments, recovering improper benefits and rebuilding controls are more likely to satisfy the authorities that remediation is real.

Antitrust leniency provides a useful comparator. Recent cases in the pharmaceutical sector involving neostigmine methylsulphate injection and dexamethasone sodium phosphate active pharmaceutical ingredients show that the order of reporting, evidential value, cessation of unlawful conduct and degree of continuing cooperation directly affect the scale of reduction. This lesson applies to other investigations, highlighting that carrying out prompt fact-finding, preserving evidence and separating corporate from individual responsibility maximise a company's options for leniency in subsequent proceedings.

### Internal investigations

A company may conduct its own internal investigation in China. The value of doing so is not only to establish facts, but to prepare an evidential structure for possible

administrative, criminal, civil or overseas proceedings. Typical steps include document review, accounting and voucher checks, email and instant messaging searches, employee interviews, third-party due diligence, funds-flow tracing, contract and invoice matching, verification of service deliverables and mapping of data flows. Investigations may be conducted by internal teams or by external counsel. In matters involving potential criminal exposure, conflicts between the company and individuals, sensitive data or cross-border reporting, external counsel will often be advisable.

There is no general duty to submit an internal investigation report to the government. The position changes where a sector-specific reporting duty exists, suspected criminal clues arise, or a company is already under inspection or investigation. In anti-money laundering, securities and financial regulatory contexts, statutory obligations to preserve evidence, explain circumstances and assist evidence collection may be substantial. Internal investigation materials may therefore be partly converted into external submissions through suspicious transaction reports, rectification reports or special explanations. For example, the Anti-Money Laundering Law and the rules on large-value and suspicious transaction reports require financial institutions to submit suspicious transaction reports to the China Anti-Money Laundering Monitoring and Analysis Centre and to cooperate with investigations.

For financial institutions, payment institutions, insurance brokers, fund distributors and precious metals or gemstones businesses, an internal investigation should identify whether suspicious transaction reporting, enhanced customer due diligence, beneficial ownership re-verification or record retention obligations have been triggered. The 2026 customer due diligence measures set a minimum 10-year retention period and require relatively high-risk existing customers to be reviewed within six months and all existing customers within two years. The beneficial ownership rules reshape standards for non-natural person customers by reference to ownership, income rights or voting rights above 25%, actual control and a fallback rule based on daily management.[11]

Privilege requires particular caution. China does not recognise attorney–client privilege in the same manner as common-law jurisdictions. Lawyers have confidentiality obligations, and certain defence rights exist in criminal proceedings, but a company should not assume that interview memoranda, investigation reports or underlying materials will be protected from Chinese authorities simply because they were prepared by counsel or by overseas lawyers. Where witness interviews are conducted, separate representation for employees or executives should be considered if their personal exposure may diverge from the company's position.

Cross-border transfer of evidence should be separately reviewed. If the investigation is linked to overseas criminal, securities or anti-bribery proceedings, the provision from China of interview notes, forensic images, bank statements or third-party payment evidence may trigger approval requirements under the International Criminal Judicial Assistance Law. The 2024 implementation provisions established a review mechanism for the outbound transfer of criminal evidence. Evidence collected in China by an overseas authority or by an overseas parent company through an internal investigation cannot simply bypass Chinese consent procedures.[12]

## Whistleblowers

Whistleblowing in China is institutionalised more as an entry point into administrative, criminal and party-state supervision than as a single regime under a unified whistleblower protection statute. Existing requirements are dispersed across internal control rules, State-owned Assets Supervision and Administration Commission compliance rules and State Council guidance on interim and ex post supervision. They require companies to establish complaint channels, whistleblower protection mechanisms and reporting systems, and to keep the identity and information of reporters confidential where appropriate.

Whistleblower reports may come from current employees, former employees, suppliers, distributors, competitors, unsuccessful bidders, customers and external auditors. They may be made through internal channels or directly to external authorities, including disciplinary inspection and supervisory channels, the procuratorates, market and financial regulators, the national security hotline and the securities regulator's service platform. For listed companies and financial institutions, incentives increased with the whistleblower reward rules for securities and futures violations issued by the China Securities Regulatory Commission and the Ministry of Finance in December 2025 and effective from 9 January 2026.

Reports in China often mix employment disputes, commercial competition and genuine compliance risk. Some reveal rebates, off-book accounts, false services, bid-rigging, conflicts of interest or data violations, whereas others concern severance, performance assessment, channel commissions or supplier payments. A company should not dismiss a report because the reporter has a personal interest or take adverse action before facts are assessed. Compliance should lead triage with legal and audit support, and external counsel where necessary. Key steps are local intake, prompt preservation of emails, chats, approvals and payment vouchers, strict control of a named reporter's identity and a traceable record of assessment, decision and remediation.

