

Foreign firms in China worried after GSK probe

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Singapore: As per British risk consultancy Control Risks, foreign firms operating in China are worried that companies in China lack adequate protection against corruption investigations.

Mr Ben Wootliff, the Hong Kong head of Control Risks, said in a Chinese media report that companies operating in China have always feared being investigated under the US Foreign Corrupt Practices Act (FCPA) or Britain's Bribery Act.

"What's new is companies now see the Chinese authorities are willing to act against multinationals and local companies over corruption in their home territory, as demonstrated with GSK. The new fear is the Chinese authorities have a greater willingness to investigate corruption, which will feed back into the FCPA and possibly the UK Bribery Act, which will expand the corruption investigation across the border beyond China," he said.

"We've seen a strong increase in companies asking us for anti-corruption management in China, prompted by the investigations of GSK. We've been extremely busy, talking all day to companies about China corruption," he added.

A survey conducted by the company of senior executives of 316 companies from across the world, including 109 companies in Asia-Pacific, found 35 percent of the companies do not have formal policy statements forbidding bribes. Companies operating in China accounted for the fourth-largest number of respondents in the report.

"It was apparent that international companies have disturbing gaps when it comes to dealing with the dangers of bribery and corruption. Without exception, all companies should have a formal anti-bribery policy statement," the report said.

Of those surveyed, 13 organizations thought there was a 90 to 100 percent chance their company would be required to investigate a suspected violation of anti-bribery laws in the next two years. Further 60 organizations, or 19 percent, thought there was a 60 to 90 percent chance of this happening.

In the survey, 91 percent of respondents said they had no specialized anti-corruption training for employees in high-risk

areas. Almost three-quarters had no anti-corruption training programmes at all. Only 40 percent of the firms polled had whistle-blowing hotlines where employees could make confidential reports on concerns relating to corruption.