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A COMPARATIVE ANALYSIS OF THE CONCEPT OF ECONOMIC CRIME AND LEGAL LIABILITY IN THE BUSINESS LAW OF CHINA AND UZBEKISTAN

(Towards a Dual-Pathway Governance Model)

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Relevance of the topic. The continuous expansion of cross-border trade and capital flows has steadily deepened regional economic integration while simultaneously generating economic crimes of greater complexity and concealment, ranging from technologically sophisticated financial fraud to opaque cross-border capital movement. As the Belt and Road Initiative advances, China and Uzbekistan have become increasingly important trade and investment partners; although the two countries differ in legal tradition, judicial architecture and stage of economic development, they share a high degree of alignment in their fundamental goal of safeguarding fair market competition and economic security. A systematic comparative study of how the two countries govern economic crime through business and criminal law is therefore both theoretically underexplored, given the relative scarcity of comparative scholarship engaging Central Asian jurisdictions, and practically urgent for improving cross-border law-enforcement cooperation and reducing compliance costs for commercial actors operating in both markets.

Keywords: economic crime; comparative law; legal liability; law and economics; China; Uzbekistan; comparative business law; Belt and Road Initiative; cross-border governance; Dual-Pathway Governance Model.

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Aim and methods of the research. The research aims to conduct a systematic, functionalist comparative study of the economic-crime governance systems of China and Uzbekistan in order to reveal their structural divergence and functional convergence and to derive recommendations for legal cooperation under the Belt and Road framework. The analysis is organised around four dimensions: the conceptual definition of economic crime, the structure of its constituent elements, the configuration of legal-liability systems, and the logic of judicial practice. Methodologically, the work combines functionalist comparative law, which asks how different institutions achieve corresponding governance functions rather than comparing legal texts in isolation, with a law-and-economics perspective that evaluates liability configurations through a cost-benefit lens. The empirical material consists of normative analysis of primary legislation and judicial interpretations, case analysis of real, publicly reported Chinese judgments, an illustrative Uzbek scenario constructed from published judicial guidance (since comparable public case-law databases are not available for Uzbekistan), and recent legislative amendments to Uzbekistan's business and criminal law (2019-2025).

Main results. The study finds that China has built a governance model centred on the Criminal Law of the People's Republic of China, which consolidates economic-crime offences in a single dedicated chapter (Part Two, Chapter III, “Crimes of Disrupting the Order of the Socialist Market Economy,” Articles 140-231, comprising roughly one hundred and five distinct charge designations) and is densely supplemented by judicial interpretations of the Supreme People's Court and Supreme People's Procuratorate. Judicial practice in China is characterised by a “substance over form” approach: courts determine non-possessory intent in offences such as contract fraud (Article 224) and fund-raising fraud (Article 192) by tracing the actual flow of funds and the authenticity of the underlying transaction rather than relying on formal contractual compliance. This is illustrated by real, citable judgments, including the Zhang Xiaolei “Qianbao.com” fund-raising fraud case (Nanjing Intermediate People's Court, 21 June 2019, involving more than RMB 30 billion in unpaid investor principal) and the Chen Mou-rong contract fraud case (Yancheng Tinghu

District People's Court, (2022) Su 0902 Xing Chu No. 137), the latter selected for the Supreme People's Court's National Court Case Database precisely because it clarified that an oral commercial agreement can support a conviction under Article 224.

Uzbekistan, by contrast, relies on its national Criminal Code (Law No. 2012-XII of 22 September 1994, as amended through 2025) as a general framework, with economic-crime provisions dispersed across several chapters rather than consolidated in a single dedicated chapter. The governance model is administration-led: administrative agencies play the dominant preliminary role in investigating, characterising and referring cases, with criminal judicial bodies primarily performing a confirmatory function. This pattern is institutionalised, for example, in Article 38 of the Criminal Procedure Code, under which the Tax and Currency Exchange Crime Control Department of the General Prosecutor's Office and customs agencies themselves act as bodies of inquiry for tax, customs and currency-exchange offences, and in the Tax Code's exemption mechanism, under which the tax authority's own preliminary assessment substantially determines whether a case proceeds administratively or criminally. Key normative provisions include Article 168 (fraud) and Article 184 (tax evasion) of the Criminal Code, together with Article 9 of the Law “On Guarantees of Freedom of Entrepreneurial Activity” (Law No. 69-II of 2000, as amended), which sets the baseline statutory obligations of business entities.