## Enforcement

### Corporate liability

Corporate liability in China turns less on the abstract proposition that a company can be liable and more on whether the conduct can be attributed to organisational interest and organisational decision-making. Under the bribery interpretation and the revised Anti-Unfair Competition Law, the central question is whether the conduct objectively served the entity's interests, not simply whether it was formally authorised. Recent case practice has treated bribes paid independently by a regional sales manager to meet performance targets as a unit crime because the person had functions granted by the company and the benefit accrued to the company.

The revised Anti-Unfair Competition Law goes further for administrative commercial bribery. Article 8 provides that an employee's bribery conduct is, in principle, deemed to be conduct of the business operator if it is carried out for the purpose of obtaining a transaction opportunity or competitive advantage for the operator, unless the operator can prove otherwise. The rebuttal burden therefore shifts to the company. In both criminal and

administrative contexts, written policies alone are insufficient. The company must be able to show actual prevention, approval, payment, audit and reporting controls.

The 2026 bribery interpretation also narrows tolerance in public-interest sectors. In areas such as healthcare, education, food and drugs, and environmental protection, the criminal threshold for certain bribe-giving offences is reduced from 200,000 yuan to 100,000 yuan. Conventional practices such as medical rebates, academic sponsorships and project kickbacks therefore carry substantially greater criminal risk.

## Penalties

Sanctions in Chinese corporate investigations operate at four levels: criminal, administrative, credit and professional qualification. In criminal proceedings, companies may face fines, confiscation of illegal gains and confiscation of tools used in the offence. Fines in securities crimes, money laundering crimes, and corruption and bribery crimes have increased significantly in recent years. Criminal Law Amendment (XII), effective from 1 March 2024, extends several misconduct offences previously focused on state-owned enterprises, including illegal operation of a similar business, profit-making for relatives or friends and low-value conversion or sale of enterprise assets for personal benefit, to personnel of private enterprises.[13]

Administrative sanctions include warnings, orders to rectify, confiscation of illegal gains, fines based on statutory amounts or multiples of illegal gains, suspension or revocation of licences, orders to suspend production or business, restrictions on business scope and restrictions on new business. The revised Anti-Unfair Competition Law raises the maximum corporate fine for commercial bribery to 5 million yuan and permits individual fines of up to 1 million yuan for legal representatives, principal responsible persons and directly responsible personnel. In securities enforcement, total confiscations and fines in 2025 reached 15.474 billion yuan.[14]

Anti-money laundering penalties have independent importance. Articles 52–56 of the Anti-Money Laundering Law address deficiencies in internal controls, customer due diligence and record-keeping, large-value and suspicious transaction reporting, special preventive measures and refusal to cooperate with regulatory inspections. They impose liability on institutions and directly responsible personnel. The PBOC rules on administrative penalty discretion, effective from 1 January 2025, further divide discretion into no penalty, mitigated penalty, lighter penalty, general penalty and heavier penalty, giving the timeliness of rectification, subjective fault, harmful consequences and cooperation more predictable weight in individual cases.[15]

Credit and qualification consequences can be as important as monetary penalties. A company may be included on a serious illegal and dishonest entities list and face interdepartmental restrictions on government procurement, bidding, land grants, policy funding, listing, financing and bond issuance.[16] Individuals may face securities market bans, healthcare sector restrictions, limits on eligibility to serve as directors, supervisors or senior managers, and suspension of professional qualifications. Depending on the authority bringing the action, sectoral regulators tend to combine high monetary penalties with market bans, public security and procuratorial authorities focus on criminal prosecution and asset recovery, and supervisory commissions may combine party discipline, administrative sanctions and criminal referrals.

## Compliance programmes

An effective compliance programme is not yet a statutory substantive defence to anti-bribery criminal liability in China. It does, however, have practical force in the following three ways: in administrative enforcement it may affect whether a case is opened, how conduct is characterised, the level of fines and whether leniency is applied; in criminal proceedings, enterprise compliance reform may influence whether the procuratorate prosecutes, whether a suspended sentence is recommended and how the company's survival risk is managed; and in cross-border investigations and international transactions, a credible compliance programme is a core basis on which overseas authorities, counterparties and bidders assess whether the company can be trusted.

Based on antitrust compliance guidance, the SASAC compliance rules for central state-owned enterprises, financial institution compliance rules, the 2025 pharmaceutical anti-bribery compliance guidelines and enterprise compliance non-prosecution practice, the core evidence of an anti-bribery programme includes third-party risk classification and due diligence, business necessity explanations for agents, beneficial ownership checks, related party screening, transparent booking of commissions and discounts, payment-before-compliance review, red-flag escalation, training records, annual certifications, whistleblower investigation and remediation closure.[17] Regulators increasingly ask whether a policy is embedded in business workflow and whether records show that the system can detect and correct misconduct.

