NEWSLETTER

Anti-Bribery and Anti-Corruption Compliance in Asia (Part 1)

Singapore: Regulation of Bribery and Corruption, and Enforcement Actions and Their Impact on Business

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1. Introduction

Singapore is known for being one of the least corrupt countries in the world. Singapore ranks third on the list of least corrupt nations on the 2024 edition of the Corruption Perceptions Index (CPI), which is published annually by Transparency International and serves as a key indicator of corruption levels in different countries.

However, bribery and corruption remain significant compliance risks, which must be addressed even in Singapore. In addition, the country has its own unique characteristics in terms of regulatory enforcement. This article will offer an overview of the anti-bribery and corruption regulations in Singapore, how the authorities approach enforcement, and the potential impact of those regulations and enforcement efforts on businesses.

2. Anti-Bribery Regulations in Singapore

The primary legislation governing bribery and corruption in Singapore is the Prevention of Corruption Act 1960 (PCA). Section 5 of the PCA criminalizes both the receipt and offering of bribes, whether the party involved is a public official or a private individual. The key elements of prohibited bribery activities are set forth in the chart below, and are consistent with anti-bribery regulations in other major jurisdictions.

Counterparty	Any member of a public body or any other person (including in the private sector)
Corrupt Intent	Actually doing or not doing, or proposing doing or not doing, anything whatsoever, with respect to any matter or transaction (on behalf of any member of a public body or any private individual)
	(i) as an inducement for, (ii) as a reward for, or (iii) on account of the foregoing.
Subject	Anything that satisfies a desire (any gratification)
Act	Offense of offering a bribe: act of corruptly giving (or offering or promising) any gratification Offence of accepting a bribe: act of corruptly receiving (or soliciting, or agreeing to receive) any gratification

A fine of up to SGD 100,000 and/or imprisonment for up to five years may be imposed in the event of a violation.

The PCA also prohibits the following conduct:

- Section 6 of the PCA: Criminalizes bribery involving an agent (with the intent to influence the agent).

    - Penalty: A fine of up to SGD 100,000 and/or imprisonment for up to five years.
- Section 11 of the PCA: Criminalizes bribery involving a Member of Parliament.
    - Penalty: A fine of up to SGD 100,000 and/or imprisonment for up to seven years.
- Section 12 of the PCA: Prohibits bribery involving public officials for the purpose of influencing their voting or official duties.
    - Penalty: A fine of up to SGD 100,000 and/or imprisonment for up to seven years.

Sections 161 to 164 of the Penal Code 1871 also establish criminal penalties for bribery involving public officials. The Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 provides for the confiscation of criminal proceeds, including those derived through bribery, and penalizes money laundering of criminal proceeds.

In Singapore, the Corrupt Practices Investigation Bureau (CPIB) is a specialized anti-corruption agency that operates under the direct authority of the Prime Minister's Office. The CPIB is responsible for investigating violations of the PCA, separately from criminal investigations conducted by the police,.

3. Characteristics of Enforcement by Singapore Authorities and Potential Impact on Businesses

One notable characteristic of enforcement by Singaporean authorities is the relatively low number of investigations involving bribery related to public officials; a significant number of cases involve private-sector bribery (also known as commercial bribery). According to the CPIB press release dated April 30, 2024, titled *"Constant Vigilance Vital to the Fight Against Corruption"* 70 of the 81 cases investigated by the CPIB in 2023 (86%) involved commercial bribery. This stands in sharp contrast to other jurisdictions with commercial bribery regulations, where investigations often focus more on bribery involving public officials.

Recent commercial bribery cases involving corporate employees in Singapore include:

Intertek (CPIB Release: April 14, 2022)

- Twelve employees of Intertek Testing Services (Intertek), an international certification body, and other surveyors were convicted of accepting more than SGD 213,000 in bribes from employees of Shell Eastern Petroleum (Shell).
- The bribes were received in exchange for assisting in the illicit procurement of oil while Intertek and others were engaged as surveying firms to measure oil quantities in supply containers for Shell.
- Some individuals were sentenced to 29 years of imprisonment, due to aggravated charges resulting from multiple violations.

Singapore Airlines Employee (CPIB Release: November 8, 2022)

- An employee of Singapore Airlines was convicted of accepting bribes totaling SGD 474,500 from an employee of a bidding company.
- The bribes were given in exchange for assisting the bidding company and providing confidential information related to Singapore Airlines' tender process.

Cases like the first example, in which employees collude with outside parties to misappropriate company

resources in exchange for illicit payments, are not uncommon forms of corporate misconduct. However, it is noteworthy that the acceptance of these payments was prosecuted as bribery.

In the cases above, only individual employees were held criminally liable. However, under Singaporean law, a company also may be held liable if:

1. The employee's conduct represents the action of the company; or
2. The employee acted within the scope of management functions properly delegated to him or her

(as established in *Tom Reck Security Pte Ltd v Public Prosecutor [2001] 2 SLR 70*).

When an employee becomes the subject of an investigation or prosecution in a bribery case, the mere involvement of the company's personnel in the relevant misconduct can cause significant damage to the company's reputation. In addition, the company may face operational burdens related to handling the investigation, which can negatively impact other employees.

4. Conclusion

Many of the commercial bribery cases subject to enforcement under Singapore's anti-bribery regulations involve employees who receive bribes from business partners in connection with company operations. This misconduct poses a potential risk for any company. To mitigate the risk of bribery and related misconduct by employees and to prevent negative impact on the company, it is essential for businesses to establish and maintain a robust compliance framework designed to identify, reduce, and prevent improper conduct.

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