



Professional Integrity and Hong Kong's Anti-bribery Legislation



香港商業道德發展中心
Hong Kong Business Ethics Development Centre

AGENDA

01 Corruption
Prone Areas

02 Prevention of
Bribery Ordinance

03 Putting Ethics into
Practice

04 Services Provided
by ICAC



Hong Kong Brand

Professional Integrity

Quality Assurance

High Efficiency

Corruption Prone Areas in the Testing & Certification Industry

Acceptance of advantage

- Fabricate test results / forge test reports
- Guarantee a passing accreditation / certification result
- Meddle with samples
- Expedite testing and certification process
- Manipulate procurement process (e.g. subcontract testing and certification, and related services)

Offer of advantage

- Obtain business



Corruption Prone Areas in the Testing & Certification Industry

Other areas of concern

- Accept inappropriate entertainment from clients / contractors
- Leak out company's /clients' confidential information
- Mishandle conflict of interest
- Use false claim of reimbursement



WHAT IS CORRUPTION?

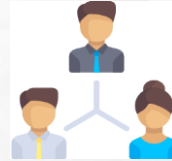
The Prevention of Bribery Ordinance
(POBO)



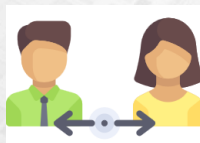
Prevention of Bribery Ordinance



Cover both public servants
and private sector employees



Protect the interests of
different stakeholders



Prevent abuse of trust
between **Agent** and **Principal**



Ensure fair play

S.9 of PBO

Both acceptor
and offeror are
criminally liable

Maximum penalty:
7 years' imprisonment &
a fine of \$500,000

A

Agent
(Employee)

A

Without
Principal's
Approval

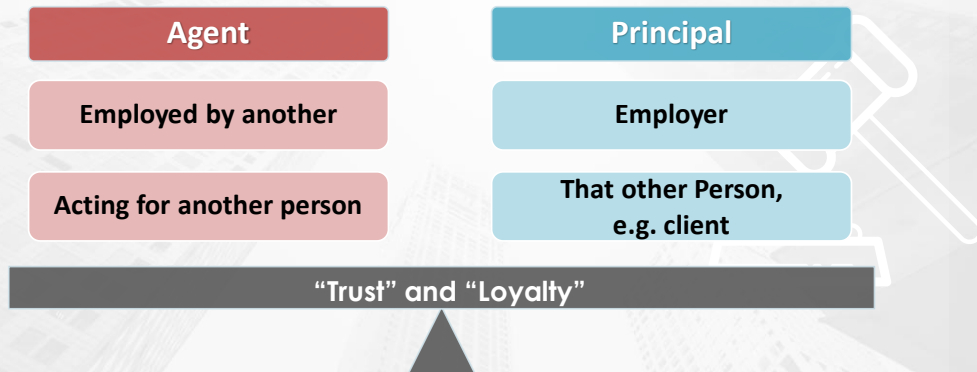
A

Solicit or
Accept any
Advantage

A

Act
In Relation to
Principal's
Business

Principal's approval



Principal's approval

- Principal's approval for receiving advantages
- Prior approval / declare ASAP to principal afterwards
- Company code of conduct usually covers handling guidelines & procedures on
 - Acceptance and offering of advantages
 - Entertainment
 - Conflict of Interest



S.9 of PBO

A

Agent
(Employee)

A

Without
Principal's
Approval

A

Solicit or
Accept any
Advantage

A

Act
In Relation to
Principal's
Business

WHAT IS ADVANTAGE?

The Prevention of Bribery Ordinance
(POBO)

Advantage

What is advantage ?



What is the value of an advantage defined in the POBO?

A) \$100

B) \$500

C) \$1,000

D) No Limit

Advantage



Gift, loan, fee,
reward or
commission



Employment or
contract



Payment,
release or
discharge of
loan or liability



Service or favour
**(except
entertainment)*



Exercise or
forbearance
from exercise of
any right or
power





Entertainment

- Food or drink provided for immediate consumption on the spot
- Any other connected entertainment connected with or provided at the same time

Beware of the sweetening process!

