



**Asia-Pacific
Economic Cooperation**

2019/SOM3/ACT/NET/WKSP/011

Anti-Corruption Strategies in Private Sector Adopted by Hong Kong, China

Submitted by: Hong Kong, China



**Workshop for Law Enforcement Agencies on
Effectively Using Corporate Compliance Programs
to Combat Domestic and Foreign Bribery
Puerto Varas, Chile
18-19 August 2019**

Anti-corruption Strategies in Private Sector adopted by Hong Kong, China

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Background of existing anti-corruption strategies in private sector adopted by Hong Kong, China



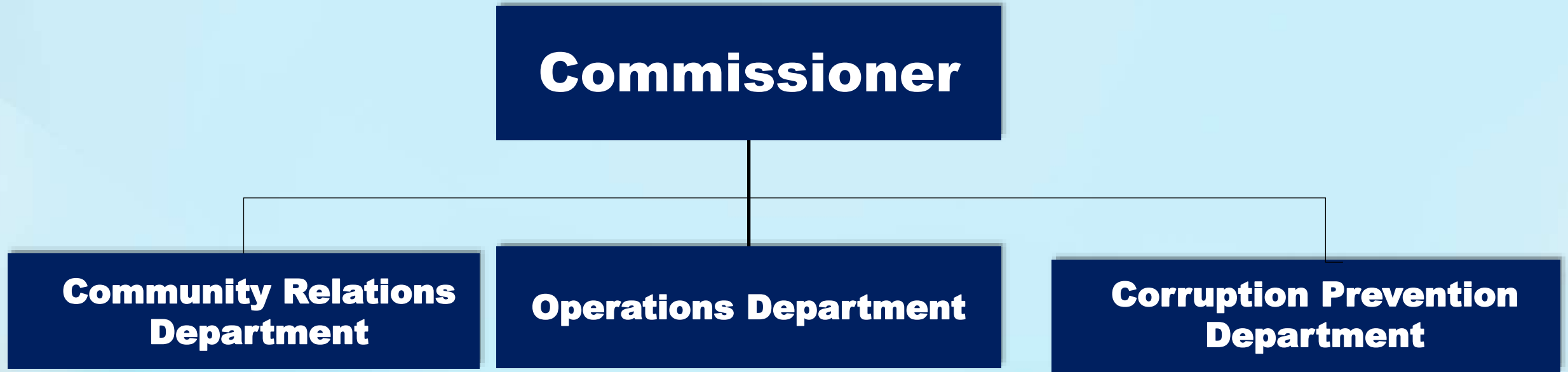
- **Three pillars:**
 - **Legislations**
 - **Regulatory requirements**
 - **Support and services rendered by the Independent Commission Against Corruption (the ICAC)**

Background of the ICAC



- **Established on 15 February 1974 pursuant to the ICAC Ordinance**
- **Commissioner not subject to the direction or control of any person other than the Chief Executive of the Hong Kong, China**
- **Independence guaranteed by the Basic Law Article 57**

Organization Structure



Duties of Commissioner of the ICAC



Prevention

- Examine the practices and procedures of government departments and public bodies to prevent corruption

Education

- Educate the public against the evils of corruption and enlist public support in combatting corruption

