



# 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?

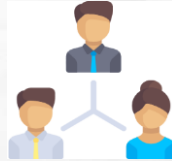
The Prevention of Bribery Ordinance  
(POBO)



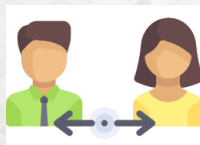
## Prevention of Bribery Ordinance



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

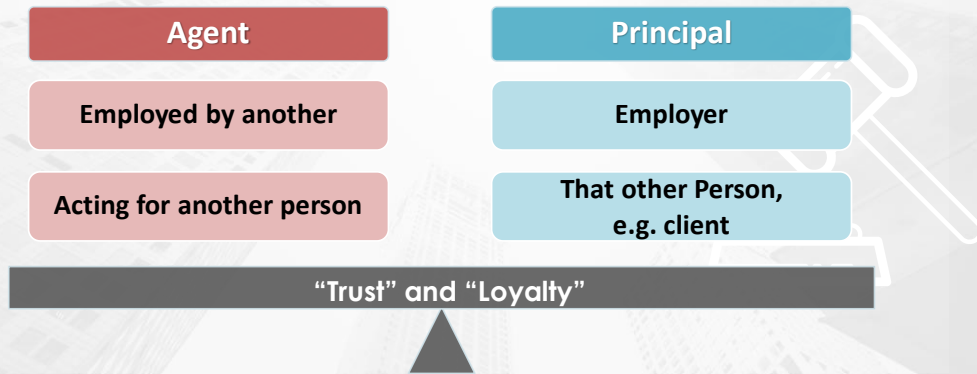
## S.9 of PBO

Both acceptor and offeror are criminally liable

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



## 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



Any Agent



Using false,  
erroneous, defective  
accounts /  
documents / receipts



Intends to deceive his  
principal



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

## S.9(3) of PBO



### Common S.9(3) malpractices

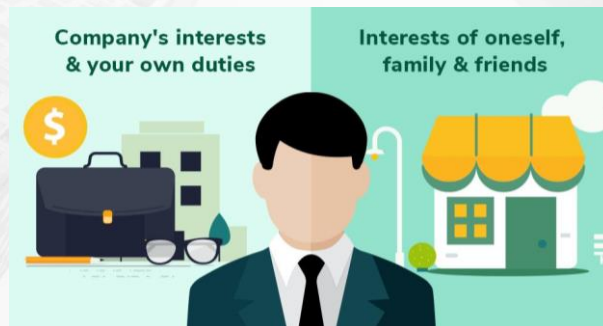
- Forging quotations of goods and services
- Falsifying attendance records or test reports
- Using false documents to deceive staff allowance/benefits

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**



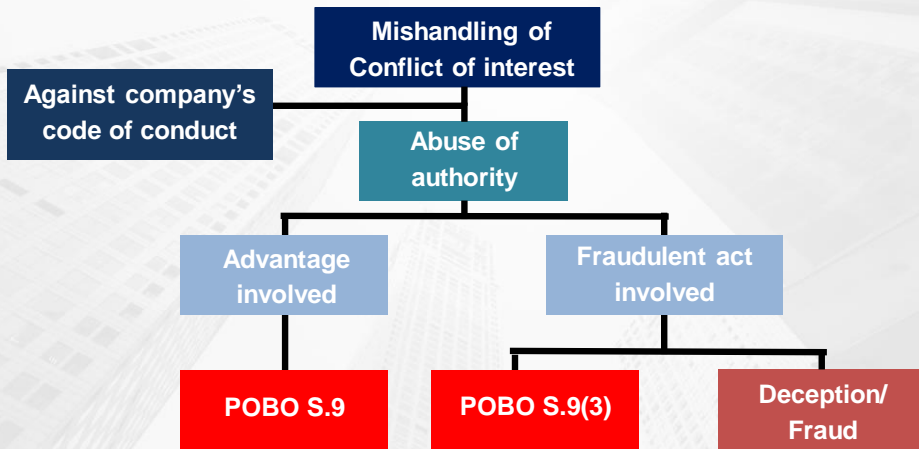
# Conflict of Interests



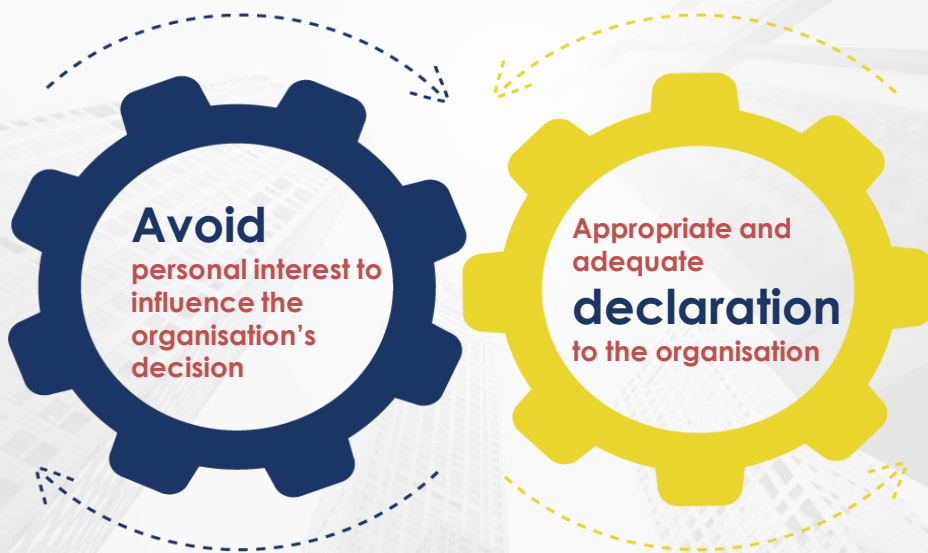
## Common examples

- 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

HKAS  
Regulations  
and  
Supplementary  
Criteria

International  
Standards  
e.g. ISO 17025/  
17020/ 17021/  
37001

Professional  
Code of Ethics  
e.g. HKTIC,  
HKICA, HKIE

Company's  
Code of  
Conduct



## 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

01

Abide  
by laws  
and  
rules

02

Stay  
alert

03

Reject  
dubious  
offers

04

Handle  
conflict of  
interest  
situations  
properly

05

Report  
corruption

## 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



## Disclaimer

This Powerpoint material aims at providing general guidance on the common corruption risks and preventive measures in the private sector and does not purport to deal with corruption issues that may arise in any given situation. Description and explanations of the legal requirements under the relevant Ordinances and the recommended practices are necessarily general and abbreviated to make this Powerpoint material easy to understand from the layman's angle. Users of this Powerpoint material should refer to the original legislations or seek ICAC's advice as and when necessary. While we endeavour to ensure the accuracy of the information in this Powerpoint, no statement, representation, warranty or guarantee, expressed or implied, is given by us as to the accuracy, completeness or appropriateness of such information for use in any particular circumstances. The ICAC is not responsible for any loss or damage whatsoever arising out of the use of this Powerpoint material or in connection with any information contained in this Powerpoint material. The copyright of this Powerpoint material is owned by the ICAC. The PowerPoint material may be reproduced for non commercial use provided that the source of the material is identified and the copyright status acknowledged. For any enquiries, please contact Hong Kong Business Ethics Development Centre ([www.hkbedc.icac.hk](http://www.hkbedc.icac.hk))