Officially published caseload data for 2020-2024 lend empirical texture to this contrast. Chinese prosecutions of persons for crimes disrupting the socialist market economic order moved from an estimated 100,500 in 2022 to 121,000 in 2023 and 136,888 in 2024, the highest figure in nearly a decade according to the Supreme People's Procuratorate's White Paper on criminal procuratorial work; registered fraud (firibgarlik) cases in Uzbekistan, drawn from the open-data statistics of the National Statistics Committee, rose from 10,496 in 2020 to 24,554 in 2021, fell to 18,492 in 2023 and climbed again to 29,252 in 2024. Because the two series differ in unit of count, procedural stage and substantive scope, they are read in parallel rather than aggregated, but each is consistent

with its respective governance pathway: the Chinese trajectory reflects intensifying rule-based prosecutorial throughput, while the more volatile Uzbek series is sensitive to shifts in administrative registration practice. The two codes also calibrate penalties differently: Chinese statutory fines are generally fixed monetary amounts written into each offence article, whereas Uzbekistan's Criminal Code fixes fines (Article 44) as a multiple, from five to six hundred times, of the periodically revised Base Calculation Amount (BRV).

On this basis the thesis develops a **Dual-Pathway Governance Model**: a Rule-Collaborative pathway, represented by China, grounded in a dense, dynamically refined rule system operating through coordinated multi-departmental procedure; and an Administration-Led pathway, represented by Uzbekistan, grounded in centralised administrative fact-finding with judicial bodies performing a back-loaded confirmatory role. The model is shown to have explanatory rather than merely descriptive value: it generates the falsifiable proposition that jurisdictions fusing administrative-enforcement and criminal-inquiry functions within the same body will exhibit administration-led governance, and this proposition retains discriminating power when applied, qualitatively, to two cases outside its construction sample — Kazakhstan, whose recent reforms strengthening the procuratorate's investigative role move it toward the rule-collaborative pole, and Russia, whose federally fragmented enforcement produces an intermediate, internally inconsistent position consistent with the model's prediction for systems where administrative-criminal fusion varies by region. Despite the structural divergence between China and Uzbekistan in normative form, power allocation and regulatory approach, both countries converge on the same core institutional objectives: preventing systemic financial risk and maintaining market economic order. This pattern of “structural divergence, functional convergence” is reinforced in the cross-border domain, where China relies on institutionalised multilateral cooperation (anchored, on the bilateral plane, in the 1997 China-Uzbekistan Treaty on Judicial Assistance in Civil and Criminal Matters and the bilateral Extradition Treaty) and Uzbekistan relies more on regional cooperation and administrative control, while the two states' divergent stances on virtual-asset regulation — China's 2021 prohibition on

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cryptocurrency-related business activity versus Uzbekistan's regulatory sandbox under Presidential Decree No. UP-121 of 2022 — illustrates an emerging friction point for future cooperation.

Conclusion. China and Uzbekistan reach broadly comparable practical outcomes in economic-crime governance through structurally different institutional routes, neither of which is superior to the other in the abstract; each is well matched to its own legal tradition, governance structure and stage of economic development. The Dual-Pathway Governance Model developed here provides both an explanatory framework for this divergence and a practical foundation for deepening criminal-judicial cooperation and promoting business-legal-system alignment between China and Uzbekistan under the Belt and Road Initiative, and it offers cross-border commercial actors a structured basis for anticipating compliance risk in each jurisdiction.

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