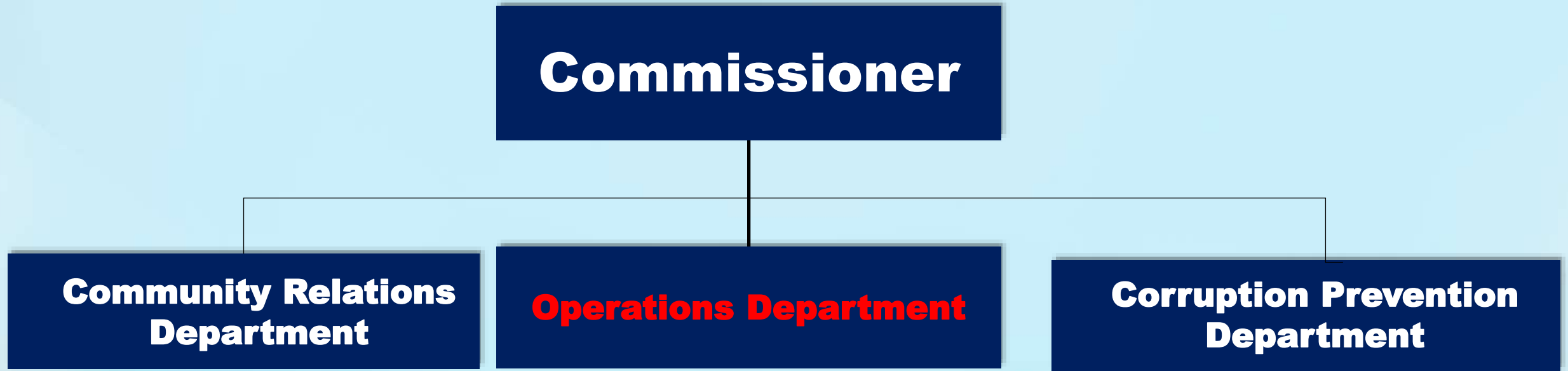
Duties of Commissioner



Enforcement

- **Receive and consider complaints alleging corrupt practices**
- **Investigate mainly:**
 - **Corruption offences**
 - **Election offences involving corrupt and illegal conduct**
 - **Blackmail by civil servants**

Organization Structure



Pillar One: Legislations



Provisions governing corruption in the Private Sector in Hong Kong, China

Corruption offence of offering advantage(s) to an agent:-

Any person + offer + advantage + to an agent

as reward for /
inducement to /
on account of

Agent's doing or not doing something relating to
principal's affairs

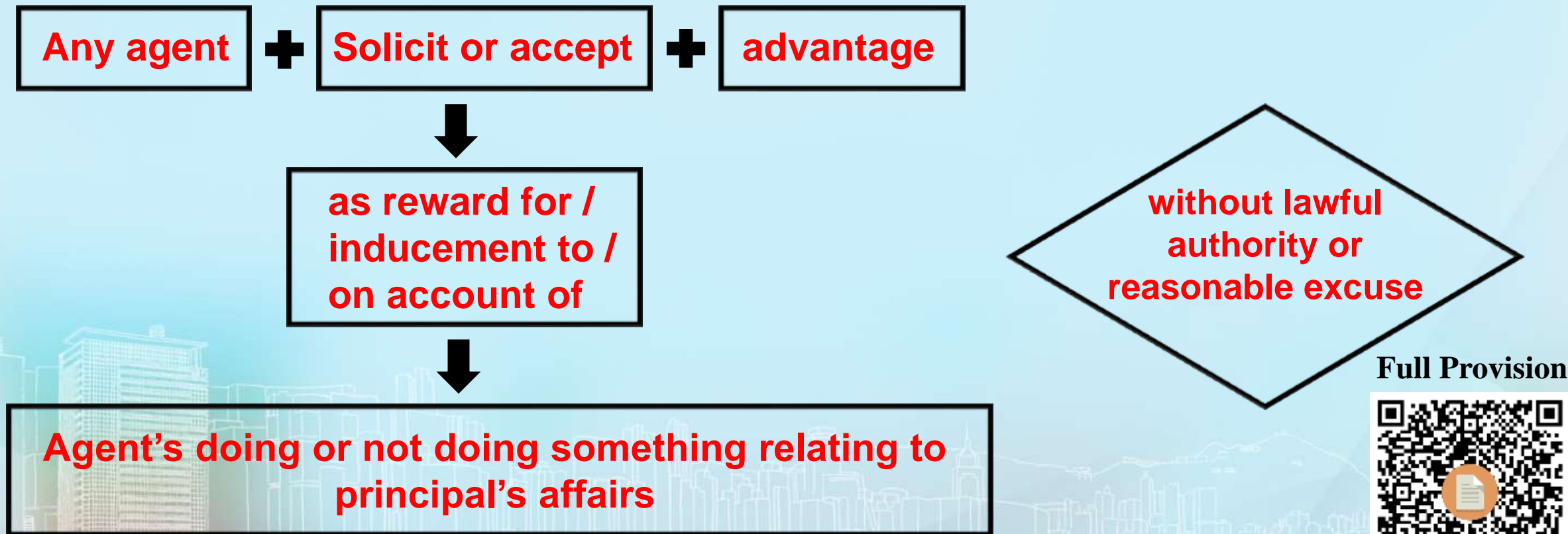
without lawful
authority or
reasonable excuse

Full Provision



Provisions governing corruption in the Private Sector in Hong Kong, China

Corruption offence of agent accepting / soliciting advantage(s):-



Provisions governing corruption in the Private Sector in Hong Kong, China

Offence of agent using document to deceive principal:-

Any agent + **with intent to deceive principal** + **uses document**



That

- (a) the principal is interested;**
- (b) contains false statement in any material particular; and**
- (c) to that agent's knowledge is intended to mislead the principal**

Examples: False invoice for claiming payments, false declaration of interests form etc.

