



G20 Anti-Corruption Working Group

Accountability Report Questionnaire 2014

SUMMARY OF NATIONAL PROGRESS

1. Please provide a high-level summary of the most significant Anti-Corruption measures or initiatives that your country has introduced or implemented since the last progress report. (maximum 1 paragraph).

The 2013 Progress Report can be accessed at http://en.g20russia.ru/docs/g20_russia/materials.html

The central leadership of the 18th CPC Central Committee has elevated anticorruption to a new level, aiming to build clean politics, which features honest officials, clean government and political integrity. First, we have redressed unhealthy work style. Members of the newly formed Political Bureau took lead and adopted the “eight-point regulation” on improving work style and maintaining close ties with the people. The regulation includes specific requirements on research and investigation, cutting down meetings and documents, controlling visits abroad, improving guards and security services and news reporting, banning extravagance and practicing thrift. In addition, a nationwide “mass line” education campaign was launched to rectify unhealthy work styles, such as formalism, bureaucracy, hedonism and extravagance. In March 2013, when the new administration was first formed, it made “three promises”: no new construction of government offices and official hotels, no increase in the number of officers on government payroll, and no increase in spending on official hospitality, official overseas trips and official vehicles. Discipline inspection and supervision authorities strengthened daily supervision and discipline enforcement, banned the use of public funds for gifts, banquets, visits and extravagance, and strictly punished any violators. Second, we enhanced the investigation and prosecution of corruption. China’s new leadership has promised to investigate and prosecute all corruption cases, “catching both tigers and flies”. This means to punish both high-ranking and low-level corrupt officials. In 2013, we investigated more than 10 major corruption cases involving high-ranking officials at or above the ministerial level, which has effectively deterred corruption. We have worked to remove barriers in reporting crimes and expand channels of monitoring. We have improved the mechanism for early exposure and discovery of corruption. In September 2013, the CPC Central Commission for Discipline Inspection and Ministry of Supervision launched an official website for public scrutiny, which on average receives 700 reports every day. We have also opened monitoring and whistle-blowing section in other major websites,

which can forward public complaints to law enforcement and supervision organs. Following media and Internet exposure of corruption, we quickly investigated and removed a number of corrupt officials, which has won praise from the public. Third, we have promoted institutional innovation. The State Council cut 4 ministerial level agencies and promised it would reduce the items that need to be approved by the administration by one third. So far, 334 items have been eliminated or delegated to local governments in four batches. We want to use streamlining and decentralization to reduce opportunities for rent-seeking and eliminate breeding grounds for corruption. We have improved inspection. In 2013, the Central Inspection Team inspected 20 localities, departments and organizations. It not only found problems but also deterred corrupt officials. We have promoted the disclosure of government information and work procedures, improved the system for managing conflicts of interest, strengthened corruption risk control, so as to “restrict power by a cage of regulation”. We have also adopted a new anticorruption five-year plan. Last December, we released the “2013-2017 Work Plan on Combating Corruption”, an important guide to China’s anticorruption endeavors in the next five years.

UNITED NATIONS CONVENTION AGAINST CORRUPTION (UNCAC)

2. Has your country ratified the UNCAC?

YES NO

If no, is there a process underway to ratify the Convention?

3. Since the last progress report, has your country proposed or implemented any changes to its legislation to comply with the UNCAC?

YES NO

If yes, please provide details.

China is a State Party to the United Nations Convention against Corruption (UNCAC), and in 2014 it will receive the implementation review of the UNCAC. To fulfill the obligations as a State Party, China has established an inter-departmental coordination group to carry out the implementation of the UNCAC, and major efforts have been channeled to the following aspects:

First, enhance work mechanism in accordance with relevant articles of the UNCAC. China has identified 21 tasks in implementing the UNCAC, and according to the urgency of the tasks as indicated by “shall”, “shall consider or endeavor” and “may”, we restructured the work mechanism responsible for implementing the UNCAC in light of China’s anti-corruption situation, and established an inter-departmental coordination group, which consists of 12 government agencies and is led by Mr. Huang Shuxian, Minister of Supervision of China. Under this coordination group, we set up the General Office and the Office of Implementation Review to take charge of the specific implementation work. Meanwhile, to coordinate China’s corruption prevention work, the National

Bureau of Corruption Prevention was founded in September 2007 in light of Article 6 of the UNCAC which stipulated that “Each State Party shall, in accordance with the fundamental principles of its legal system, ensure the existence of a body or bodies, as appropriate, that prevent corruption...” .

