Pressures grow on companies to squash bribery, corruption – Study

02 February 2023

Companies are expected to exert more control over their staff, subsidiaries and third parties in the fight against corruption and bribery, a report by Hogan Lovells says.

"One of the big shifts in the regulatory environment that we've seen is that companies are expected to have greater oversight of their employees, subsidiaries, and third parties," Hogan Lovells partner Stephanie Yonekura, global leader of the IWCF practice area, said. (She is based in Los Angeles.)

Among other trends are an increase in ESG responsibilities, the impact of fundamental changes to working practices post-Covid, and economic sanctions being used as both legal and political tools.

Shanghai-based partner Calvin Ding, who also co-edited the report, said there are a number of non-US developments at work.

"China abandoning its zero-Covid strategy should spur a return to better growth in China. At the same time, we are seeing renewed appetite for enforcement wherever Chinese companies operate and invest, and that includes in Africa and Latin America. Political and leadership changes, particularly in the latter region, are also likely to create more investigative pressure," Ding said.

The report looks at regulatory developments worldwide, such as the changes at the Serious Fraud Squad, regulatory changes in Southeast Asia and Latin America, more aggressive law enforcement in Germany, and China's heavy investment in Africa, and the implications of that.

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