Full Provision



Corporate Liability

S.3 of the Interpretation and General Clauses Ordinance

person **includes any public body and any body of persons, corporate or unincorporate**, and this definition shall apply notwithstanding that the word “person” occurs in a provision creating or relating to an offence or for the recovery of any fine or compensation;



Full Provision

S.115 of the Companies Ordinance - Company's capacity

A company has the capacity, rights, powers and privileges of a natural person of full age



Complementary to corruption offences enforced by the ICAC

Pillar Two: Regulatory Requirements



Existing Regulatory Requirements imposed on Listed Companies by the Hong Kong Stock Exchange



- Strategy of “To comply or explain”:-
 - Disclosure of anti-corruption policy
 - Compliance with relevant laws and regulations relating to corruption and money laundering
- Annual review of risk management and internal control systems

Existing Regulatory Requirements imposed on Financial Sector by Financial Regulators



Monetary Authority



**Mandatory Provident Fund
Schemes Authority**



Insurance Authority



**Securities and Futures
Commission**

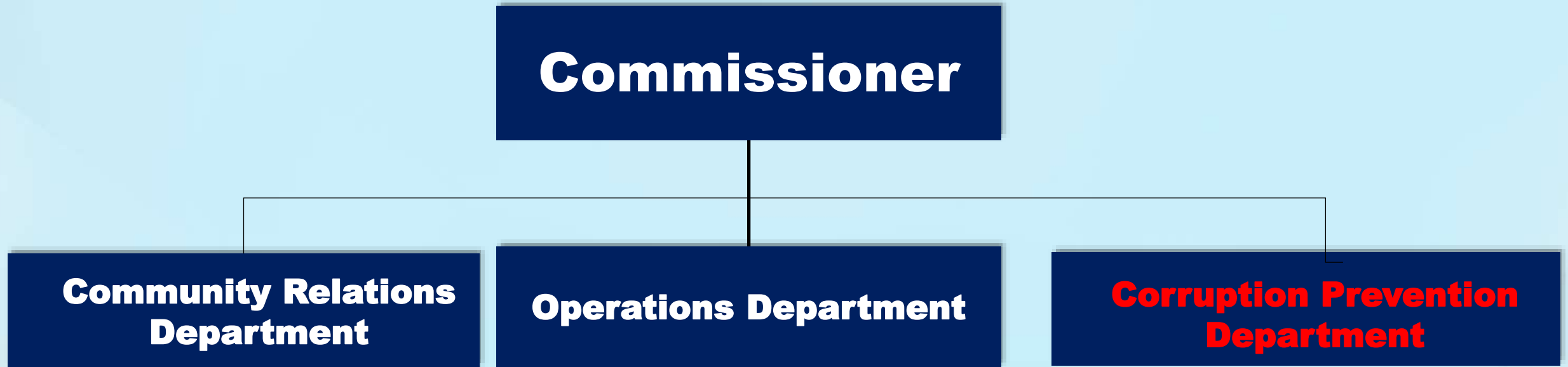
Commit their regulatees to ethical practices through licensing conditions, administrative rules, codes of practice etc.

Pillar Three:

Support and services rendered by the ICAC



Organization Structure



Corruption Prevention Advisory Service

- Advisory services for private organisations:
 - Meeting / written advice on Code of Conduct and procedures
 - Corruption prevention training



