

The new Transparency International Corruption Perceptions Index 2024 – Is there a correlation between corruption and climate crisis?

THE MOST IMPORTANT RESULTS OF THE 30TH EDITION OF THE WORLD'S LEADING CORRUPTION BAROMETER FOR COMPLIANCE MANAGEMENT SYSTEMS OF INTERNATIONALLY ACTIVE COMPANIES



Executive Summary

- Transparency International ("TI") published on 11 February 2025 the latest Corruption Perceptions Index (*Corruption Perceptions Index* / "CPI") for the year 2024, again with a total of 180 countries analysed - now in its **30th edition**.¹
- The current TI CPI findings must be incorporated at an operational level in the compliance management systems ("CMS") of international companies and should be considered particularly carefully in the first

weeks of this very special new year, in which significant policy changes on international anti-corruption are announced on a daily basis in Washington D.C.

- For the seventh time in a row, Denmark once again leads the **TI CPI 2024 Top Ten** with 90 out of 100 points, ahead of Finland in second place with 88 points and Singapore in third place with 84 points. New Zealand is in 4th place with 83 points, followed by Luxembourg, Norway and Switzerland in 5th place with 81 points each. In 8th place is Sweden with 80 points, ahead of the Netherlands in 9th place with 78

¹ TI CPI 2024, available at: <https://www.transparency.org/en/cpi/2024> and <https://www.transparency.de/cpi/cpi-2024>



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- points. The 10th place is shared by Australia, Iceland and Ireland with 77 points each.
 - With 75 points, a full three points less than last year, **Germany** finished in 15th place behind Uruguay, together with Canada - meaning they dropped out of the top ten and achieved their lowest score since 2012.
 - Important EU neighbouring countries also show a negative trend: France, like Austria, loses 4 points and 5 places (both 67/25); Belgium also loses 4 points and 6 places. (69/22).
 - The **27 EU member states** lose 3 points on average compared to the previous year, but remain the world region with the highest CPI average at 62 points. Hungary stays in last place in the EU with 41 points in 82nd place – together with Cuba, South Africa, Tanzania as well as Trinidad and Tobago.
 - In the third year of the Russian war of aggression, invaded **Ukraine** fell by one point and one place, landing in 105th place with 35 points. Agressor **Russia** even dropped 4 points and 13 places to 154th place with 22 points.
 - The remaining **BRICS** countries show the following trends in a year-on-year comparison: Brazil loses 2 points and 3 places and ends up in 107th place with 34 points. India loses 1 point and 3 places (38/96). **China**, on the other hand, gains 1 point but remains in the same position. (43/76). Finally, South Africa stagnates in terms of points, but climbs one place in rank. (41/82).
 - The **TI CPI 2024 Bottom Ten** starts in 170th place with North Korea and Sudan with 15 points each, followed by Nicaragua with 14 points in 172nd place. Equatorial Guinea, Eritrea, Libya and Yemen together occupy 173rd place with 13 points. Syria scores 12 points and ranks 177th, Venezuela 10 points and ranks 178th. At the bottom of the table, Somalia "makes it" to 179th place with 9 points, leaving South Sudan the tail lamp with 8 points.
 - Once again, over 120 countries, i.e. more than two thirds, scored less than 50 points, which is less than half of the achievable score. Since 2012, only 32 countries have improved their scores, 47 countries have deteriorated and 101 countries have stagnated.
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- Once again, TI points out the dangers of "**strategic**" **corruption**, especially by autocratically governed states, for the stability of democracies.
 - New in this CPI 30th edition is TI's claim of a **correlation between corruption and climate crisis**, for example through the misuse of climate funds.
 - Despite - or rather: precisely because of - the **latest international developments** on new investigation and prosecution priorities in the USA or a new corporate criminal law in the UK, especially companies based outside the USA and UK should nevertheless upgrade their compliance capabilities to prevent corruption.
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Overview of the TI CPI

Founded in Germany in 1994, the non-governmental organisation („NGO“) TI published the CPI 2024, now in its 30th edition, on 11 February 2025.

