

## **CODE OF CONDUCT**

### **Mission**

1. The Hong Kong Export Credit Insurance Corporation's (the Corporation) roles in serving the community are expressed in our Mission Statement as follows:

To encourage and support the export trade through the provision of professional and customer-oriented services.

2. All Members should be committed to the mission which clearly sets out the Corporation's aims and the objectives in our particular areas of work.

### **Core Values**

3. The Corporation is fully committed to the following principles in the delivery of services to the public:

- honesty and integrity;
- objectivity and impartiality;
- accountability for decisions and actions; and
- dedication, professionalism and diligence.

4. A Member should uphold the above core values. He/She should always act in the best interest of the Corporation, place public interest above private interest and ensure that his/her conduct would not bring the Corporation into disrepute.

### **Prevention of Bribery Ordinance**

5. The Hong Kong Export Credit Insurance Corporation is a public body<sup>(1)</sup> under the Prevention of Bribery Ordinance (Cap. 201) ("POBO"). All Members of the Corporation are "public servants" for the purpose of the Ordinance.

6. The POBO seeks, among other things, to enforce against any abuse of entrusted power or official position by public servants through the solicitation or acceptance of a bribe or an advantage. Members should thoroughly understand the legal requirements and the importance of compliance.

---

<sup>(1)</sup> [https://www.elegislation.gov.hk/hk/cap201?xpid=ID\\_1438402825859\\_001](https://www.elegislation.gov.hk/hk/cap201?xpid=ID_1438402825859_001)

7. Section 4 of the POBO makes it an offence for a public servant to solicit or accept, without lawful authority or reasonable excuse, any advantage in Hong Kong or elsewhere as an inducement to or reward for or otherwise on account of his/her performing or abstaining from performing any act in his/her capacity as a public servant<sup>(2)</sup>.

8. "Advantage" is defined in section 2(1) of the POBO to mean almost anything which is of value, except entertainment which will be covered under a separate heading below. Common examples of advantages include any gift (both of money and in kind), loan, fee, reward, commission, office, employment, contract, service and favour, etc.

9. Members should note that one may commit an offence under the POBO irrespective of whether he/she, or any other person acting on his/her behalf, directly or indirectly solicits or accepts any advantage, and whether for himself/herself or for any other person. The relevant sections of the POBO pertaining to public bodies are detailed at Appendix 1d(i).

### **Solicitation and Acceptance of Advantages**

10. The Hong Kong Export Credit Insurance Corporation prohibits Members from soliciting or accepting any advantage from any persons or companies having official dealings with the Corporation (e.g. service recipients, suppliers, contractors).

11. Even if the offeror does not have any official dealings with the Corporation, a Member should decline an offer of an advantage if the acceptance could affect his/her objectivity in conducting the Corporation's business, induce him/her to act against the Corporation's interest or place him/her under an improper obligation, or where he/she believes the offeror has such an intention, or lead to the perception or allegation of impropriety or conflict of interest.

12. A Member should always consider the public perception when accepting an offer of an advantage and ensure that the solicitation or acceptance of any advantages can stand up to public scrutiny and will not bring the Corporation into disrepute.

13. When a Member is in doubt, he/she should consult the Chairman.

---

<sup>(2)</sup> The person offering the advantage may also commit an offence.

## **Advantages Offered to Members in Their Official Capacity**

14. An advantage (e.g. gift, souvenir) presented to a Member by virtue of his/her official position or on an occasion attended in the Member's official capacity is regarded as an advantage to the Corporation (e.g. a souvenir presented by the organiser of a ceremonial occasion to a Member representing the Corporation to officiate at the ceremony).

15. Members should as far as possible decline to accept advantages offered/presented to them by virtue of their official position. Where this cannot be done (e.g. owing to protocol reasons or the need to avoid causing offence or embarrassment, such as where a gift is offered/presented to a Member when attending a ceremonial occasion in his/her official capacity), he/she should take it back to the Corporation and follow the guidelines set out at Appendix 1d(ii) for the disposal of gifts/souvenirs received.