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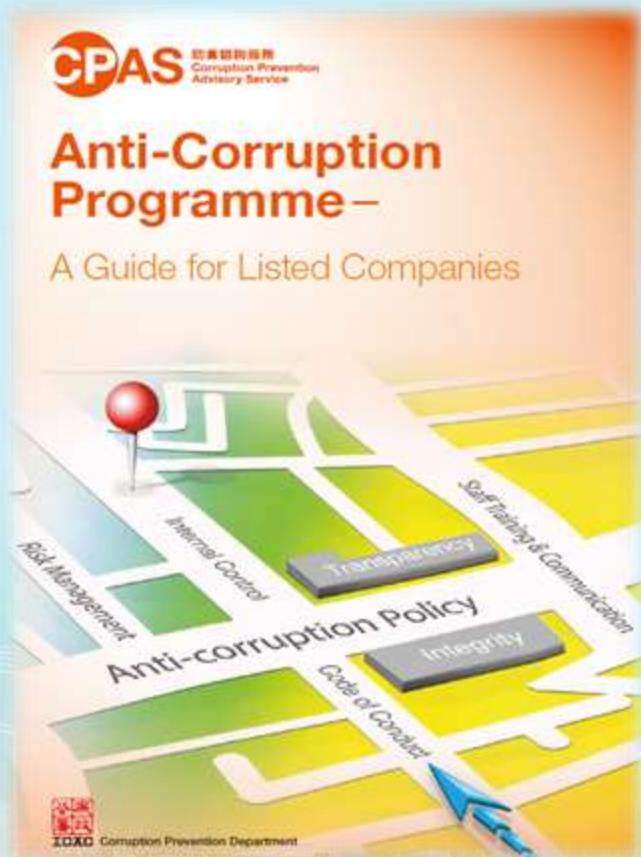
<http://cpas.icac.hk>



- **Main features**
 - **Best Practice Checklists**
 - **Training materials**
 - **Case Studies**
 - **Quick Tips**
 - **Red Flags, etc.**



Extra Regulatory Requirements on Listed Companies recommended by CPAS



Areas of Recommendations

- Disclosure of number and results of concluded legal cases regarding corrupt practices against the issuer or its employees
- Disclosure of preventive and whistle-blowing procedures
- Disclosure of anti-corruption training provided to directors and staff

Permeability of CPAS



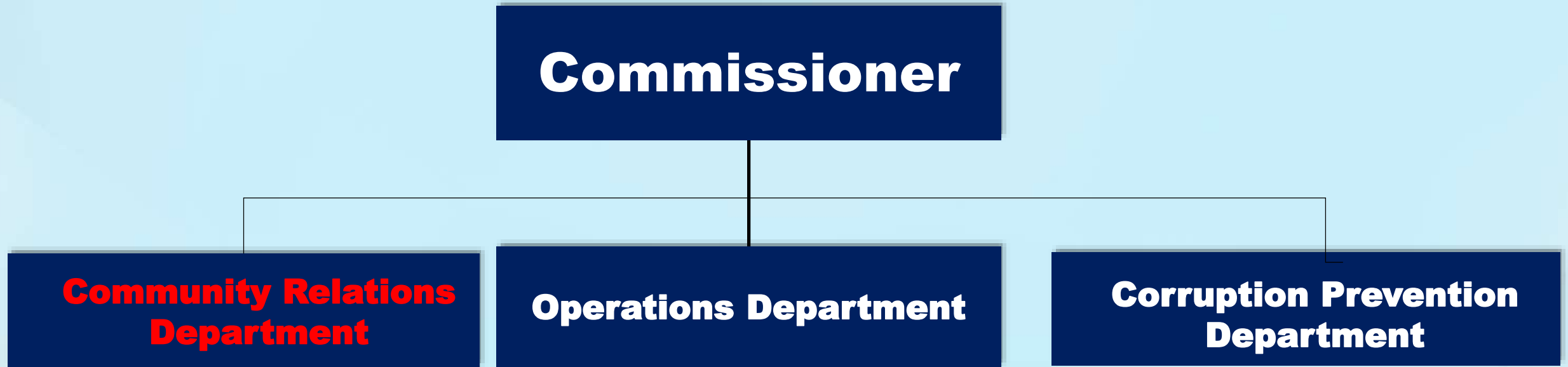
From January 2017 to December 2018

118,000 visits of CPAS

55,000 times of downloading the
corruption prevention resources

9,900 subscribers of CPAS

Organization Structure



Hong Kong Business Ethics Development Centre (HKBEDC)



To promote a level-playing field for businesses



To foster an ethical corporate culture



To foster liaison with and implement ethical programmes for the business sector



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

Ethics Promotion Programme for Listed Companies between 2015 and 2018 by HKBEDC



About **1,000** anti-corruption trainings conducted

Over **2,200** listed companies approached by HKBEDC

Over **36,000** business executives receiving trainings



Initiatives for other Business Corporations by HKBEDC



- **Tailor-made initiatives and activities for**
 - **Implementing corporate ethics programme**
 - **Arranging compliance and ethics training**
 - **Formulating and reviewing Codes of Conduct**
- **Provision of reference materials that ensure staff complying with legal and regulatory policies**

Thank You

www.icac.org.hk

