



Study on Compliance Strategy of the Overseas Expansion of New Energy Vehicle Enterprises in China

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Abstract. The Necessity and Practical Significance of the Global Expansion of Chinese New Energy Vehicle Enterprises. From a micro-level perspective, the global expansion of Chinese new energy vehicle (NEV) enterprises fulfills their intrinsic business interests while simultaneously enhancing consumer welfare. At the same time, the convergence of global technical standards and the accelerated evolution of systemic coordination are shaping a new developmental logic for China's automotive industry—one oriented toward high-end upgrading and globalization. At the macro level, the overseas expansion of China's NEV sector not only signifies the nation's growing capacity in international rule-making but also represents an extension of its broader economic strategy. Currently, three primary models characterize this process: the reverse joint-venture model, the transition from "technology going global" to "ecosystem going global", and the accelerated advancement of intelligentization. These models give rise to certain common legal risks, primarily involving technical compliance risks and market operation compliance risks. To effectively manage these challenges, it is necessary to reform and enhance the compliance strategies of Chinese NEV enterprises operating abroad. Specifically, this requires strengthening the professionalization of compliance management structures, ensuring the dynamic collection and updating of compliance information, promoting the digital and intelligent upgrading of compliance mechanisms, and advancing a conceptual shift from defensive compliance to strategic compliance. In an increasingly complex international market environment, only through maintaining rationality in model selection and continuously innovating compliance strategies can Chinese NEV enterprises achieve the transition from large-scale and volume-driven expansion to high-quality global development.

Keywords: Business , Law, Overseas Expansion

1 Introduction

China's new energy vehicle enterprises' enthusiasm for overseas expansion is becoming a highlight of the global auto industry. This trend not only stems from the pursuit of the vast market, but also carries a complex game of technological breakthrough, legal compliance and data flow. As the core driving force, intelligent driving technology is not

only a sharp weapon for car companies to compete internationally, but also brings challenges to data privacy and international rules. From business considerations to policy pressure, and then to the ambition of technological innovation, overseas expansion has opened a new world for China vehicle companies, and at the same time has a far-reaching impact on society, the country, consumers and the industry. Despite the risks, this strategy is undoubtedly the only way for China automobile to go global.

2 The Necessity and Practical Significance of the Overseas Expansion of China New Energy Vehicle Enterprises

It is of great significance and necessity for the overseas expansion of China's new energy vehicle enterprises to supervise the development of automobile industry and social and cultural construction from the micro perspective of enterprises themselves and consumers and from the macro perspective of national economic growth and strategic extension.

2.1 Micro-perspective: Dual Consideration of the Interests of Car Companies Themselves and Consumers

First, the domestic development dilemma and the realistic motivation of the global blue ocean. The economic situation is not optimistic whether it is the domestic automobile industry situation or the overall economic development trend of foreign countries. Specifically, the competition in the domestic new energy vehicle market is becoming increasingly fierce. In 2024, the penetration rate has exceeded 35%, price wars are frequent, profits are diluted, and enterprises are facing survival pressure. In contrast, although the global market is also not depressed, it still shows great potential because of its vastness. At the same time, China's technical accumulation in intelligent driving, battery technology and other fields has enabled China car companies to compete with international giants. Overseas expansion is not only a business choice for enterprises to actively seek growth space, but also a necessary path to break through from fierce competition.

Second, the key path for China smart car enterprises to find new quantity and rebuild their competitiveness. In the context of slowing domestic growth, global layout has become an important means for car companies to expand market space and reduce business risks. For smart cars, data resources are key resources in the process of car companies' overseas expansion, and overseas diversified usage scenarios provide valuable resources for algorithm training and lay the foundation for intelligent product upgrade. Overseas markets provide diversified user needs and road scenarios, and feed back the training and optimization of intelligent products of car companies. In addition, overseas expansion is conducive to brand internationalization, capital market valuation improvement and cooperation opportunities expansion, which is a key step for car companies to achieve long-term value jump.

Third, it is a key measure to accelerate the return of technology dividends and upgrade product quality for consumers. The fierce competition in the international market

urges enterprises to continuously optimize product performance and user experience. Domestic consumers benefit from technology backflow and scale effect, not only can they enjoy smarter driving experience (such as advanced assisted driving system, AI voice assistant, etc.), but also get more cost-effective product selection due to cost dilution, and improve the overall consumption well-being.

2.2 Meso-perspective: Dual Impetus of Industry and Society

Industry Level: Technical Standards are Forced to Cooperate with the System to Accelerate the Evolution.