## **Sponsorship Offered to Members in Their Official Capacity**

16. Members may be offered sponsorship in their official capacity by persons/organisations other than the Corporation itself for official purposes such as attending local/overseas conferences, conventions and product trial activities. Such sponsorship should be regarded as sponsorship offered to the Corporation and referred to the Corporation for consideration of acceptance.

17. The Corporation will consider whether it is appropriate to accept the offer and if the Corporation decides to accept the sponsorship, it will select a suitable Member/staff to attend the sponsored activity on its behalf. In considering whether or not to accept the sponsorship offer, the following general criteria are relevant:

- acceptance of the sponsorship will benefit the Corporation as a whole;
- acceptance of the sponsorship will not bring the Corporation into any disrepute;
- the sponsorship is not excessive in value or frequency;
- acceptance of the sponsorship will not give rise to any expressed or implied obligation towards the offeror;
- acceptance of the sponsorship will not give rise to any actual or perceived conflict of interest (e.g. the offeror is a supplier/contractor bidding for the Corporation's contracts); and
- the sponsor will not be given or be perceived to derive an unfair advantage over other persons or Corporations.

## Acceptance of Entertainment

18. As defined in section 2 of the POBO (Appendix 1d(i)), “entertainment” means the provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with or provided at the same time as the provision of food or drink.

19. Although entertainment when offered by way of a favour is not an advantage per se and its acceptance is generally not subject to the POBO, a free entertainment may, in certain circumstances, amount to “a discharge of an obligation to pay” which is an advantage under *section 2* of the POBO. For example, where a public servant visits a restaurant with which he/she has official dealings and at the end of the meal the restaurant owner waives the bill, this may amount to an acceptance of an advantage.

20. Members should not accept lavish, or unreasonably generous or frequent entertainment, or indeed any entertainment which is likely to give rise to any potential or real conflict of interest, put the Members in an obligatory position in the discharge of their duties, compromise their impartiality or judgement, or bring them or the Corporation into disrepute bearing in mind public perception. When offered entertainment, a Member should consider whether the entertainment offered could be regarded as:

- excessive – taking into account its value, substance, frequency and nature;
- inappropriate – taking into account the relationship between the Member and the offeror (e.g. whether they have any direct official dealings); or
- undesirable – taking into account the character or reputation of the host or known attendees.

## Offering of Advantages

21. Members are prohibited from offering advantages to any director, or staff of any Corporation, for the purpose of influencing such person or Corporation in any dealings, or any public official, whether directly or indirectly through a third party, when conducting the business of the Corporation. It is also an offence under the POBO for any person while having dealings with a public body to offer an advantage to the public body’s members and employees.

22. Members should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. Where it is necessary or unavoidable

due to operational, protocol or other reasons, the number of gifts/souvenirs to be bestowed should be kept to a minimum and the exchange of gifts/souvenirs should be made from Corporation to Corporation. Gift/souvenir items should not be lavish or extravagant and standard souvenirs inscribed with the Corporation's logo are preferred.

### **Managing Conflict of Interest**

23. Managing conflict of interest is important to good governance and maintaining trust in public bodies. Conflict of interest if improperly managed, give rise to criticism of favouritism, abuse of authority or even allegation of corruption and undermine the integrity of Members, their decisions and eventually the Corporation.

### **Conflict of Interest**

24. A conflict of interest situation arises when the "private interests" of a Member compete or conflict with the interests of the Corporation or the Member's official duties. Private interests include financial and other interests of the Member himself/herself, and those of his/her connections including family and other relations, personal friends, the clubs and societies to which he/she belongs, and any person to whom he/she owes a favour or to whom he/she may be obligated in any way. Use of official position, use of official information, private investment and outside employment are some common areas in which a conflict of interest may arise between a Member's official duties and private interests.

