

Integrity Policy and Code of Conduct Guidance Document

1.0 General

This Integrity Policy and Code of Conduct Guidance Document describes formulation of integrity policy and the basic standard of conduct expected for all sole proprietor, partners, directors and staff of Registered Specialist Trade Contractors (RSTC). The guidelines given in each of the aspects are considered useful to help top management of RSTC to understand the required standard of conduct. Top management of RSTC are responsible for setting out and promulgating a written company integrity policy and code of conduct in accordance with this guideline document and sample integrity policy.

2.0 Integrity Policy

The integrity policy formulated and implemented by the company must be equivalent and not inferior that the sample below:

Sample Integrity Policy

_____ (*name of Company*) (“Company”) prohibits all forms of bribery and corruption and is committed to integrity, honesty and anti-corruption practices in doing business. All sole proprietor / partners / directors* and staff (hereafter referred as “personnel”) must abide by this integrity policy and the associated company rules / guidelines / code of conduct*.

- Our Company and all personnel have to observe the Prevention of Bribery Ordinance (Cap. 201), the Competition Ordinance (Cap. 619) and other integrity-related laws in Hong Kong Special Administrative Region.
- Our Company does not allow our personnel to solicit or accept any advantages¹ from any individuals or organisations having business dealings with our Company unless permission is granted for the acceptance.
- Our Company prohibits all personnel from offering advantages to any staff or member of a government department or public body while having dealings of any kind with them. We also prohibit all personnel from offering advantages to any individual of organisations, whether directly or indirectly, for influencing them in any dealing, when conducting business with our Company.
- Our Company’s personnel are required to avoid accepting lavish or frequent entertainment from others having business dealings with our Company.
- Our company requires all personnel to avoid any conflict of interest situation, or the perception of such. If unavoidable, the personnel concerned should make a declaration to the approving authority who should decide on the actions for mitigating the conflict.
- Our Company prohibits all personnel from disclosing any classified information without authorisation, and misusing any Company information.
- Our Company has an internal reporting mechanism for our personnel to enquire matters relating to integrity and report possible breaches of integrity requirements. Our Company handles these reports promptly and in strict confidence.
- Our Company strictly forbids retaliation against any personnel who, in good faith, reports possible breaches of integrity requirements or who participates in the inquiry / investigation of the allegation.

- Any personnel in breach of integrity requirements will be subject to internal disciplinary action, including termination of appointment and / or referral to relevant law enforcement agencies. Our Company will render full assistance to law enforcement agencies in the investigation of criminal offences.
- Our Company is committed to partner with ethical business counterparts who share the same value and commit to the same integrity standard.

Name & Signature(s) of Top Management ²: _____

Company Chop: _____

Date : _____

¹ Advantage is defined under the Prevention of Bribery Ordinance (Cap. 201) covering any gift, loan, fee, reward, commission, office, employment contract, discharge from obligation/liability/loan, service and favour, exercise or forbearance from exercise of right/power/duty, etc.

² Top Management means the registered company director under the Companies Ordinance or sole proprietor or partners for unincorporated companies, or person authorized by the company.

* delete as appropriate

3.0 Prevention of Bribery

3.1 Prevention of Bribery Ordinance

Under Section 9 of the Prevention of Bribery Ordinance (PBO), any director or staff member who, without the permission of his employer or principal (i.e., the RSTC), solicits or accepts an advantage as a reward or inducement for doing any act or showing favour in relation to the latter's business, commits an offence. The person offering the advantage also commits an offence. Refer to Section 2 of the PBO for the definition of "advantage".

The RSTC prohibit all forms of bribery and corruption. All directors and staff are prohibited from soliciting, accepting or offering any bribe in conducting the RSTC's business or affairs, whether in Hong Kong or elsewhere. In conducting all business or affairs of the RSTC, they must comply with the Prevention of Bribery Ordinance (POBO) of Hong Kong and must not –

- (a) solicit or accept any advantage from others as a reward for or inducement to doing any act or showing favour in relation to the RSTC's business or affairs, or offer any advantage to an agent of another as a reward for or inducement to doing any act or showing favour in relation to his principal's business or affairs. Particularly, in the recruitment of workers, it is a strict prohibition of soliciting and / or accepting advantage (such as unauthorised introduction fee) from workers;
- (b) offer any advantage to any public servant (incl. Government / public body employee) as a reward for or inducement to his performing any act in his official capacity or his showing any favour or providing any assistance in business dealing with the Government / a public body; or
- (c) offer any advantage to any staff of a Government department or public body while they are having business dealing with the latter.

3.2 Acceptance of Advantage

The RSTC's policy shall be that directors and staff do not solicit or accept any advantage for themselves or others, from any person, company or organisation having business dealings with the RSTC, except that they may accept (but not solicit) the following advantages when offered on a voluntary basis –

- (a) advertising or promotional gifts or souvenirs of a nominal value; or
- (b) gifts given on festive or special occasions, subject to a maximum limit of specified value; or
- (c) discounts or other special offers given by any person or company to them as customers, on terms and conditions equally applicable to other customers in general; or
- (d) gifts or souvenirs of nominal value presented to them in official functions.