The overseas expansion of China's new energy vehicle enterprises are reshaping the development path of the whole industry. Facing the strict product safety certification (such as NCAP crash test, UNECE R155 network security requirements) and intelligent driving standards in European and American markets, enterprises have to accelerate R&D and system integration. This kind of technical pressure brings reverse drive, which promotes the upstream of the industrial chain, such as battery chips and algorithm companies, to upgrade simultaneously and improve the efficiency of industrial synergy. At the same time, car companies set up factories and R&D centers around the world, which also promoted the global unification of parts standards and accelerated the integration of supply chains at home and abroad. This transformation path of "driven by standards and driven by the market" is building a new logic for China's automobile industry to move towards high-end and globalization.

Social Level: The Linkage Process of Brand Image Spillover and Concept Innovation.

With the continuous breakthrough of China brands BYD, Nio and XPENG overseas, China consumers' acceptance of "smart domestic cars" has been significantly improved, and their brand identity has been continuously enhanced. This positive cycle not only enhances the cultural self-confidence of national manufacturing, but also promotes the gradual integration of smart cars into domestic mainstream consumer cognition. In addition, intelligent and green usage scenes are fed back to China from foreign markets, which accelerates the acceptance of technology-driven lifestyle in domestic society. It is worth noting that in the process of expanding overseas markets, enterprises need to face the data governance regulations and technical compliance systems of different countries at the same time, such as the restrictions of GDPR (The General Data Protection Regulation) on the processing of voice data and positioning information. This puts forward new requirements for the social level, that is, the public must gradually establish a cognitive basis for personal information protection and cross-border legal differences, so as to promote the simultaneous evolution of scientific and technological development and legal culture.

2.3 Macro Perspective: The Latest Extension of National Economic Strategy

The launch of new energy vehicles not only reflects the improvement of national rule-making ability, but also plays a significant role at the macroeconomic level. As a new growth point of export, new energy vehicles have become an important part of China's high-end manufacturing products export for two consecutive years, directly driving the overall development of related industrial chains (such as batteries, charging equipment, autonomous driving chips, etc.). According to the data of China General Administration of Customs, in 2023, the export volume of new energy vehicles in China increased by about 73% year-on-year, and the export volume increased by about 78% year-on-year, which became an important driving force for stimulating external demand and domestic demand, and its contribution to GDP growth continued to expand. The launch of the overseas expansion of new energy vehicles strongly supports China's export growth and has become an important starting point for stabilizing foreign trade. By promoting local enterprises to participate in the formulation of international standards (such as ISO 26262[1], UNECE R155, etc.), China has improved its voice and system building ability in the global automobile industry. Going global for the new energy automobile industry not only shows the hard technical strength, but also shapes the image of China's soft power in the geostrategic layout such as the Belt and Road Initiative.

At the same time, the new energy vehicle enterprises' overseas expansion is not an isolated enterprise behavior, but also reflects the spillover logic of the national strategy. On the one hand, the industrial achievements brought by scientific and technological independence need to be transformed into national influence through internationalization. The technological output in the fields of power battery and intelligent driving not only enhances China's position in the global industrial chain, but also enhances China's right to speak in the formulation of global technical standards. On the other hand, under the background of Sino-US scientific and technological competition, the new energy vehicle industry has become an important carrier of systematic breakthrough. As one of the few leading automotive operating system industries in China, the new energy vehicles will directly affect the strategic layout and resource security of China's future science and technology industry.

3 The Current Overseas Expansion Mode of China New Energy Enterprises and Its Compliance Risk Summary

3.1 Diversified Path of Overseas Expansion Mode

China's new energy vehicle enterprises gradually present diversified modes in the process of overseas expansion, which can be summarized as the following three modes.

First, the reverse joint venture model. Some enterprises set up joint ventures with overseas car companies or distributors to quickly enter the market and lower the operating threshold with the help of local resources. This model is similar to backdoor with foreign investors. With the participation of local manufacturers, in the compliance risk part, local localization can be recognized and risk can be dispersed. For example, China

Leapmotor and Stellantis, which is headquartered in the Netherlands, are typical reverse joint venture models-China's technology is exported to the world in reverse, and foreign enterprises are responsible for the docking of the market and production system. In October 2023, Stellantis first spent about 1.5 billion euros to acquire about 20% equity of Leapmotor, and then the two parties formally established Leapmotor International B.V (Leapmotor International) joint venture company in May 2024, with Stellantis holding 51% and Leapmotor holding 49%. The joint venture company is located in Amsterdam, the Netherlands. The joint venture company is responsible for the export, sales and manufacturing of retail cars outside Greater China. In the process of this joint venture, Leapmotor provides "global self-developed technology": including core hardware and software capabilities such as "three electricity technologies", intelligent cockpit and LEAP architecture; Stellantis provides global channels, brands, adjustment and after-sales systems and other commercial resources to quickly enter the international market.[2]