In anti-money laundering, effectiveness depends even more on dynamic record-keeping across transactions. A company should be able to show that the board or senior management has reviewed the risk management framework, and that customer risk ratings, enhanced due diligence, beneficial ownership verification, suspicious transaction monitoring, screening under special preventive measures, group-level information sharing, reliance on third parties and employee training all have designated owners and traceable records. Domestic and overseas groups should also review whether overseas headquarters can lawfully obtain China customer files, account statements, transaction monitoring results or suspicious transaction analysis, so as to avoid overlapping risks under anti-money laundering confidentiality rules, personal information protection rules and criminal judicial assistance rules.[18]

## Prosecution of individuals

Individual liability in Chinese corporate investigations may extend beyond the person who made the payment. Legal representatives, principal responsible persons, actual controllers, sales heads, finance officers, channel managers, government affairs personnel, bidding officers and compliance personnel may all be scrutinised. The revised Anti-Unfair Competition Law creates individual administrative liability for legal representatives, principal responsible persons and directly responsible personnel in commercial bribery matters. Securities and anti-money laundering enforcement increasingly targets key individuals, including business heads and compliance or operations officers. Criminal Law Amendment (XII) also extends several internal corruption-type offences to private enterprise personnel.

Whether the company and individuals may be represented by the same counsel should be assessed at the beginning of the investigation. Joint representation may be efficient where interests are aligned and the facts are narrow. It is usually inappropriate where the evidence suggests that employees or executives may have obtained personal benefits through false services, agent cash-out arrangements, private account rebates or fabricated reimbursements. An employee facing liability may argue that the conduct was instructed, approved or tolerated by the company. The company should therefore preserve an independent investigation path and use system evidence to show reasonable prevention and correction.

Chinese law does not contain a single rule requiring a company to terminate or discipline all employees who report or are involved in suspected misconduct as a condition of cooperation. The response should be proportionate and evidence-based. Suspension from sensitive duties, preservation of devices and records, separation of reporting lines and targeted disciplinary measures may be appropriate. Payment or advancement of legal fees is possible in principle, subject to company rules, conflict review and restrictions on obstructing evidence or inducing false testimony.

## International

### Extraterritorial jurisdiction

Chinese rules affecting cross-border investigations are moving from a traditional territorial approach towards a system based on effects and connecting factors. Antitrust, personal information protection, data security, export control and counter-sanctions rules may apply to conduct outside China that affects the Chinese market, personal information of individuals in China, data security or national interests. Therefore, risk assessment should not therefore only focus on where a transaction occurs or where an entity is incorporated. China-based customers, China data, China technology, China funds flow and China business decisions may all create relevant connecting factors.

Foreign bribery is an area of critical focus. The Criminal Law already criminalises bribery of foreign public officials and officials of international public organisations, and concluded cases show that Chinese courts may directly evaluate overseas bribery under Chinese criminal law. The 2026 work report of the Standing Committee of the National People's Congress also refers to the formulation of an Anti-Cross-Border Corruption Law. Its jurisdictional tests have not yet been published. The legislative direction is nevertheless significant. Third-party commissions, government relations consultants, project intermediaries, customs and logistics arrangements, and local partners used in Chinese companies' overseas business may in future come under a more systematic Chinese-law review.

### International cooperation

China cooperates with other jurisdictions through treaties, mutual legal assistance arrangements, extradition mechanisms and law enforcement cooperation. Cooperation varies by sector and counterpart jurisdiction. In criminal matters, the International Criminal

Judicial Assistance Law provides the basic framework, and the 2024 implementation provisions issued by seven authorities refine procedures for requests, evidence transfer and review. They are intended to safeguard judicial sovereignty, standardise assistance procedures and improve handling efficiency.[19]

The provisions are particularly relevant because they state that foreign institutions, organisations or individuals may not directly collect criminal evidence in China, arrange China-based personnel to assist an investigation or testify by audio or video, or require China-based parties to assist enforcement of foreign criminal judgments outside the proper channel. A review mechanism for outbound criminal evidence has been established. A domestic party receiving a direct criminal assistance request from a foreign authority outside the formal channel must report within 30 days. If it seeks to provide evidence abroad to protect its own rights, it should apply in writing and describe the evidence scope, data security compliance and confidentiality measures.

The practical result is that an overseas regulator's subpoena, a foreign court process, an overseas parent company's compliance instruction or a foreign lawyer's evidence collection plan cannot be treated as automatically overriding Chinese procedure. A company should identify whether:

1. the request is criminal, administrative, civil or internal in nature;
2. China-based materials contain personal information, important data, state secrets or trade secrets; and
3. a formal assistance channel or local approval is required.