Second, amend relevant domestic laws and regulations to comply with the UNCAC. In March 2012, the National People’s Congress reviewed and passed an amendment to the *Criminal Procedure Law*. To comply with relevant requirements of Article 31, 32 and 50 of the UNCAC, in this new amendment, a whole new chapter is added to stipulate the procedures for confiscating illicit gains in cases where the criminal suspect or the defendant cannot be found or have died. Provisions are also added on the use of special protective measures for witnesses, experts and victims of certain cases as well as that of special investigation techniques in major corruption and bribery cases. In addition, China's legislature passed several laws and regulations, including *the Money Laundering Law, Regulations for the Implementation of the Audit Law, the Budget Law, and the Anti-Unfair Competition Law* and etc., to better comply with relevant articles of the UNCAC.

Third, fulfill obligations both as a reviewer country and a country being reviewed. China is a reviewer country for Afghanistan and Sri Lanka on their implementation progress of the UNCAC. Since July 2012, China has held review sessions for government experts, kept effective communications with the Secretariat and the countries being reviewed, provided Chinese translation and other technical assistance; all these efforts are well recognized by the Secretariat and other relevant parties. Meanwhile, China is a country being reviewed on its implementation progress of the UNCAC by Vietnam and the Bahamas since July 2013. Since the UNCAC also applies to the Hong Kong SAR and the Macao SAR, China, as a responsible State Party, will submit its implementation checklist in three parts, prepared respectively by the Chinese Mainland, the Hong Kong SAR and the Macao SAR.

4. Has your country begun the UNCAC peer review process as a country under review?

YES NO

If yes, please indicate what stage of review your country has completed and the date.

China began being reviewed since July 2013. Now we are working on the self-checklist for UNCAC implementation review. We also started reviewing on Afghanistan and Sri Lanka in 2012.

5. If yes, has your country made use of any of the UNCAC peer review voluntary options, or committed to do so (if the review is not already started)?

- | | | | |
|---------------------------------|------------------------------|-----------------------------|---|
| a. Publication of full report | YES <input type="checkbox"/> | NO <input type="checkbox"/> | COMMITTED TO DO SO <input type="checkbox"/> |
| b. Involvement of civil society | YES <input type="checkbox"/> | NO <input type="checkbox"/> | COMMITTED TO DO SO <input type="checkbox"/> |
| c. Involvement of business | YES <input type="checkbox"/> | NO <input type="checkbox"/> | COMMITTED TO DO SO <input type="checkbox"/> |
| d. Allowing country visits | YES <input type="checkbox"/> | NO <input type="checkbox"/> | COMMITTED TO DO SO <input type="checkbox"/> |

If yes, please provide details (e.g., Web link for published report, how and when civil society / business was engaged during the review process, date of country visit)

N/A

6. Has your country taken steps to respond to recommendations identified in its UNCAC peer review report?

YES YES TO SOME NO NOT YET RECEIVED THE REPORT

If yes, please indicate what steps your country has taken / is taking.

7. If you have responded to all or some of the recommendations, have you made those responses publicly available?

YES NO NOT YET

8. Has your country taken measures to promote, facilitate and support technical assistance in the prevention of and fight against corruption?

YES NO NOT YET

If yes, please provide a short overview indicating in which regions and topics you have provided technical assistance.

China has provided technical assistance in the prevention of and fight against corruption in the following ways.

1) From 2008-2012, China annually held a training program themed on prevention of corruption for developing countries. Altogether five programs were provided to nearly 150 anti-corruption officials from 44 developing countries.

2) China holds training classes on anti-corruption for neighboring countries such as Vietnam and Cambodia. The topics varies from enhancing capacity building to codes of conduct for public officials, etc.

