REPRINT

ANTI-CORRUPTION DEVELOPMENTS IN APAC

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MINI-ROUNDTABLE

ANTI-CORRUPTION DEVELOPMENTS IN APAC

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Pei-Li Wong is BDO's global forensics principal with over 25 years of experience in forensic accounting and auditing, leading the Asia forensic desk and serving on the global forensics leadership team. She has conducted investigations, risk assessments and compliance reviews across North America, Asia, Europe and Latin America, working with multinational organisations on cases involving corruption, fraud and regulatory matters. She also advises clients on compliance risks and remediation. She was recognised by Global Investigations Review in its 2021 Women in Investigations list, which highlights 100 remarkable female professionals in the field.

R&C: Could you provide an overview of the prevalence of bribery and corruption in the Asia-Pacific (APAC) region? What emerging trends have you observed?

Wong: Bribery and corruption are global threats, and no geographic region is completely immune from it. That said, the way in which corruption manifests itself in public and private sectors can be different in various regions due to many factors, including economics, the political environment and cultural practices. Within the Asia-Pacific (APAC) region, certain countries, such as Singapore, New Zealand and Australia, are known to have better governance infrastructure and more robust anti-corruption policies. Others, such as Bangladesh, Myanmar and North Korea, have faced more challenges in this area, as shown in their relatively lower scores according to Transparency International's Corruption Perceptions Index (CPI). Unsurprisingly, some of the emerging trends seen in bribery and corruption are a sign of the times, proof that criminal activity evolves alongside advances made in innovation and technology. One observation is the increased use of digital assets and cryptocurrencies in illicit transactions. With the economic recovery in the APAC region that followed the coronavirus (COVID-19) pandemic, cross-border bribery activity in the APAC region has evolved. The schemes are often more complex, involving nationals of different countries and innovative money-laundering setups. The international trade and supply chain networks have also seen an increase in potentially fraudulent activity, in part driven by increased tariffs and costs of cross-border trade, that, in turn, create incentives for engaging in questionable practices in trying to get goods across the border quickly.

R&C: To what extent are governments across APAC failing to deliver on anti-corruption pledges? Which countries appear particularly vulnerable to poor governance and corruption?

Jayasekara: Across APAC, many governments still underdeliver on anti-corruption pledges: frameworks and laws exist on paper, but gaps persist in beneficial ownership transparency, whistleblower protection and foreign bribery enforcement. Transparency International's 2024 CPI shows persistent weak performers – Afghanistan, Myanmar and North Korea. There are only a few South and Southeast Asian markets with limited reforms in place. Enforcement remains uneven: a handful of high-profile actions occur, often driven by foreign jurisdictions, but domestic prosecutions are rare in parts of South Asia and several Pacific Island jurisdictions, reflecting resource and independence constraints on agencies. TRACE's 2024 Bribery Risk

Matrix states that in many APAC markets, the risk is above the global average. This is due to frequent interactions with public officials and a lackadaisical approach to enforcement, among other factors. Concerns remain in countries such as Cambodia, Laos, Myanmar, Afghanistan, Bangladesh, Mongolia and smaller Pacific economies. The TRACE report also highlights weaknesses in government transparency, civil service oversight and civil society monitoring.

R&C: How effective is anti-corruption legislation in APAC? Do anti-corruption agencies need to strengthen their powers of investigation and oversight?

Jayasekara: Anti-corruption legislation across APAC is uneven in both scope and enforcement. Although many countries have enacted comprehensive anti-bribery and anti-graft laws, practical effectiveness is limited by political interference, resource constraints and weak judicial follow-through. In South Asia and parts of Southeast Asia, beneficial ownership rules and whistleblower protections remain underdeveloped, curtailing transparency and accountability. While Hong Kong's Independent Commission Against Corruption and Singapore's Corrupt Practices Investigation Bureau stand as regional benchmarks, many other agencies lack true prosecutorial independence and rely heavily on executive will. Strengthening investigative powers and oversight is critical. Agencies in certain countries often struggle to compel disclosure of assets, trace complex financial flows or act against politically connected figures. Without greater autonomy, enhanced forensic capabilities and cross-border cooperation, legislation risks being merely symbolic.

> **"Cyber-enabled corruption will continue to evolve as bad actors continue to capitalise on the latest technologies to engage in bribery and prevent detection."**
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> *Pei-Li Wong, BDO*

R&C: Could you highlight any recent high-profile cases that exemplify the extent of corruption in APAC? What do these cases reveal about the risks of operating in these jurisdictions?