S.8 of PBO

Any person

Without lawful authority / reasonable excuse

While having dealings with any government department or public body

Offers any advantage to any public servant employed by that department / public body

**Maximum Penalty:
Imprisonment of 7 years and Fine of \$500,000**

No Defence Even if...

Section 19 of POBO

- The advantage is **customary** in any profession/ trade/ vocation/ calling

Section 11 of POBO

- The recipient
 - did not actually have such power/right to carry out the act;
 - did not in fact do so; or
 - had no intention to do so

S.9(3) of PBO



Maximum Penalty:
Imprisonment of 7 years and Fine of \$500,000

S.9(3) of PBO



Common S.9(3) malpractices

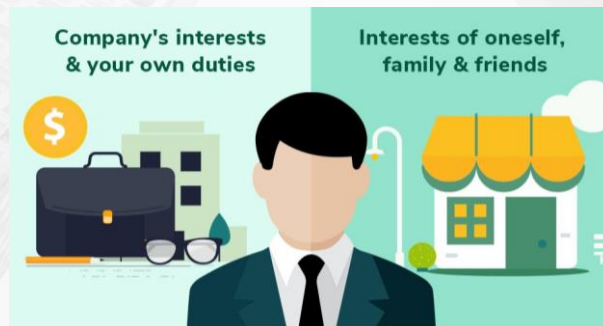
- Forging quotations of goods and services
- Falsifying attendance records or test reports
- Using false documents to deceive staff allowance/benefits

Conflict of Interests



Conflict of Interests

- A conflict of interest situation arises when the **private interest of an employee** competes or conflicts with the **interest of the company**



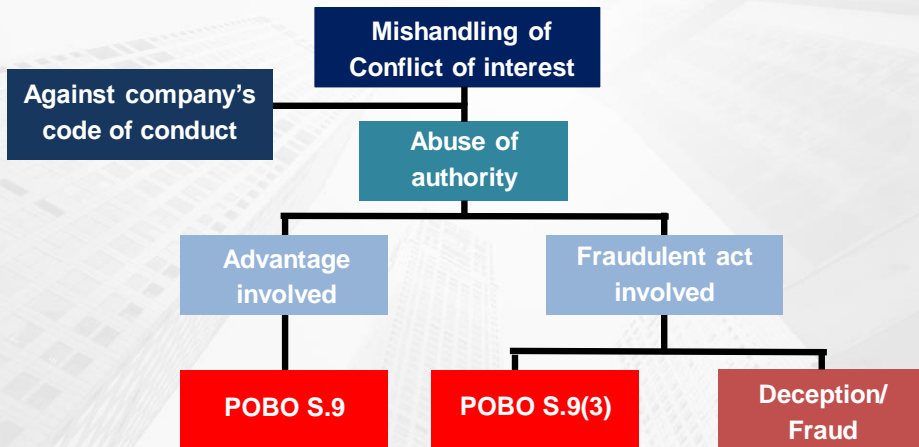
Conflict of Interests



Common examples

- A staff involved in a procurement process is closely related to or has **financial interest** in a supplier being considered by the company
- A staff takes up a **part-time job** with a contractor which is under his supervision
- One of the candidates under consideration in a recruitment exercise is a **close personal friend** of the staff responsible for the exercise
- A staff accepts **excessively frequent or lavish entertainment** from the company's customers, suppliers or contractors

Conflict of Interests



Proper handling of conflict of interest



Administrative Controls over Malpractices



Sunshine Test

- Perception of others

- Can I disclose to, or openly discuss the situation with others (e.g. supervisor, colleagues)?
- Would others doubt my integrity or accuse me of abuse or impropriety?

Putting Ethics into Practice



Report & Enquiries

In-person

Report Centre /
7 Regional Offices



24-hour Hotline
25 266 366

CONFIDENTIAL



By mail



G.P.O Box 1000, Hong
Kong

- Latest news on our activities and business ethics
- Tailor-made toolkits, case studies and feature articles for various trades/professions
- Online training videos and teaching packages



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