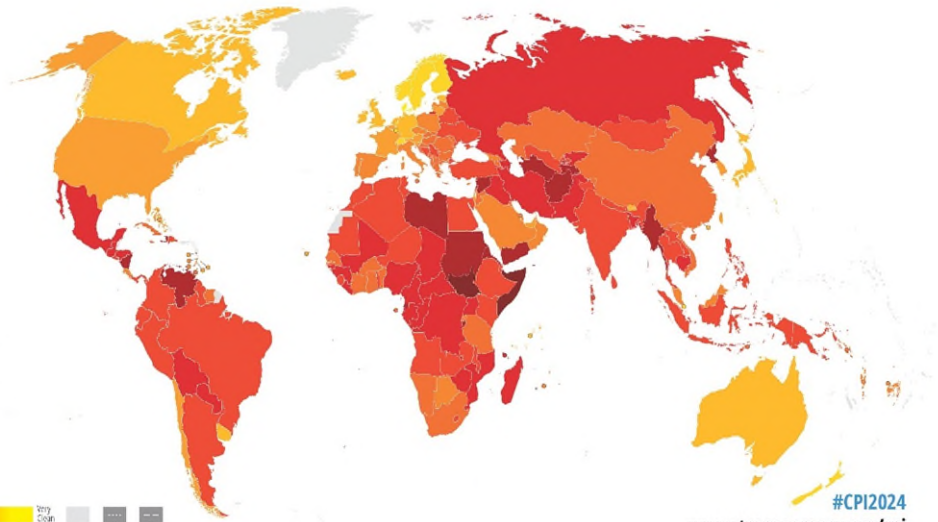
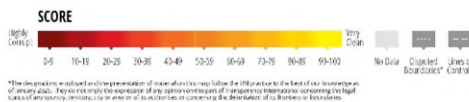
The CPI measures the subjectively perceived propensity towards corruption in politics and public administration in a given country by conducting and analysing many expert interviews. The indexing of 180 countries is based on point values, whereby the maximum value of 100 points indicates no perceived propensity for corruption and 0 points – on the contrary – indicates a very high propensity to corruption. Countries with particularly low scores are shown on the TI CPI world map in a correspondingly deep red colour rendering the TI CPI the character of a global "heat map" at first glance. Obviously, the world keeps glowing predominantly red in colour.





CORRUPTION PERCEPTIONS INDEX 2024

The perceived levels of public sector corruption in 180 countries/territories around the world.



#CPI2024
www.transparency.org/cpi

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The TI CPI 2024 is again based on 13 data sources from 12 different independent institutions² on the perception of the level of corruption in the public sector over the past two years.

Despite initial criticism, the TI CPI has now developed over three decades into an undisputed international **de facto compliance standard** for the identification and continuous assessment of risks in business operations in a wide range of regions and countries.

Key messages of the TI CPI 2024

The TI CPI average score continues to stagnate. Of the 180 countries analysed, over 120 countries, i.e. more than two thirds, did not even reach half of the achievable score of 50.

In addition to this well-known key realisation of the generally stagnating efforts to effectively prevent corruption worldwide, **TI International** draws attention to the ongoing use of "*grand corruption*", i.e. "strategic" bribing by autocratic regimes as a targeted foreign policy tool to destabilise democracies and weaken human rights.

What is new is the reference to a **connection between corruption and climate crisis**. According to TI International, "*policy capture*" by influential lobbyists combined with "*revolving doors*", i.e. a lack of separation between

2 The 13 data sources are:
1. African Development Bank Country Policy and Institutional Assessment 2020
2. Bertelsmann Stiftung Sustainable Governance Indicators 2022
3. Bertelsmann Stiftung Transformation Index 2022
4. Economist Intelligence Unit Country Risk Service 2022
5. Freedom House Nations in Transit 2022
6. Global Insight Country Risk Ratings 2021
7. IMD World Competitiveness Centre World Competitiveness Year-

book Executive Opinion Survey 2022
8. Political and Economic Risk Consultancy Asian Intelligence 2022
9. The PRS Group International Country Risk Guide 2022
10. World Bank Country Policy and Institutional Assessment 2021
11. World Economic Forum Executive Opinion Survey 2021
12. World Justice Project Rule of Law Index Expert Survey 2021
13. Varieties of Democracy (V-Dem v. 10) 2022

conflict-laden activities in the public and private sectors, lead to unauthorised influence on climate protection regulation. The still weak enforcement of climate protection rules, including misuse and embezzlement or misappropriation of climate protection funds, is favoured by inadequate corruption prevention. However, the lack of reliable climate protection indicators is also explicitly criticised. In fact, TI International's own attempts to compare CPI country trends with different climate trends, for example to correlate corruption propensity with a willingness to accept climate change or to effectively protect the environment, still appear somewhat laboured and in need of further explanation.³