Wong: In 2025 alone, there have been several cases reported in the APAC region. Beginning in February 2025, Indonesian authorities arrested executives' affiliates of a state-owned energy firm, for alleged corruption. According to Reuters and other press reports, as of July 2025, more than 10 individuals in the public and private sectors have been implicated in the investigation involving alleged wrongdoing related to fuel quality, unauthorised import of fuel and other activities. In June 2025, Malaysian authorities charged a businessman who claimed to be a whistleblower of bribes received by government officials, for offering the bribes. Authorities are reportedly looking into a Singapore-registered company as part of the investigation. In China, it has been reported that authorities have investigated senior officials in multiple high-profile cases across the country, signifying the government's continued crackdown on public corruption. Also, in April 2025, press reports indicated that Chinese authorities were investigating family members of officials in the finance sector. The cases have shown that authorities are conducting broad sweeps in their investigations, focusing not just on public officials but also on individuals in the private sector. Sectors with significant state involvement such as oil and gas, construction, financial services and natural resources continue to feature in law enforcement actions against bribery and corruption. As such, it is critically important that organisations implement robust compliance programmes and engage in proper due diligence in the normal course of business.

> **"Across APAC, gaps persist in beneficial ownership transparency, whistleblower protection and foreign bribery enforcement."**
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> *Ashane J.W. Jayasekara, BDO*

R&C: With the increasing use of technology leading to more criminal activity in certain areas, how can companies and agencies use similar technologies to curb corrupt activities?

Wong: The increasing use of technology has led to advanced forms of criminal activity, including the use of cyber technology and digital assets, which present challenges in monitoring for red flags and investigating bribery allegations. However, technology can also be invaluable in combatting corruption. These include the use of data analytics to identify anomalous transactions or activities. Data analytics enable organisations to efficiently conduct investigations and audits into allegations, even in situations where data may be imperfect or incomplete. The key is to tailor the approach and analysis to specific situations. Also, organisations can enhance their monitoring programmes by leveraging AI technology to predict potential anomalies and red flags. Coupled with predictive abilities provided by today's technology, such tools may help organisations intercept unauthorised or improper transactions from occurring on a timely basis.

Blockchain technology can also provide transparency and traceability in supply chains and contract management by creating a digital record of transactions stored across a network of computers. This enables organisations to track transactions from origin to delivery.

R&C: What essential advice would you offer to companies operating in the APAC region on detecting, responding to, and preventing bribery and corruption?

Jayasekara: For companies operating in APAC, effective bribery and corruption risk management requires going beyond reliance on uneven local enforcement. Detection should begin with rigorous third-party due diligence, supported by data analytics and transaction monitoring to flag suspicious payments, gifts or procurement patterns. Strong, multilingual whistleblowing mechanisms are essential to surface issues early. When responding, firms must have clear investigation protocols, preserve both physical and digital evidence, and escalate matters promptly to compliance or legal teams; engaging independent forensic experts strengthens credibility. Prevention hinges on tailoring training to local realities, such as facilitation payments or interactions with state-owned enterprises, while reinforcing a consistent tone from the top. Regular stress-testing of controls, mock investigations and governance reviews help close gaps. Ultimately, proactive compliance frameworks and cultural reinforcement are the strongest defence against bribery and corruption across APAC.

R&C: How do you see the prevalence of fraud and corruption in APAC evolving in the years ahead? What additional risks associated with bribery and corruption do you foresee emerging?

Wong: While fraud and corruption in the APAC region are not new phenomena, incentives and disincentives created by the changing legal, business and political environments, advanced technologies and changing social habits require that organisations adapt their compliance programmes accordingly. Cyber-enabled corruption will continue to evolve as bad actors continue to capitalise on the latest technologies to engage in bribery and prevent detection. This includes the use of encrypted communications, digital currencies and online platforms and apps to facilitate illicit transactions. Supply chains have been thrown into disarray due to conflicts, rapidly changing legislations and trade wars. The continued uncertainties and the need to react to the evolving landscape led to increased risks in the use of third parties and intermediaries to facilitate business transactions. Therefore, organisations need to vet their business partners diligently. Past enforcement cases have illustrated issues with customs, procurement and other areas when goods and money need to change hands across borders. Companies must remain vigilant, invest in technology and introduce elements of adaptability in their compliance programmes to address the evolving risk landscape. Continued investments in training, integration of compliance resources and a consistent and unwavering tone from the top to adhere to a strong ethical organisational culture are essential ingredients for navigating the complex environment in the APAC region. R&C