

Insights



Asia-based Kobre & Kim Team on Monitorship Trends in East Asia

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Unlike the United States, East Asian countries do not routinely make use of monitorships as a tool of regulatory enforcement or internal compliance. However, new trends are beginning to emerge, as Kobre & Kim's Jason Kang, Daniel Lee, Nan Wang, Ryan Middlemas and Hangil Lee explain in a chapter for *Global Investigations Review's* second edition of "The Guide to Monitorships."

Historically, East Asian regulators and prosecutors rarely delegate evaluation of a company's level of compliance to private parties. This is because the legal regime does not provide for the appointment of a monitor and there is a cultural view that this work is the government's responsibility. However, foreign-imposed monitorships are increasingly common, particularly as a result of criminal matters – for example, the U.S. ordered monitors for Chinese telecommunications company ZTE and a subsidiary of Panasonic in recent years.

Still, the trend of more domestic monitorships in East Asian countries is growing. For example, as China seeks a bigger role internationally, its international development banks, such as the East Asian Infrastructure Investment Bank, will perhaps follow in the footsteps of the World Bank and use monitorships to police fraud. In addition, there are signs that Singapore and Hong Kong, international financial centers with common law legal systems, are adopting the concept of monitorships, and South Korea is moving towards a regime akin to quasi-monitorships. The authors conclude that these trends will likely fuel small but growing monitorship regimes to grow domestically and "spread their wings."

[Read the full chapter here.](#)