No director or staff member of the RSTC should accept any advantage from a subordinate, except those mentioned in paragraphs (a) and (b) above. Gifts or souvenirs described in paragraph (d) above are deemed as offers to the RSTC.

The directors and staff members concerned should report the acceptance to the RSTC and seek direction as to how to handle the gifts or souvenirs from the approving authority with written record. If a director or staff member wishes to accept any advantage not covered in the above-paragraphs, he / she should also seek permission from the approving authority with written record.

However, a director or staff member should decline an offer of advantage if acceptance could affect his / her objectivity in conducting the RSTC's business or induce him / her to act against the interest of the RSTC, or acceptance will likely lead to perception or allegation of impropriety.

If a director or staff has to act on behalf of a client in the course of carrying out the RSTC's business, he / she should also comply with any additional restrictions on acceptance of advantage that may be set by the client.

3.3 Offer of Advantage

Directors and staff are prohibited from offering advantages to any director or staff of another company or organisation, for the purpose of influencing such person or company in any dealings, or any member or staff of a government department or public body while having business dealings with the latter, whether directly or indirectly through a third party, when conducting the RSTC's business.

3.4 Entertainment

As defined in Section 2 of the PBO, "entertainment" refers to food or drink provided for immediate consumption on the occasion, and any other entertainment provided at the same time. Although entertainment is an acceptable form of business and social behaviour, a director or staff member should avoid accepting overly lavish or frequent entertainment from persons with whom the RSTC has business dealings (e.g. suppliers or contractors) or from his / her subordinates to avoid placing himself / herself in a position of obligation.

3.5 Records, Accounts and other Documents

Directors and staff should ensure that all records, receipts, accounts or other documents they submit to the RSTC, give a true representation of the events or business transactions as shown in the documents. Intentional use of documents containing false information to deceive or mislead the RSTC, regardless of whether there is any gain or advantage involved, may constitute an offence under the PBO.

4.0 Compliance with laws of Hong Kong and in Other Jurisdictions

Directors or staff shall comply with all local laws and regulations when conducting the RSTC's business, and also those in other jurisdictions when conducting business there.

5.0 Conflict of Interest

Directors and staff should avoid any conflict of interest situation (i.e., situation where their private interest conflicts with the interest of the RSTC) or the perception of such conflicts. They should not misuse their position or authority in the RSTC to pursue their own private interests which include both financial or personal interests and those of their family members, relatives or close personal friends. When actual or potential conflict of interests arises, the director or staff member should make a declaration to the management through the reporting channel with written record.

Some examples of conflict of interest are described below but they are by no means exclusive –

- (a) A staff member involved in a procurement exercise is closely related to or has financial interest in the business of a supplier who is being considered for selection by the RSTC;
- (b) One of candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the staff member involved in the process.
- (c) A director of the RSTC has financial interest in a company whose quotation or tender is under consideration by the RSTC.
- (d) A staff member (full-time or part-time) undertaking part-time work with a contractor whom he is responsible for monitoring.

Taking into account individual circumstances of the conflict of interest situations and possible public perception, the management should take appropriate mitigating measures (e.g. restrict the director / employee's involvement in the task, appoint an independent party to oversee the work, redeploy another director / employee to take up the task or, if the situation warrants, request the director / employee to relinquish his private interest). Even if the risk is very remote and no mitigating action is considered necessary, the declared conflict of interest and related decision with justifications should be properly recorded.

6.0 Use of Company Asset

Directors and staff in charge of or having access to any RSTC assets, including funds, property, information, and intellectual property, should use them solely for the purpose of conducting the RSTC's business. Unauthorised use, such as misuse for personal gain, is strictly prohibited.

7.0 Confidentiality of Information

Directors and staff should not disclose any classified information of the RSTC without authorization or misuse any RSTC information (e.g. unauthorized sale of the information). Those who have access to or are in control of such information, including information in the RSTC's computer system, should at all times protect the information from unauthorized disclosure or misuse. Special care should also be taken in the use of any personal data to ensure compliance with the Personal Data (Privacy) Ordinance.

8.0 Outside Employment

Any full time staff who wish to take up employment outside the RSTC, shall seek the prior written approval of the approving authority. The approving authority should consider whether the outside employment would give rise to a conflict of interest with the staff's duties or the interest of the Company.

9.0 Relationship with Suppliers, Contractors and Customers

9.1 Gambling

Directors and staff are advised not to engage in frequent gambling activities (e.g. mahjong) with persons having business dealings with the RSTC.

9.2 Loans

Directors and staff should not accept any loan from, or through the assistance of, any individual or organisation having dealings with the RSTC. There is however no restriction on borrowing from licensed banks or financial institutions.

[The RSTC may wish to include other guidelines on the conduct required of directors and staff in their dealings with suppliers, contractors, customers, and other business partners as appropriate to specific trades.]

