

Annex - Questionnaire

Measures taken to implement the Convention and the commitments contained in the UNGASS political declaration, as well as good practices and progress made in the use of international cooperation mechanisms under the Convention¹

Country	The People's Republic of China
Implementing authority/authorities	Independent Commission Against Corruption (ICAC), Hong Kong Special Administrative Region
Corresponding paragraph(s) of the UNGASS political declaration and/or article(s) of the Convention	<u>UNGASS political declaration</u> Paragraphs 13, 15, 18, 21 and 24 <u>UNCAC</u> Article 12
Title of initiative	Ethics promotion campaign for the business sector / private sector
Keywords of initiative	Ethics promotion, business sector / private sector integrity, ethical business practice, professional codes of practice
Short summary of initiative (please indicate the start date/duration if relevant)	To make on-going efforts, in collaboration with the business community, to promote ethics and corruption prevention in the private sector.
Detailed description of initiative	<p>For sustaining the clean and fair business environment in Hong Kong, ICAC strives to promote high standards and good corporate governance in the private sector in Hong Kong.</p> <p>To this end, ICAC from time to time offers advice to regulators regarding their regulatory regimes to prevent the misuse of procedures that regulate private entities. In collaboration with the respective trade regulators, professional bodies and trade organisations, ICAC also issues corruption prevention guides / toolkits and organises seminars/workshops to promote and safeguard the integrity and proper performance of their regulates / members / practitioners. Recent examples include –</p> <ul style="list-style-type: none"> • Ensuring a Corruption-Resistant Licensing System of Property Management Sector – ICAC offered assistance to the Property Management Services Authority (PMSA) to put in place corruption prevention safeguards in its system for licensing of private companies and individuals that provide property management services. • Promoting Best Practices for Property Management Sector – In 2021, ICAC jointly published a set of property management corruption prevention red flags with the PMSA, highlighting integrity risks in high-risk functions of property

¹ Please use one form per initiative described

management (e.g. procurement, financial management) and recommending corresponding preventive measures. ICAC also provided comments on PMSA's Codes of Conducts and Best Practice Guides which lay down the requirements on important business operations of licensed property management companies (PMCs), the requirements for licensed PMCs to have an Integrity Management System comprising an integrity policy, provision of integrity training to property management practitioners (PMPs) and implementation of integrity risk management, with a view to enhancing the anti-corruption capabilities of licensed PMCs and PMPs.

- **Corruption Prevention Publications and Inputs for Listed Companies** – ICAC recommended the Hong Kong Exchanges and Clearing Limited (HKEX) to require listed entities to have anti-corruption policy in 2013. Today, listed entities are required under the Listing Rules to, on a comply-or-explain basis, establish anti-corruption and whistleblowing policies and systems, and disclose their compliance information and performance in anti-corruption in their corporate governance report and environmental, social and governance (ESG) report. Throughout the development, ICAC collaborated with the HKEX and relevant professional bodies to enhance the anti-corruption capacity of listed entities in Hong Kong, including publishing corruption prevention guides for listed companies, providing input to HKEX in its review of the environmental, social and governance reporting requirements and Corporate Governance Code, giving seminars and training for listed companies' executives and industry practitioners, and disseminating anti-corruption messages via newsletters, etc.
- **Corruption Prevention Guide and Talks for Insurance Companies** – ICAC collaborated with the Insurance Authority and the trade body for developing a corruption prevention guide for insurance companies in 2020, and launching and promoting the guide in 2021 covering corruption prevention talks for insurance companies / practitioners; and
- **Tailored Corruption Prevention Advice for Trade / Industry Practitioners** – ICAC has been providing free, confidential and tailored made corruption prevention service and advice to trade / industry practitioners upon their request through the dedicated group of the Corruption Prevention Advisory Service (CPAS) and a CPAS portal set up for the specific purpose.