## Local law considerations

The transfer of investigation materials out of China is often underestimated. The need for documents by an overseas lawyer or parent company does not mean Chinese law permits direct submission. Materials created or stored in China should be reviewed from at least three angles. Personal information and data exports require assessment of the applicable route, such as security assessment, standard contract, certification, negative-list treatment and separate consent in sensitive scenarios. Important data may require separate review once identified by sectoral rules or catalogues. Materials relating to government projects, state-owned enterprises, energy, financial infrastructure, healthcare, mapping, seed industry, dual-use technology or major projects may also require state secret, work secret and trade secret review.

Sanctions and counter-sanctions have added a further layer of difficulty. In May 2026, the Ministry of Commerce reportedly issued Announcement No. 21 of 2026 in response to the United States' designation of five Chinese enterprises on the Specially Designated Nationals list for alleged participation in Iranian petroleum transactions, and formally activated the Blocking Measures against the Improper Extraterritorial Application of Foreign Laws and Measures for the first time. The announcement required domestic parties not to recognise, implement or comply with the relevant sanctions measures.[20-] This approach goes beyond the individual case by showing that China is moving from building countermeasure rules to applying them in concrete disputes.

In March 2025, the State Council issued implementing regulations for the Anti-Foreign Sanctions Law. They further clarify listing standards, countermeasures such as sealing, seizure and freezing of property, restrictions on transactions and cooperation, entry bans and enforcement mechanisms. Article 18 provides that where an organisation or individual implements or assists in implementing foreign discriminatory restrictive measures and infringes the lawful rights and interests of Chinese citizens or organisations, the affected party may sue in a Chinese court for cessation of infringement and damages.[21] A Chinese subsidiary that refuses to perform a contract with a Chinese company because of foreign sanctions may therefore face not only administrative exposure under blocking rules, but also civil liability in China.

## Special considerations

Several local features do not fit neatly into the general framework but are essential in practice. In matters involving public officials or managers of state-owned enterprises, party discipline review, supervisory investigation and criminal investigation may occur at different stages and before different authorities. Evidence, characterisation conclusions and disciplinary decisions may influence one another. The supervisory commission's retention measure is a major investigative tool, and its duration and conditions differ from criminal compulsory measures. A company cooperating in an investigation involving a state-owned enterprise, a government-backed customer or a public official should first identify the procedural stage and responsible authority, and should avoid premature factual admissions or document submissions in the wrong procedure.

Another local feature is the limited role of common-law style privilege. Overseas headquarters often expect legal review documents, witness interview memoranda and forensic reports to be privileged and freely shared within the group. That assumption is unsafe in China. Confidentiality obligations of lawyers, personal information protection, state secret rules, anti-money laundering confidentiality and criminal judicial assistance restrictions may point in different directions. A legally defensible investigation protocol should therefore be established before collection begins, not after materials have already been uploaded to a global platform.

## Outlook and conclusions

In 2026 and beyond, Chinese corporate investigations are likely to develop around cross-border enforcement, anti-corruption, anti-money laundering and sanctions countermeasures. The proposed Anti-Cross-Border Corruption Law deserves close attention. Its treatment of jurisdictional connecting factors, overseas bribery, third-party intermediary responsibility and coordination with the existing criminal law, supervision law and criminal judicial assistance system will directly affect Chinese companies going abroad and multinational companies operating in China. At the same time, anti-foreign sanctions and blocking rules may become more regular enforcement tools. For companies subject to Chinese law, foreign sanctions rules and overseas regulatory investigations,

cross-border data submission, contract performance, sanctions screening and group compliance instructions require legal balancing, not only commercial judgement.

Enforcement under the revised Anti-Unfair Competition Law is expected to increase after 2026. Employee attribution, personal liability of legal representatives and senior managers, and third-party agents or suppliers used to transfer benefits will be key issues for market regulators and criminal referral. Anti-money laundering rules will continue to be refined, especially in customer due diligence, beneficial ownership, suspicious transaction reporting, special preventive measures and designated non-financial businesses. The practical priority is to identify who introduced the opportunity, who approved the payment, what service was delivered, where data and funds moved, and who can explain the rationale if the file is reviewed later.

## Acknowledgements

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**12** International Criminal Judicial Assistance Law of the People's Republic of China, effective from 26 October 2018, article 4; National Commission of Supervision, Supreme People's Court, Supreme People's Procuratorate, Ministry of Public Security, Ministry of State Security, Ministry of Foreign Affairs and Ministry of Justice, Provisions on Several Issues concerning the Implementation of the International Criminal Judicial Assistance Law of the People's Republic of China (for trial implementation), jointly issued in April 2024. ^ Back to section

**13** Criminal Law Amendment (XII), effective from 1 March 2024, extending offences including illegal operation of a similar business to personnel of private enterprises. ^ Back to section

**14** China Securities Regulatory Commission, 2025 annual summary of administrative enforcement, issued in early 2026. ^ Back to section

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