BRIBERY

Note - questions relating to implementation of the G20 *Principles on the Enforcement of the Foreign Bribery Offence* endorsed by Leaders in 2013 and the OECD *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* are included in a separate questionnaire. The questions below concern other aspects of bribery not covered by this set of principles.

9. Has your country criminalized the domestic offer or payment of bribes (active bribery)?

YES NO

10. Has your country criminalized the domestic solicitation or acceptance of bribes (passive bribery)?

YES NO

11. If no, is your country taking steps to criminalize active and/or passive bribery?

YES NO

If yes, please provide details.

12. Has your country instituted measures to discourage the solicitation of bribes?

YES NO

If yes, please provide details.

First, China makes it a crime in our legislation to solicit bribes.

Second, China encourages citizens to report on solicitation of bribes via phone calls, letters and emails. Investigation will be immediately launched if the competent authority finds the report credible.

Third, public officials who are found soliciting bribes from citizens will receive severe disciplinary sanction if the amount of bribe is too small to adjudicate them guilty in legal sense. The disciplinary sanction varies depending on the seriousness of the solicitation and the severest sanction is that the official will be expelled from the Party and removed from the official post.

13. Does your country provide support for/work with business in resisting solicitation?

YES NO

If yes, please provide details.

First, the Chinese government works with the business sector for creating a clean business environment. For example, SAIC (State Administration for Industry and Commerce) cooperates with the local business associations to launch activities against corruption and bribery.

Second, business operators are encouraged to report to competent authorities the solicitation of bribes by public officials.

Third, the Chinese government has established a black-list system. Enterprises found of giving bribes will be listed in the black list and restrained from doing business to certain extent, depending how serious the bribing is. In this way, business operators will think twice if faced with solicitation of bribes as they have to balance the benefits bribes may bring at present and the risk of being found bribing and the possible sanction.

14. Has your country instituted measures to discourage facilitation payments?

YES NO

If yes, please provide details.

First, China has been reforming the administration system and applying the transparent governmental service system for a long time. For example, we strive to popularize the electronic governmental service hall all around China, which means citizens have all relevant procedures done on line and do

not need to face the government officials. The potential solicitation and offering of facilitation payments is thus reduced and discouraged.

Second, the government has been taking measures to reduce the items which need administrative examination and approval and to simplify related procedures. For the past five years, nearly 2000 administrative examination and approval items have been annulled. The numbers of annulled or simplified items in past three years are 314 in 2012, 117 in 2013 and 64 in 2014 (up to now). In this way, the government takes the initiative to reduce its power and consequently reduce the risk of facilitation payments.

Third, business associations organize activities against facilitation payments within the business circles from time to time. Business operators would sign on the recommendations against facilitation payments to show their determination of resisting facilitation payments.

ANTI-MONEY LAUNDERING

15. Since the 2013 progress report, has your country taken any measures to implement the revised FATF standards on anti-money laundering?

YES NO

If yes, please provide details.

China attaches great importance to implementing the new FATF standards. First, China has issued a series of new regulations on anti-money laundering. For example, in January 2014, the People's Bank of China, Ministry of Public Security and Ministry of National Security jointly issued a regulation titled "Administration Methods on Freezing Assets Involved in Terrorist Activities". Second, The inter-departmental work meeting on anti-money laundering has recently revised the *Work Plan on China's Anti-Money Laundering System*, in which there are requirements on how to meet the new FATF standards.

16. Since the last progress report, have changes to your country's anti-money laundering legislation been proposed or implemented?

YES NO

If yes, please provide details.

In January 2014, the People's Bank of China, Ministry of Public Security and Ministry of National Security jointly issued a regulation titled "Administration Methods on Freezing Assets Involved in Terrorist Activities".

DENIAL OF ENTRY

17. Have any changes to your country's legislation, regulations or powers to deny entry to foreign officials charged with or convicted of corruption offences been proposed/implemented since the last progress report?

YES NO

If yes, please provide details.

If no, is such legislation under consideration?

YES NO

If yes, please provide details.