Separately, the Hong Kong Business Ethics Development Centre (HKBEDC) established in 1995 under the auspices of ICAC maintains a close partnership with the business community and

	<p>coordinates the overall strategies and services for the private sector provided by ICAC.</p> <p>Over the years, a full range of anti-corruption and ethics training service has been provided to the private sector. The targets range from frontline staff to board directors, and from trades that concern people’s daily livelihood to professional sectors. ICAC has also incorporated integrity messages into the continuing professional development courses of various professionals. Business ethics resources such as e-learning packages, practical guides, feature articles, case studies, etc., have also been developed for reference by practitioners of different professions.</p> <p>Besides, HKBEDC jointly organises large scale business ethics promotion programmes, seminars and workshops with organisations of different sectors and industries.</p>
<p>Lessons learned in implementing the initiative</p>	<p>Support from stakeholders and the business community is vital. Regulators, professional bodies and business chambers are major stakeholders engaged in various ethics promotion campaigns. Apart from tapping their expertise and professional input in training resources produced by HKBEDC, stakeholders helped promote the products and activities to target groups extensively through their networks and connections.</p> <p>Diversified resources with customised content are essential to cater for different target groups. For instance, seminars with different focuses were offered to professionals such as accountants, lawyers and company secretaries to highlight their ethical roles in upholding corporate governance. Customised continuing professional training courses were developed to tie in with different integrity training requirements of regulators and professional bodies. Besides, various forms of integrity resources such as toolkits, guidebooks, case studies, feature articles, motion graphics were developed and uploaded to HKBEDC website to provide easy reference.</p> <p>Agility is necessary to cope with changing learning mode. Capitalising on the rising need of online learning brought up by the epidemic, HKBEDC acted swiftly in organising webinars and developing online learning materials for business organisations and practitioners.</p> <p>Collaboration with the relevant regulators and professional / trade bodies is a very effective means for enhancing corruption prevention awareness and capabilities of the regulatees, licensees and practitioners concerned, in particular when the regulators or professional / trade bodies agreed to impose anti-corruption requirements in their licence conditions, codes of conduct, professional codes of practices, etc. The approach is also an effective way for ICAC to outreach to the private sector practitioners via their regulators to offer corruption prevention services to them.</p>

<p>Challenges encountered in implementing the initiative</p>	<p>The regulatory regime is ever-evolving. Relevant rules and regulations governing banking and financial institutions in Hong Kong are constantly evolving and HKBEDC must keep abreast of the latest developments and sustain the engagement of relevant stakeholders in the business community to put ethics into practice.</p> <p>During economic downturn when companies are still struggling for survival, the incentive for business organisations to invest in ethical management and corporate governance would be relatively low. More effort and resources on mobilising targets to adopt ICAC services and to implement governance and corruption prevention measures were required.</p>
<p>Link to more information</p>	<p>Examples of collaboration:</p> <ul style="list-style-type: none"> ● PMSA – licensing regime for PMCs and PMPs: https://www.pmsa.org.hk/en/licensing-regime/about-licensing-regime/ ● Property Management Corruption Prevention Red Flags: https://cpas.icac.hk/EN/Info/Lib_List?cate_id=3&id=2637 ● PMSA – Code of Conduct and Best Practice Guide for licensed PMCs and PMPs on Prevention of Corruption: https://www.pmsa.org.hk/wp-content/uploads/6.-Codes-of-Conduct_Prevention-of-Corruption_ENG.pdf https://www.pmsa.org.hk/wp-content/uploads/6.-Best-Practice-Guide_Prevention-of-Corruption_ENG.pdf ● Corruption Prevention Guide for Listed Companies: https://cpas.icac.hk/EN/Info/Lib_List?cate_id=3&id=2330 ● Corruption Prevention Guide for Insurance Companies: https://cpas.icac.hk/EN/Info/Lib_List?cate_id=3&id=2568 ● HKEX’s (i) Guide for Boards and Directors; and (ii) How to Prepare and ESG Report: https://www.hkex.com.hk/Listing/Sustainability/ESG-Academy/Publications-and-Training?sc_lang=en ● HKEX ESG Academy Webinar: https://www.hkex.com.hk/Listing/Sustainability/ESG-Academy/Publications-and-Training/Webinar-Series/Corporate-Culture?sc_lang=en ● HKBEDC’s website https://hkbedc.icac.hk/en