### **Avoidance and Declaration of Conflict of Interest**

25. A fundamental integrity requirement is that all Members should avoid situations which may compromise (or be seen to compromise) their personal judgement or integrity at work or lead to conflict of interest.

26. When a situation involving a conflict of interest cannot be avoided, Members should as soon as possible make full disclosure of all relevant interests which conflict, may conflict or may be seen to conflict with their official duties. The basic principle to be observed is that Members' advice should be disinterested and impartial and it is the responsibility of each Member to judge and decide if the situation warrants a declaration, and to seek a ruling from the Chairman or the Secretary in case of doubt.

27. There are circumstances in which a tie of kinship or friendship, or some other association or loyalty which does not give rise to a financial interest, can influence the

judgement of a Member in discharging his/her official duties, or may reasonably be perceived as having such an influence. As such, a Member's duty to avoid or declare a conflict of interest goes beyond the disclosure of interests that are definable in pecuniary terms.

### **Two-Tier Reporting System**

28. Under the two-tier reporting system, Members are required to register in writing their interests as specified by the Corporation when they first join the Advisory Board and annually thereafter. The declaration guidelines for a two-tier reporting system issued by the Home Affairs Bureau are out at Appendix 1d(iii).

### **Examples of Conflict of Interest**

29. Some common examples of conflict of interest are described below but they are by no means exhaustive:

- Pecuniary interests in a matter under consideration by the Corporation, held either by the Member or his/her close relative.
- A directorship, partnership, advisory or client relationship, employment or other significant connection with a company, firm, club, association, union or other Corporation which is connected with, or the subject of, a matter under consideration by the Corporation.
- Some friendships which might be so close as to warrant declaration in order to avoid the situations where an objective observer may believe that a Member's advice has been influenced by the closeness of the association.
- A Member who, as a barrister, solicitor, accountant or other professional adviser, has personally or as a member of a company, advises or represents or has frequent dealings with any person or body connected with a matter under consideration by the Corporation.
- Any interest likely to lead an objective observer to believe that the member's advice might have been motivated by personal interest rather than a duty to give impartial advice.

### **Members Bidding for the Corporation's Contracts**

30. As a matter of principle, Members should avoid entering into any business contract (e.g. for the supply of goods or services) with the Corporation in their personal capacity to prevent the public perception of Members using their capacity to obtain financial gains from the Corporation. Where this is unavoidable, Members

shall adhere to the guidelines on managing possible conflict of interest in bidding for the Corporation's business contracts as set out at Appendix 1d(iv).

### **Misuse of Official Position**

31. Persons occupying public offices are placed in a position of trust and entrusted with certain powers by the public. Our society expects public officials in such a position to exercise the powers and discretions with integrity and fidelity, and in an incorrupt manner to serve the public interest, and should not subordinate the public interest to private interests.

32. Members should act impartially and should not use their official position for personal gains nor accord preferential treatment to Corporations or persons with whom they have connections. They should not use or permit the use of their official position or title or an authority associated with their public office in a manner that is intended to coerce or induce another person to provide any benefit to himself/herself or his/her relations, friends or associates. Nor should they use their official position or title in a manner that could reasonably be construed to imply that the Corporation sanctions or endorses their personal activities or those of another.

### **Misconduct in Public Office**

33. A Member who misconducts himself/herself in relation to his/her official duties may commit the common law offence of MIPO. The common law offence of "misconduct in public office" ("MIPO") extends the reach of criminal law beyond bribery into various types of misconduct of public officers when discharging their official duties.

The elements constituting the offence of MIPO are as follows :

- (a) a public official;
- (b) in the course of or in relation to his/her public office;
- (c) wilfully misconducts himself/herself by act or omission (for example, by willfully neglecting or failing to perform his/her duty);
- (d) without reasonable excuse or justification; and
- (e) such misconduct is serious, not trivial, having regard to the responsibilities of the office and the office-holder, the importance of the public objects which they serve and the nature and extent of the departure from those responsibilities.