However, this joint venture model has some uncertainties in intellectual property protection and brand building. For example, in the process of technical cooperation, there must be joint R&D activities between the two parties, and how to define the ownership of new technological achievements and inventions will easily lead to disputes in the future if it is not clearly defined or unclear in the investment cooperation agreement. After all, the "reverse cooperation" mode is multi-party participation, and the Chinese brand discourse power will be weakened to some extent in the whole process. At the same time, both parties may also analyze the brand characteristics, brand positioning, target population, etc., and ultimately cannot form a strong brand and brand effect.

Second, from "overseas expansion of technology" to "ecological going to sea". In the early days, car companies mainly exported components such as batteries and motors, but now they are transforming into ecological layouts such as vehicle sales, energy networks and intelligent internet platforms. For example, Great Wall Motor in China is an ecological pioneer in Southeast Asia. As early as 2020, China Great Wall acquired the Rayong factory in Thailand, and turned it into a regional production center for new energy vehicles. Subsequently, it improved the ecology of the industrial chain, invested in the construction of a "light storage and charging integration" super charging station, covering more than 70% of the charging network in Thailand, and promoted the new energy use infrastructure. In Thailand, it will build a complete new energy ecosystem from R&D, production, charging service to user operation, and realize the full coverage of "product-service-experience". This model not only exports automobile products, but also exports a complete industrial ecosystem, so that China's experience can develop fast locally.[3] Through the deep integration of technology, industrial chain, service, brand and consumption experience, China automobile enterprises have achieved a win-win situation with the local market.

But also, this model enhances the right to speak in the industrial chain, but it also puts forward higher requirements for enterprises' cross-border governance ability and resource integration ability. For example, car companies may encounter relevant difficulties when considering ecological overseas expansion, and need to know the key risk points and capacity building methods to avoid blind expansion leading to failure. At the

same time, "eco-overseas expansion" needs to consider the integration of local resources in the target country and the integration and fit of its own brand, rather than "copying" itself overseas. This integration ability is the key to success or failure of ecology.

Third, the acceleration of the intelligent route. Intelligent functions such as autonomous driving and car networking have become the important competition of China car companies, which not only becomes an important starting point for building international competition barriers, but also injects new growth momentum into "overseas expansion". Through BYD's DiPilot layout, XPENG XNGP and Robotaxi planning, and XPENG P7+ intelligent driving landing, it can be seen that China new energy vehicle enterprises have made remarkable breakthroughs in the field of intelligent sailing. Intelligentization is not only the technical output, but also the frontier field of institutional adaptation. If car companies can simultaneously strengthen technological innovation, compliance adaptation and international standards awareness, it will be easier to turn intelligent advantages into sustainable global competitiveness.

On the one hand, the autopilot system accelerates. The autopilot system from DiPilot to XPENG/Robotaxi highlights its structural advantages. BYD, a car company in China, equipped with DiPilot Intelligent Driver Assistance System (ADAS) in Han EV and other vehicles, and launched an upgraded DiPilot 100 in 2025, equipped with the Journey™ 6 series processing platform of Horizon Robotics, to realize high-performance and cost-competitive intelligent driving configuration.[4] In the next few years, BYD plans to push this technology to the international market, and it is expected to realize large-scale export in 2026-2027.[5] The layout of XPENG Motors XNGP(Navigation Guided Pilot) and Robotaxi presents advantages. XNGP is an automatic driving scheme that can cover the whole scene of city and high speed without the support of high-definition map. It has been widely deployed in many cities in China, and it is planned to be introduced to the European market in 2025. At the same time, XPENG has announced that it will launch the L4 Robotaxi (self-driving taxi) pilot project in China in 2026, and set up the first R&D center in Europe to provide localized R&D support. In the follow-up, XPENG P7+ demonstrated the strength of intelligent driving. At the Paris Motor Show, the P7+ launched by XPENG is equipped with XNGP system driven by AI, Eagle Eye sensing solution and dual NVIDIA Orin chips, which shows its leading position in intelligent technology and shows that it is expected to expand its European landing through software-defined automobile strategy.