China bears zero tolerance to corruption, no matter it is domestic or foreign. Therefore, China will cooperate with other countries to deny entry to foreign officials who are convicted of corruption. In our current legislation, foreign criminals, including corruption offenders, are forbidden to enter China. Also if there is a red warrant issued by the Interpol, China's police authority will accordingly deny the entry of the specific person.

INTERNATIONAL COOPERATION

18. Is your country's administration of mutual legal assistance consistent with the G20 High Level Principles?

YES NO

If your country's approach is not yet consistent, are you taking steps to implement the Principles?

YES NO

If yes, please provide details.

19. Are you aware of your country having used one or more of the G20 country Guides to Mutual Legal Assistance?

YES NO

If yes, please provide details.

20. Are you aware of non-G20 members having used the G20 Guide to Mutual Legal Assistance to request mutual assistance from your country?

YES NO

If yes, please provide details.

21. Have any changes to your country's legislation related to international cooperation been proposed since the last progress report?

YES NO

If yes, please provide details.

22. Has your country either used UNCAC, or stated that it will allow the use of UNCAC, as the treaty basis for mutual legal assistance (MLA) and/or extradition?

- a. Has used as the treaty basis for MLA YES NO
- b. Will allow use as the treaty basis for MLA YES NO
- c. Has used as the treaty basis for extradition YES NO
- d. Will allow use as the treaty basis for extradition YES NO
Still under consideration

23. Do domestic authorities in your country cooperate and share information with the integrity offices of international organizations?

- a. Cooperate and share information
- b. Could cooperate, but has not been asked
- c. Cannot cooperate

If you cannot cooperate, please provide details.

24. Has your country designated an appropriate authority responsible for mutual legal assistance and law enforcement requests relating to asset recovery (a point of contact)?

YES NO

If yes, to which organizations:

- a. UNODC

Supreme People's Procuratorate in China is responsible for asset recovery cooperation under the framework of UNODC.

- b. StAR/Interpol Focal Point Initiative
Ministry of Public Security of China is a member of Interpol focal point initiative.

- c. Camden Asset Recovery Network

- d. Other(s)

If yes to 'Other(s)', please provide details.

ASSET RECOVERY

25. Does your country have legislation allowing for asset recovery by foreign authorities or is such legislation proposed?

YES NO

If yes, please provide details.

China is a signatory country to the United Nation Convention Against Corruption (UNCAC), and has signed extraction and repatriation pacts as well as Mutual Legal Assistance treaties with many countries around the world, so China stands ready to cooperate with relevant stakeholders and partners under the UNCAC and bilateral treaties to offer assistance to facilitate asset recovery by foreign authorities. But related domestic legislation is under discussion and research.

26. Has your country established a specialist/dedicated unit for the recovery of the proceeds of corruption?

YES NO

If yes, please provide the name of the specialist unit and contact details.

Specialist Unit: Division of Fugitive Repatriation and Asset Recovery, Department of International Cooperation, Ministry of Supervision.

Contact person: Mr. CAI Wei, phone: 86-10-59598618

27. Does your country publish or otherwise make publicly available details of amounts frozen, seized, recovered or returned?

YES NO

If yes, please provide details.

There is no official statistics released by government authority, due to the difficulty in identifying the amount as well as the confidentiality agreement with other nations. But some academic and research centres have done such kind of job, which could partly reflect the current situation and trend of asset recovery in China.

28. Is your country providing technical assistance to developing countries aimed at helping the recovery and return of proceeds of corruption?

YES NO

If yes, please provide details.

The Ministry of Supervision in October 2014 will organize a China-ASEAN Anti-corruption Corrupt Fugitive and Asset Recovery Seminar, which will training 60 China and ASEAN country anti-corruption and law enforcement officials in the relevant laws, procedures, channels, international/regional mechanisms to repatriate corrupt fugitives and corruption proceeds and etc, the seminar aims to deepen mutual understanding and trust, promote knowledge and expertise sharing, enhance anti-corruption capacity building of developing countries in ASEAN region.

TRANSPARENCY OF LEGAL ENTITIES

29. Does your country have transparency requirements for legal persons, including companies, bodies corporate, foundations and partnerships?

YES NO

If yes, please provide details.

Publicly listed companies, bodies, corporate, foundations and partnerships are required to publish their annual report which includes a chapter on transparency, compliance and internal control.

