

# *Moving to Formality and Openness? An Analysis of China's New Two-Tiered Sanctions Policy*

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## *Abstract*

For a long time, China has relied on an informal and covert approach to sanctions in its foreign relations. The past few years, however, have witnessed quite significant changes in Beijing's sanctions policy, as most notably seen in the promulgation of various new domestic regulations and laws as well as official announcements of tit-for-tat punitive measures against Western countries. Why did China so significantly change its sanctions policy? Has China's approach to sanctions moved from informality to formality and from covertness to overtness? And given China's growing zeal in protecting its overseas interests, what are the implications for China's foreign policy? This article attempts to address these questions by analyzing China's latest sanctions behavior. Our findings suggest that China's move was motivated by not only external challenges, particularly sanction pressures from the United States, but also by China's domestic political dynamics including the emphasis in Xi's thoughts on international competition. In reality, China's new sanctions policy and its broader application may be constrained by three factors: China's rhetorical traps, potential market uncertainties, and insufficient asymmetric leverages. It is likely that

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