34. The misconduct must be deliberate rather than accidental in the sense that the

official either knows that his/her conduct is unlawful or wilfully disregards the risk that his/her conduct is unlawful. Wilful misconduct without reasonable excuse or justification is culpable.

35. The essential feature of the offence is an abuse by the public official of the powers, discretions or duties exercisable by virtue of his/her official position conferred on him/her for the public benefit. A public officer may commit MIPO even if his/her misconduct does not involve any bribery or he/she does not have any pecuniary gains as a result.

36. Some examples of the past conviction cases are described below:

- A department head of a university misused university funds to hire a domestic helper cum driver and covered up a subordinate's embezzlement.
- A faculty dean of a university failed to declare a conflict of interest arising from his/her capacity as the dean and as the sole proprietor of a company. He/she had procured or caused donations totaling HK\$3.8 million that were intended for the university to be paid to his/her private company.
- A chairman of a public body responsible for considering licence applications improperly discussed with the applicants and their agents before convening board meetings and provided classified documents relating the licence applications to a personal friend working for the applicants. He/she also failed to declare the conflict of interest in respect of his/her relationship with the licence applicants and their agents when considering their applications.
- A deputy head of a public body dishonestly claimed the cost of return airfares for attending meetings and overseas subsistence allowances to which he/she was not entitled.
- A doctor in a public hospital had sent out letters advertising the fact that he/she was leaving to commence private practice. Those letters contained some confidential personal particulars of patients, including those with whom he/she had not dealt with personally but simply patients under the management of his/her team.
- A civil servant responsible for the award of service contracts had misused his/her office by exerting improper influence over the award of contracts to a company which was not qualified for tendering for the contracts and in which his/her relatives had a financial interest.
- A civil servant responsible for conducting a registration examination assisted a friend in obtaining the registration dishonestly, and provided the latter with classified information relating to the examination.

## **Use of Corporation's Assets and Resources**

37. Members in charge of or having access to any assets of the Corporation, including funds, property, information, and intellectual property should use them solely for the purpose of conducting the Corporation's business. They should make the best use of the Corporation's assets and resources in terms of money, property, goods or services economically and effectively. Any appropriation of the Corporation's properties for personal use or personal gain is strictly prohibited and may amount to an offence under the Theft Ordinance (Cap. 210).

## **Confidentiality of Information**

38. Members should not disclose any classified or proprietary information of the Corporation without authorisation or misuse any Corporation's information. (e.g. using the information for personal gain or the benefit of others).

39. Members who have access to or in control of such information should at all times ensure its security and prevent any abuse, unauthorised disclosure or misuse of the information.

40. Special care should be taken when handling any personal data of both the Members and service recipients to ensure compliance with the Personal Data (Privacy) Ordinance (Cap. 486) and the Corporation's data privacy policy.

41. Members should continue to observe their duty of confidentiality after they have left the Corporation. They should not use, or take advantage of any classified or proprietary information obtained in the course of their official duties.

## **Outside Work**

42. A Member who intends to accept a position with any Corporation that could lead to a conflict of interest or situation prejudicial to the Corporation's interests, should discuss the implications of accepting such a position with the chairman of the Corporation. He/she should consider resigning from the Corporation if the conflict or the perception of such cannot be avoided.

## **Post-Service Employment/Activities**

43. Members should avoid taking up employment or providing service in any Corporations which might constitute conflict of interest with their former service in

the Corporation.

### **Records, Accounts and Other Documents**

44. Members should ensure, to the best of their knowledge, that any record, receipt, account or other documents they submit to the Corporation, gives a true representation of the events or transactions reported in the documents.

45. Intentional use of documents containing false information to deceive or mislead the Corporation, regardless of whether the Members may obtain any gain or advantage, may constitute an offence under the POBO (Appendix 1d(i)).

### **Gambling**

46. Members should not engage in frequent or excessive gambling of any kind, or any games of chance involving high stakes. Members should not gamble with persons having official dealings with the Corporation or over whom they have enforcement responsibilities.