30. Does your country require that the beneficial ownership and company formation of all legal persons organized for profit be reported by the legal person?

YES NO

If yes, to whom is it reported?

In China, enterprises shall report the composition of all legal persons to the State Administration of Industry and Commerce. As the beneficial ownership is usually regarded the same as the composition of legal persons, the enterprises need only report the information about the legal persons. However, we are now finding it become more and more common that the beneficial ownership differs from the legal persons and some enterprises conceal intentionally the real composition of the legal persons. The government is now trying to work out solutions. One step is that we have modified the Administration Regulations on the Registration of Enterprises in 2014, which newly regulates that the information about the legal persons shall be publicized on line (<http://gsxt.saic.gov.cn/>) by the government authority for public scrutiny.

31. If yes, is this information available to the public?

YES NO

32. If this information is not available to the public, is it available to law enforcement?

YES NO

WHISTLE BLOWER PROTECTION

33. Does your country have legislation to protect whistleblowers:

a. In the public sector YES NO

b. In the private sector YES NO

34. Have changes to whistle blower protection legislation been proposed or implemented since the last monitoring report?

YES NO

If yes, please provide details.

35. Since the last progress report, has your country implemented any measures to protect journalists reporting incidents of corruption?

YES NO

If yes, please provide details

PROCUREMENT

36. Does your country publish online any of the following?

a. Procurement laws and policies including any legislation defining the use of exceptions YES NO

b. Selection and evaluation criteria YES NO

c. Awards of contracts and modifications of contracts YES NO

Please provide details.

For each government procurement project, the relevant laws and regulations as well as the criteria for selection and evaluation will be publicized on line (on the official website of the relevant government) before the tendering and bidding begins. The later processes, such as the number of companies applying for bidding, the qualification of the companies, each step of selection, and the final result, will also be made public for oversight and scrutiny of the society.

37. Since the last progress report, have any new initiatives to promote public procurement transparency and integrity been proposed or implemented?

YES NO

If yes, please provide details.

38. Are there regulations and procedures for public procurement officials to govern conflicts of interest?

YES NO

If yes, please provide details.

According to Article 12 of the *Law of Government Procurement of P.R. China*, the public procurement officials who have potential conflicts of interest with the bidders of a certain government procurement project shall not participate in the tendering and bidding process. All government officials in government procurement projects shall report whether such conflicts of interest exist or not and sign a document. The names and positions of all officials who may take part in the procurement project will be made public to receive any report about the possible conflicts of interest.

39. Are companies that have been found to be involved in corrupt contracting practices excluded from future participation in public tenders?

YES NO

If yes, please provide details.

A black list of companies that have committed corruption in public bidding has been established. Such companies will receive punishment of different types according to the offences they have committed. Some will be excluded from participation in public tenders for a certain time period while some will be excluded for ever.

40. If yes, is the debarment list of International Financial Institutions taken into account?

YES NO

(not yet, but we are considering about it.)

41. Are the names of companies excluded from future participation in public tenders made publicly available?

YES NO

If yes, please provide details.

The State Administration for Industry and Commerce will publicize the black list of companies on its official website. The provincial administration bureaus for industry and commerce will also publicize relevant information on line.

DISCLOSURE BY PUBLIC OFFICIALS

42. Does your country require disclosure by public officials of:

a. Income

YES NO

b. Assets

YES NO

- c. Conflicts of interest YES NO
- d. Gifts YES NO
It depends on the value of the gift.
- e. Other YES NO

If yes, please provide details.

Other items required to disclose by China's public officials are: their marital status, part-time job, allowances and investments; the occupation, income, property, equities, stocks, funds, commercial insurances, overseas residency of spouse and children.
The disclosure reports are in the charge of China's State Administration of Civil Service and the Central Organization Department. Relevant information is not yet made public.

PUBLIC OFFICIALS' IMMUNITIES

43. Does your country provide immunities from prosecution to individuals holding public offices for corruption related offences?
- a. All public office holders YES NO
- b. Certain public office holders YES NO
- c. No immunities available to public office holders YES NO
- d. While in office YES NO
- e. Permanently YES NO

If yes, which public office holders are immune and if immunity is limited, please explain.

