Professional Integrity and Corruption Prevention
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Competitive Edge of Hong Kong’s Testing and Certification Industry

- High Professional Integrity
- Tested in Hong Kong
- Certified in Hong Kong
- Good Corporate Governance
Contents

• Importance of Professional Integrity
• Common Corruption Risks in T&C Industry
• Three Tests of Professional Integrity
  • Legal Test
  • Compliance Test
  • Sunshine Test
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Professional Integrity

Professional Integrity
(Highest requirement)

Law
(Minimum requirement)
Common Integrity Risks in Testing and Certification Industry

- Fake test reports / results
- Tamper with test samples
- Lax inspection / audit
- Expedite testing / inspection / certification processes
- Handle confidential information
- Entertainment
- Conflict of interest
3 Tests of Professional Integrity

- Sunshine Test
- Compliance Test
- Legal Test
Legal Control over Corruption

Prevention of Bribery Ordinance

- Ensure fair-play
- Protect interest of stakeholders
- Prevent breach of trust between agent and principal
Prevention of Bribery Ordinance

Section 9 – Corrupt transactions in private sector

**Agent** (Employee)

Solicits / accepts an Advantage

An Act in relation to principal’s (employer’s) business

Without Approval from the principal

**Maximum penalty:**

a fine of $500,000 and imprisonment for 7 years
Both the offeror and acceptor of bribes are guilty of an offence.
Prevention of Bribery Ordinance

Sections 11 and 19

No defence to solicit / accept any advantage even if:

• the recipient
  – did not actually have such power or right to do so
  – did not in fact do so
  – had no intention to do so
• such advantage is customary in profession, trade, vocation or calling
Prevention of Bribery Ordinance
Section 9 – Corrupt transactions in private sector

Agent (Employee)

Solicits / accepts an Advantage

An Act in relation to principal’s (employer’s) business

Without Approval from the principal

Maximum penalty: a fine of $500,000 and imprisonment for 7 years
Advantages

- Gift, loan, fee, reward or commission
- Employment or contract
- Payment, release or discharge of loan or liability
- Service or favour (except entertainment)
- Exercise of any right or power
Entertainment

- The provision of food or drink for consumption on the occasion
- Any other entertainment provided at the same time
Prevention of Bribery Ordinance

Section 8 – Offering advantage to public servants during official dealings

Any person

while having dealings with government departments / public bodies

without lawful authority or reasonable excuse

offers any advantage to public servant

Maximum penalty:
a fine of $500,000 and imprisonment for 7 years
Prevention of Bribery Ordinance

Section 9(3) – Use of False documents

It is an offence:

• If an agent intends to deceive his principal by using

• False / erroneous / defective accounts / documents / receipts

Maximum penalty:

a fine of $500,000 and imprisonment for 7 years
Compliance Test
Administrative Control over Malpractices

- HKAS Accreditation Criteria
- International Standards e.g. ISO 17025/ 17020/ 17021
- Professional Code of Ethics e.g. HKTIC, HKICA, HKIE
- Company Code of Conduct
Company Code of Conduct

• Acceptance of advantage
  • Offer of advantage
    • Entertainment
      • Conflict of interest
        • Confidentiality
        • Outside employment

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“Sunshine Test”

Disclose decisions openly without misgivings?
Corruption Prevention Plan: “Corporate Ethics Compass”

Navigating the right course – Leadership

Walking the talk – Code of Conduct

Enhancing staff competence – Training

Strengthening control systems – Best Practices
Hong Kong Business Ethics Development Centre (HKBEDC)

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Corruption Prevention Services

Codes of conduct
• Setting the ethical standards

System control
• Minimising the corruption risk

Staff training
• Cultivating an ethical mindset

Practical Guides
• Providing reference materials
HKBEDC Website
(www.hkbedc.icac.hk)
Enquiry and Report Corruption

Report Centre / 7 Regional Offices

GPO Box 1000

24-hr Report Hotline 25-266-366
THANK YOU!