In its press release of 11 February 2024⁴, **Transparency Germany** explicitly points out the worst result since 2012 with 75 points and 15th place and criticises the urgent need for action. Alexandra Herzog, Chairwoman of Transparency Germany, fears that the country is falling behind other countries in the fight against corruption and illustrates this worrying long-term trend with the **problem of political party funding**. A lack of transparency from uncontrolled major donors – especially from abroad and for comparatively new political party groupings – is a threat to stability of and trust in democratic institutions, especially in times of ongoing strategic corruption by autocratic regimes. According to Transparency Germany, in addition to an overdue reform of political party funding, the long-requested Federal Transparency Act must become a priority for the next legislative period after the snap federal elections on 23 February 2025. Nevertheless, progress is also praised, such as the reform of the Lobby Register Act, which came into force in March 2024. However, a positive effect of this new transparency regulation cannot yet be reflected in the current figures of the TI CPI 2024 – and must therefore remain a national hope for future TI CPI editions.

³ TI CPI 2024 Report, p. 12: "Corruption and Readiness to Adapt to Climate Change"; p. 14: "Corruption and Environmental Health", available at <https://www.transparency.org/en/cpi/2024>

⁴ available at <https://www.transparency.de/aktuelles/detail/article/cpi-launch-2024>

Current international developments

With the publication date of the new TI CPI 2024 scheduled for 11 February 2025, perhaps only a few people in charge could have guessed what exactly was going to be decided in Washington D.C. in the days and hours before its worldwide publication. Among the many dynamic developments, the first thing to note is the "Bondi Memo"⁵, with which the new U.S. Attorney General Pam Bondi focused the new global investigation and prosecution focus on the elimination of criminal cartels and the fight against organised crime, the so-called "*Transnational Criminal Organizations (TCOs)*", on 5 February 2025. The enforcement of one of the oldest and most successful cross-border anti-corruption laws in the world – the *Foreign Corrupt Practices Act* (US FCPA) of 1977 – should only be limited to cases of bribery of foreign public officials in which a connection to human-, drug- or arms trafficking is recognisable.

On 10 February 2025, the re-elected U.S. President Donald Trump finally signed an executive order⁶ pausing the entire FCPA to protect national economic and security interests.



⁵ available under the title "Total Elimination of Cartels and Transnational Criminal Organisations" at <https://www.justice.gov/ag/media/1388546/dl?inline>

⁶ available under the title "Pausing FCPA Enforcement to further American Economic and National Security" at <https://www.whitehouse.gov/presidential-actions/2025/02/pausing-foreign-corrupt-practices-act-enforcement-to-further-american-economic-and-national-security/>



On 1 September 2025, however, the *Economic Crime and Corporate Transparency Act*⁷ (UK ECCTA) of 2023 will bring into force a new corporate criminal law with cross-border applicability in the United Kingdom, which, in the modern UK legal tradition (*UK Bribery Act 2010: "Failure to Prevent Bribery"*), introduces the strict offence of "*Failure to Prevent Fraud*", which may for instance also affect German companies with a UK nexus. The Anglo-Saxon legal term "*fraud*" is not to be equated with the German offence of "*Betrug*" within the meaning of sections 263 et seq. of the German Criminal Code, but goes much further and also includes, for example, "*tax fraud*", "*balance sheet fraud*" or "*green or ESG fraud*" - and is therefore reaching far beyond a "narrow" offence of bribery of public officials. In the absence of „reasonable procedures“ to prevent fraud, companies can therefore also be held extra-territorially liable for offences under UK law or to the detriment of UK victims.

Implementation recommendations for companies

This brief outline of selected international policy changes shows the contradictory nature of the current normative realities in which internationally active companies have to retain their operating license. Nobody will be able to predict with certainty how exactly the significant changes in the USA will effectively be implemented or adhered to. Practical implementation could also vary greatly, depending on where the impacted companies are actually based. Similarly, no one will be able to attribute more enforcement power to the new UK ECCTA 2023 corporate criminal law than to the UK Bribery Act 2010. It is precisely in such an ambiguous and complex situation that the in part surprisingly clear deterioration of trends in the development of companies' country risks in the new TI CPI 2024 edition should be taken into particularly close consideration.

The importance of robust identification and robust management of compliance risk categories such as corruption, money laundering, terrorism financing or export

control is not only for the purpose of defending companies such as well as entrepreneurs, managing directors and executives⁸ from liability, but also for business continuity of international operations. Perhaps the well-known preventive compliance measures of company-specific compliance risk analyses, third-party business partner checks or M&A compliance due diligences become even more important than before in this still young and "dynamic" calendar year 2025.

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⁷ available at <https://www.legislation.gov.uk/ukpga/2023/56/contents>

⁸ cf. "Senior Manager" in the wording of the UK ECCTA 2023



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