### **Loans**

47. Members should not accept a loan from or through the assistance of, any person or Corporation having official dealings with the Corporation. There is, however, no restriction on borrowing from a licensed bank or financial institution.

### **Indebtedness**

48. Members should avoid allowing themselves to get into a position where any debts they may have become unmanageable and other financial embarrassment which may bring the Corporation into disrepute.

49. Members are required to notify the Chairman if proceedings are taken against them with a view to bankruptcy. Members who become insolvent or bankrupt<sup>(3)</sup>, even though no proceedings have been taken against them yet, should also report their case to the Corporation.

---

<sup>(3)</sup> Individual voluntary arrangement (IVA) is an alternative to bankruptcy under the Bankruptcy Ordinance. A staff member taking up an IVA is regarded as insolvent and should report the case to the Corporation.

## **Use of Public Funds**

50. Members shall ensure that all public funds are used in a prudent and responsible manner to safeguard public interest. They should only approve funds for any project/activity/expenditure item which falls within the ambit of the funds and can achieve the purpose of the funds.

51. Members shall particularly ensure that an open, fair and competitive mechanism is adopted for the procurement of goods/services and recruitment of staff for the Corporation.

## **Reporting Suspected Criminal Offences and Irregularities**

52. A Member should report, either directly or through the Secretary as appropriate, all instances of crime or alleged crime discovered in the course of his/her official duty to the appropriate law enforcement authority at the first practicable opportunity. He/she has no discretion in deciding which cases of crime or alleged crime to report. He/she should avoid making any enquires or taking any action that may hinder or frustrate subsequent investigation by the law enforcement authority concerned.

53. Attempting to bribe a public servant is a criminal offence under the POBO. Such attempts should be reported promptly to the ICAC. All such reports should be treated in the strictest confidence.

54. A Member should also report other irregularities observed in the course of their official duty to the Chairman. All such reports should be treated in the strictest confidence.

## **Compliance**

55. Members should understand and comply with this Code when performing duties of the Corporation. They should adhere to the spirit and the letter of any rules or orders made for the Corporation's practices and procedures or for Members' behaviour in relation to the business of the Corporation.

56. Members should comply with all local laws and regulations when conducting the Corporation's business, and also those in other jurisdictions, when conducting business there.

57. Any member in breach of the Code will be subject to disciplinary action, including termination of appointment. In case of suspected corruption or other criminal offences, a report will be made to the ICAC or the appropriate law enforcement agencies.

### **Review**

58. This Code is subject to review and revision from time to time by the Corporation.

### **Enquiry**

59. Any enquiries, comments or suggestions in relation to this Code may be referred to the Secretary.

Extracts from the Prevention of Bribery Ordinance(Cap. 201)

Section 4 - Bribery

- (1) Any person who, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, offers any advantage to a public servant as an inducement to or reward for or otherwise on account of that public servant's -
  - (a) performing or abstaining from performing, or having performed or abstained from performing, any act in his/her capacity as a public servant;
  - (b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by that public servant or by any other public servant in his/her or that other public servant's capacity as a public servant; or
  - (c) assisting, favouring, hindering or delaying, or having assisted, favoured, hindered or delayed, any person in the transaction of any business with a public body, shall be guilty of an offence.
  
- (2) Any public servant who, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his/her -
  - (a) performing or abstaining from performing, or having performed or abstained from performing, any act in his/her capacity as a public servant;
  - (b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by himself/herself or by any other public servant in his/her or that other public servant's capacity as a public servant; or
  - (c) assisting, favouring, hindering or delaying, or having assisted, favoured, hindered or delayed, any person in the transaction of any business with a public body, shall be guilty of an offence.