On the other hand, the Internet of Vehicles and intelligent cockpit have advantages in infrastructure and software. In this field, XPENG Motors has built the infrastructure of car networking with the help of 5G and high-precision map technology, realizing OTA upgrade, intelligent cockpit and car-road coordination. In its EU development strategy, XPENG Motors, a China car company, plans to expand to many countries, including Germany, France and Belgium, and enhance its brand appeal through intelligent experience.[6] Taking XPENG Motors, China as an example, XPENG cooperated with Volkswagen to demonstrate international technical collaboration, and XPENG announced cooperation with Volkswagen Group to jointly develop an electric SUV based

on G9 platform in China, and expand the electrified electronic architecture. This cooperation mode not only promotes its own technology output, but also sets a cooperation paradigm for smart car export.

The problem of this overseas expansion mode is also concentrated, facing the problems of rule adaptation and system restriction. First, although intelligent technology enhances the export value, it also comes with complex compliance barriers, such as road safety and functional safety certification problems. These autonomous driving systems must pass local road tests and European functional safety standards such as UNECE R79/R155. Another example is a sensitive topic involving data sovereignty and privacy protection. Remote OTA[7] Networking with the car involves cross-border data transmission, and it is easy to touch the red line of privacy protection including the European Union (GDPR). Finally, the problem of algorithm transparency and responsibility attribution becomes more and more prominent. The lack of strong explanatory AI decision-making process may be questioned by European and American regulators, posing a challenge to the definition of accident liability.

3.2 Analysis of the Types of Compliance Risks of New Energy Enterprises in China

The first category is the compliance risk of technical indicators. Including the production and recycling of batteries must meet the specifications of the target country. To meet the requirements of the European Union's Battery Regulation, the motor technology must meet the requirements of energy efficiency and emission, and the intelligent driving function must pass the road safety and functional safety certification. In addition, the international differences between data privacy and network security (such as GDPR in EU and CCPA in USA) pose high-pressure compliance challenges to enterprises.

The second category is the compliance risk of market operation. The overseas sales of new energy vehicles must strictly abide by the systems of consumer protection, product recall and after-sales guarantee, and at the same time avoid anti-dumping or anti-monopoly investigations caused by radical marketing strategies. Building factories overseas involves the rights and interests of workers and the responsibility of environmental protection. If it fails to comply with local laws and regulations, it will easily lead to labor disputes and public opinion risks.

4 The Innovation and Improvement of China's Compliance Strategy for the Overseas Expansion of New Energy Vehicles

Although the overseas expansion mode expands the market boundary, if the compliance risk is ignored, enterprises will not only suffer economic losses, but also lose their international reputation and long-term development opportunities. Therefore, it is very important to innovate and improve the compliance strategy of new energy vehicles in China, which is embodied in the following four aspects:

First, Improve the construction of professional organizations for compliance management. Enterprises should embed professional compliance organizations in the corporate governance framework, set up chief compliance officer (CCO) and cross-regional compliance branches to ensure that the whole chain of R&D, production and sales is under compliance review, and form a "pre-positioned, institutionalized and full-process" guarantee system.

Second, the dynamic collection and update of compliance management content. In the context of the rapid evolution of the global regulatory environment, car companies should establish a regulatory database covering major markets, and track the system updates such as EU battery regulations, US road safety standards, and data protection policies in Southeast Asia in real time. Through cooperation with international law firms and industry associations, a cross-border compliance early warning mechanism will be formed to avoid market risks caused by lagging policies.

Third, the digitalization and intelligent upgrade of compliance management means. As the saying goes, "fight fire with fire." Enterprises need to rely on artificial intelligence and big data technology to conduct real-time monitoring and early warning of supply chain compliance, cross-border data transmission, network security vulnerabilities, etc., so as to realize intelligent risk identification and disposal. At the same time, compliance training can also spread to employees around the world through online platforms, making compliance culture gradually become a part of the core competitiveness of enterprises.

Fourth, the transition from defensive compliance to strategic compliance. China new energy vehicle companies must change their compliance from single "risk prevention" to "strategic empowerment". By actively participating in the formulation of international standards such as ISO and UNECE, enterprises can not only reduce institutional friction, but also gain an advantage in the discourse power pattern of the global automobile industry. Compliance will no longer be just a passive cost, but an important starting point for enterprises to enhance their international reputation and build brand value.

5 Conclusion

The overseas expansion of China's new energy vehicle enterprises is an inevitable choice for enterprises to break through the fierce domestic competition and realize global development, and it is also an important part of national industrial upgrading and rule output. In the complicated international market environment, only by maintaining rationality in mode selection and constantly innovating in compliance strategy can we realize the transformation from "scale and batch overseas expansion" to "high quality overseas expansion". In the future, China's new energy vehicle enterprises should not only give full play to their technical and market advantages, but also win lasting competitiveness and voice in the global industrial chain reconstruction through compliance governance and rule-making.

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