EDUCATIONAL INITIATIVES

44. Is your country involved in any of the following international anti-corruption educational initiatives?
- International Anti-Corruption Academy YES NO
- UNODC Anti-Corruption Academic Initiative YES NO
- Other international anti-corruption educational initiative(s) YES NO

If yes, please provide details.

The Ministry of Supervision sent a dozen anti-corruption officers to attend various training courses, such as the educational initiatives by StAR, AOA and other international or regional organizations.

45. Does your country provide anti-corruption educational/training programs for officials, including public office holders?

YES ✓ NO

If yes, please provide details.

The Party School of the Central Committee of the CPC, China Academy of Governance, and China Academy of Discipline Inspection and Supervision (CADIS) and other training entities subordinated to government departments, all provide anti-corruption educational/training programs for officials, including public office holders. The forth-mentioned three organizations are most prominent in training high and middle –level public officials, down from division chief level high up to minister level, and CADIS is a specialized anti-corruption academy, organize and training party leaders, public officials and anti-corruption personnel in China.

46. Does your country or business associations in your country promote anti-corruption training for the private sector?

YES ✓ NO

If yes, please provide details.

The Ministry of Supervision of China have organized a series of training on integrity compliance and anti-corruption management in the business sector for both private enterprises and SOEs in 2013, the training focused on learning and complying with the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act and the amended Criminal Law of China.

47. Has your country disseminated G20 products and documents developed by the group with relevant domestic authorities?

YES ✓ NO

If yes, please provide details.

G20 products and documents will be sent to relevant domestic authorities for future research and feasibility tests. For example, the G20 guide book for asset recovery and MLA are distributed to relevant domestic authorities as reference for work in this respect.

JUDICIARY

48. Has your country taken any measures to promote and disseminate the Bangalore Principles for Judicial Integrity?

YES NO ✓

If yes, please provide details

49. Has your country taken other measures to promote the accountability and independence of the Judiciary?

YES NO

If yes, please provide details

1) China is striving to reduce the influence of government on judicial system. The local governments shall no longer interfere with the judicial operation and the judicial system realizes a vertical jurisdiction management. 2) China welcomes the media to oversee the operation of the judiciary, including whistle blowing any improper interference of any third party in the judiciary. 3) The Supreme People’s Court issued a series of documents since 2010 to lay down requirements for courts and judges, in which there are detailed regulations on the judicial procedures. Judges are not allowed to deviate from the procedures to ensure they judge independently and will take the responsibility for any misconduct.

SECTOR-SPECIFIC TRANSPARENCY INITIATIVES

50. Is your country supporting or implementing any sector-specific initiatives?

Extractive Industries Transparency Initiative (EITI)

Implementing
Support

YES NO
 YES NO

Construction Sector Transparency Initiative (CoST)

Implementing
Support

YES NO
 YES NO

Other (specify below)

Implementing
Support

YES NO
 YES NO

Please provide details on other sectoral initiatives supported by your country, or domestic measures taken in relation to specific sectors.

In China, for sectors prone to corruption, such as housing & construction, medical sector and so on, the government has strengthened supervision on them and various sectoral regulations are promulgated to provide detailed regulations on the business operation of these sectors. The guilds or business associations of different sectors also have launched anti-corruption initiatives specific for their own industries.

51. Does your government have integrity pacts with the business sector?

YES NO

If yes, please provide details.

The fight against corruption needs joint efforts of the public and private sectors. Therefore, the Chinese government has always been working closely with the business sector to curb corruption. But it is not a common means for Chinese government to have integrity pacts with business sectors. There are a lot of other measures. For example, the government launches anti-corruption/bribery

initiatives with business associations to call on the business operators to do clean business.

FISCAL AND BUDGET TRANSPARENCY

52. Has your country taken steps to implement the IMF Good Practices in Fiscal Transparency?

YES NO

If yes, please provide details.

53. Has your country taken steps to implement the OECD Best Practices on Budget Transparency?

YES NO

If yes, please provide details.

Thank your for your time in completing this questionnaire.