- (2A) Any person who, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, offers any advantage to the Chief Executive as an inducement to or reward for or otherwise on account of the Chief Executive's-
- (a) performing or abstaining from performing, or having performed or abstained from performing, any act in his/her capacity as the Chief Executive;
  - (b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by the Chief Executive in his/her capacity as the Chief Executive or by any public servant in his/her capacity as a public servant; or
  - (c) assisting, favouring, hindering or delaying, or having assisted, favoured, hindered or delayed, any person in the transaction of any business with a public body, shall be guilty of an offence.
- (2B) If the Chief Executive, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his/her-
- (a) performing or abstaining from performing, or having performed or abstained from performing, any act in his/her capacity as the Chief Executive;
  - (b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by the Chief Executive in his/her capacity as the Chief Executive or by any public servant in his/her capacity as a public servant; or
  - (c) assisting, favouring, hindering or delaying, or having assisted, favoured, hindered or delayed, any person in the transaction of any business with a public body, he shall be guilty of an offence.
- (3) If a public servant other than a prescribed officer solicits or accepts an advantage with the permission of the public body of which he is an employee being permission which complies with subsection (4), neither he nor the person who offered the advantage shall be guilty of an offence under this section.
- (4) For the purposes of subsection (3) permission shall be in writing and -
- (a) be given before the advantage is offered, solicited or accepted; or
  - (b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after

such offer or acceptance,

and for such permission to be effective for the purposes of subsection (3), the public body shall, before giving such permission, have regard to the circumstances in which it is sought.

### **Section 8 - Bribery of public servants by persons having dealings with public bodies**

---

- (2) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with any other public body, offers any advantage to any public servant employed by that public body, shall be guilty of an offence.

### **Section 9 - Corrupt transaction with agents**

- (1) Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his/her –
- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his/her principal's affairs or business; or
  - (b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his/her principal's affairs or business, shall be guilty of an offence.
- (2) Any person who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's –
- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his/her principal's affairs or business; or
  - (b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his/her principal's affairs or business, shall be guilty of an offence.
- (3) Any agent who, with intent to deceive his/her principal, uses any receipt, account or other document –
- (a) in respect of which the principal is interested; and

- (b) which contains any statement which is false or erroneous or defective in any material particular; and
  - (c) which to his/her knowledge is intended to mislead the principal, shall be guilty of an offence.
- (4) If an agent solicits or accepts an advantage with the permission of his/her principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2).
- (5) For the purposes of subsection (4) permission shall –
- (a) be given before the advantage is offered, solicited or accepted; or
  - (b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance, and for such permission to be effective for the purposes of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

## **Section 2 - Definition**

### **Definition of an Advantage**

“Advantage” means :

- (a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;
- (b) any office, employment or contract;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- (e) the exercise or forbearance from the exercise of any right or any power or duty; and
- (f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e), but does not include an election donation within the

meaning of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554), particulars of which are included in an election return in accordance with that Ordinance.

**Definition of Entertainment**

The provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such provisions.

**Guidelines for Handling Gifts/Souvenirs  
Given to Members in their Official Capacity**

All gifts/souvenirs received by Members in their official capacity should be forwarded to the Secretary of the Corporation for disposal in the following manner:

- (a) If the gift/souvenir is of perishable nature (e.g. food, drink), it may be donated to a charitable Corporation or, when this is not practical, shared among staff of the Corporation on a suitable occasion.
- (b) If the gift/souvenir is a useful item, it may be donated to a charitable Corporation.
- (c) If the gift/souvenir is suitable for display (e.g. a painting, vase), it may be displayed at appropriate locations of the Corporation premises.
- (d) If the gift/souvenir is of low value, it may be donated as a prize in functions organised by the Corporation.
- (e) If the gift/souvenir is a personal item of low value, such as a plaque or pen inscribed with the name of the recipient, it may be retained by the recipient.
- (f) If the gift/souvenir is distributed to all participants in public activities, such as a ball pen, file folder or key clasp, etc, it may be retained by the recipient.
- (g) Any gift/souvenir of high value should be returned to the offeror.

