



JSA Prism India-UK Trade Agreement

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Strengthening transparency and good governance in bilateral trade: Anti-corruption commitments in the India–United Kingdom Comprehensive Economic and Trade Agreement

On July 24, 2025, India and the United Kingdom (“**UK**”) signed a Comprehensive Economic and Trade Agreement (“**CETA**”). CETA is widely regarded as a landmark development in bilateral trade relations, not only for the removal/reduction of tariffs across key sectors but also for its significant inclusion of an anti-corruption framework, the first instance of India incorporating such a detailed chapter in any trade agreement.

Chapter 26 of CETA dealing with anti-corruption (“**Chapter 26**”) applies to measures designed to prevent and combat bribery and corruption in any matter affecting international trade or investment between India and the UK. It sets forth clear commitments by both countries to promote anti-corruption principles and uphold the rule of law in their bilateral economic relations.

Both the countries being signatories to the United Nations Convention against Corruption have affirmed their adherence to the same, and UK as a signatory to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions has also affirmed its commitment to it. Further, both countries have pledged support for regional and multilateral initiatives to combat bribery and corruption in trade and investment. This includes efforts led by the Financial Action Task Force and affirm the relevance of G20-adopted principles, such as the G20 Guiding Principles on Enforcement of the Foreign Bribery Offence.

Key Elements of Chapter 26 in the CETA

Chapter 26 requires that both countries should adopt or maintain legislative or other measures (amongst others) as follows:

1. Measures to prevent and combat bribery and corruption:

- a) Both the parties must criminalise bribery of foreign public officials and officials of international organisations. Offences such as embezzlement, misappropriation, or diversion of funds or property by public officials (including participation in such acts affecting international trade or investment) must be addressed.
- b) CETA prohibits fraudulent accounting practices, such as off-the-books accounts, false records, and premature destruction of documents. It also requires both countries to criminalise actions such as the conversion, transfer, concealment, acquisition, or use of assets known to be proceeds of crime, including related participation or conspiracy.
- c) The parties must adopt effective, proportionate, and dissuasive penalties and enforcement procedures to prevent and combat bribery and corruption.

- d) Facilitation payments, which are small and unofficial payments made to expedite routine government actions, must be explicitly prohibited. The parties are also required to conduct awareness campaigns to inform stakeholders about the legal and ethical consequences of such payments.

2. **Reporting of bribery or corruption offences:**

- a) Both the parties must ensure that competent authorities which are responsible for the measures mentioned in para 1 above, or the enforcement of those measures, are known to the public.
- b) Each party must maintain accessible procedures for reporting suspected offences, including options for anonymous reporting where permitted.
- c) Parties must consider measures to protect whistleblowers from discriminatory or disciplinary actions for good-faith reporting.

3. **Promoting integrity among public officials:**

- a) Public officials are required to declare outside professional or financial activities, investments, assets, and gifts received in connection with their official duties.
- b) Each party must establish or maintain codes or standards of conduct applicable to public officials. This includes disciplinary or remedial procedures for breaching these standards.
- c) Each party must endeavour to adopt or maintain measures to facilitate reporting by public officials of acts of bribery and corruption to the competent authorities, if such acts come to their notice in the performance of their functions.

4. **Impact on businesses and required actions under the India-UK CETA anti-corruption framework:**

Chapter 26 also outlines a framework for private sector engagement in combating bribery and corruption in matters affecting international trade and investment. These include:

- a) developing internal controls, ethics, and compliance programmes;
- b) adoption of codes of conduct that promote integrity and prohibit corrupt practices in business operations;
- c) training employees and agents on anti-corruption laws and ethical standards; and
- d) conducting due diligence in business relationships, especially in cross-border transactions.

Importantly, both India and UK have agreed that while CETA sets out shared anti-corruption standards, the definition of offences, availability of defences, and enforcement measures will be governed by each country's own domestic laws and legal system. Prosecution and penalties for such offences will also remain within the jurisdiction of the respective national authorities.

Conclusion

The inclusion of a dedicated anti-corruption chapter in CETA is a major step forward in the evolution of trade agreements, setting a clear precedent for future pacts. Recognising that corruption remains a significant barrier to trade, raising compliance costs and causing uncertainty, Chapter 26 underscores the shared resolve of India and UK to remove these obstacles. It fosters a business environment grounded in transparency, accountability, and ethical conduct. For India, this also marks a closer alignment with global anti-corruption standards now integral to modern international trade frameworks.

At the same time, the implementation of CETA highlights areas where Indian laws will need to evolve, especially in addressing the absence of a standalone offence for foreign bribery and the lack of robust private-sector whistleblower protections. The agreement, while comprehensive, brings these legislative and regulatory gaps into sharper focus and may generate renewed impetus for domestic reforms. It remains to be seen whether India will respond with targeted new measures, but the CETA framework makes such action a practical necessity in the context of international trade.

In the interim, while the agreement is not yet in force and both nations must still complete domestic procedures for the agreement to come into effect, businesses should take a proactive approach. By investing in strong internal compliance systems, employee training, and a culture of integrity, Indian companies can navigate the emerging anti-corruption landscape. These efforts also help reduce the cost of doing business posed by corrupt practices. As anti-corruption becomes a central pillar of trade policy worldwide, those who move early will be better positioned to thrive in the global market once CETA takes effect.

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Our white-collar crimes litigation team routinely represent clients from across industries and sectors in different fora including all courts, tribunals and judicial bodies in India, along with arbitrations and other forms of dispute resolution.

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