**Declaration of Interests by  
Members of Public Sector Advisory and Statutory Bodies<sup>(Note 1)</sup>**

**Guidelines for a Two-tier Reporting System**

**General Principles**

Some public councils, boards and committees are autonomous and have extensive powers over policy and financial matters. To maintain public confidence in the integrity of members (including the chairman), as well as in the impartiality of their advice tendered to the committee, it is important that all members of such committees should disclose their general pecuniary interests on appointment to the committee, in addition to the report of conflicts of interests as and when they arise. To achieve greater transparency, such declarations should be made available for public inspection. By adopting this two-tier reporting system, members of these committees can be protected from criticism or embarrassment arising from the existence of any undeclared general financial interest which may have potential conflict with the work of the committee.

The two-tier reporting system consists of the following:

**(A) Register of Members' Interests**

- (1) The chairman and members shall register in writing their personal interests, direct or indirect, pecuniary or otherwise, when they first join the committee, and annually thereafter, to the secretary of the committee. The registration shall be made on a standard form, a sample is at the Annex.
- (2) The types of interests required for registration shall include :
  - (i) proprietorships, partnerships or directorships of companies;
  - (ii) remunerated employments, offices, trades, professions or vocations; and

---

(Note 1) *The guidelines were issued by the Home Affairs Bureau vide its memo HAB CR 7/15/379 dated 17 August 2005 to all Government Bureaux/Departments.*

- (iii) shareholdings in a publicly listed or private company (e.g. 1% or more of the company's issued share capital); and/or
  - (iv) other declarable interests, taking into consideration the nature of work of individual committees.
- (3) A register of members' interests shall be kept by the secretary which should be made available for inspection on request by any member of the public.

### **(B) Declaration of Interests at Meetings**

The following are guidelines governing declaration of interests at meetings :

- (1) If a member (including the chairman) has any direct personal or pecuniary interest in any matter under consideration by the committee, he must, as soon as practicable after he has become aware of it, disclose to the chairman (or the committee) prior to the discussion of the item.
- (2) The chairman (or committee) shall decide whether a member disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting.
- (3) If the chairman declares an interest in a matter under consideration, the chairmanship may be temporarily taken over by a vice-chairman.
- (4) When a known direct pecuniary interest exists, the secretary may withhold circulation of relevant papers to the member concerned. Where a member is in receipt of a paper for discussion which he knows presents a direct conflict of interest, he should immediately inform the secretary and return the paper.
- (5) All cases of declaration of interests shall be recorded in the minutes of the meeting.

**Measures to Manage Possible Conflict of Interest  
Arising from Members Bidding for Contracts of  
Advisory and Statutory Bodies (ASBs) *(Note1)***

---

- (1) When the need for a contract is discussed, ASB members should be asked at the outset to declare whether they or any company associated with them are interested in bidding for the contract.
- (2) ASB members who have declared an interest to bid should not take part or be present at any subsequent discussions or meetings concerning the proposed contract, and should be prohibited from access to any information in relation to the contract (other than in the capacity of a bidder).
- (3) ASB members who have not declared an interest to bid (and the companies concerned) should not be allowed to bid subsequently.
- (4) When a member (or a company associated with him) has expressed an interest to bid, the advisory or statutory board should ascertain whether any information relating to the contract has already come to the possession of the ASB member in the course of his duties as a member. If so, such information should be made available to other bidders as well to ensure a level playing field.
- (5) If a member of an advisory or statutory body (or a company associated with him) has put in a bid, care should be taken to ensure that he subsequently has no access to the submitted tender documents which may contain commercially sensitive information.
- (6) Bidder identity should be anonymised before the evaluation of bids if a member of the advisory or statutory body (or a company associated with him) is one of the bidders.
- (7) If a member of an advisory or statutory body (or a company associated with him) is successful in bidding for the contract, he should withdraw from all discussions relating to the contract, except when attending in the capacity of a supplier or a service-provider.

---

*(Note1) The guidelines were issued by the Home Affairs Bureau vide its memo HAB CR 7/15/379 dated 17 August 2005 to all Government Bureaux/Departments.*