

Module	Anti-Bribery & Corruption
Jurisdictions	Hong Kong
Legal Expert	Carmen Tang, Partner, Hugill & Ip Solicitors

Module Application

Does your organisation take appropriate measures to prevent any actual or potential cases of bribery and corruption?

Does your organisation understand its obligations to identify the relevant bribery and corruption risks in relation to public officials, public bodies and its own employees?

Module Scope

The *ANTI-BRIBERY AND CORRUPTION* module informs the Hong Kong organisation of their legislated legal anti-bribery and corruption obligations. The module also demonstrates effective practical advice and assistance to the organisation to implement procedures and processes that will ensure compliance and regulatory accountability throughout all levels of the Hong Kong entity.

The *ANTI-BRIBERY AND CORRUPTION* module advises the Hong Kong organisation of the processes and procedures they need to implement to ensure compliance with all legal and regulatory obligations. Core legal and regulatory obligations are based on considerations of the broad questions determining;

- › Decision making;
- › Accountability;
- › Stewardship;
- › Direction; and
- › Control

To fulfil its purpose the module focuses on providing practical assistance to the Hong Kong organisation establishing and maintaining a robust foundational framework that determines;

- › How the organisation will function;
- › Who is the responsible decision maker;
- › What matters are relevant to the decision-making process; and
- › Whether the desired outcome has been achieved.

As entities, their employees and authorised individuals are all expected to be familiar with the broad landscape of legal obligations to which they are subject as well as more specific obligations relevant to the particular sector they are operating in, the *ANTI-BRIBERY AND CORRUPTION* module should be subscribed by all Hong Kong organisations, their employees and authorised individuals. The aim of the module is to equip the subscriber with knowledge of their obligations when operating within Hong Kong and the circumstances in which these obligations are relevant to the Hong Kong organisation. The module also provides the subscriber with the skills they require to establish relevant systems and processes to ensure compliance throughout their organisation.

The broad scope of the *ANTI-BRIBERY AND CORRUPTION* module is to provide answers to these questions;

- › What are our legal obligations?
- › From where are our legal obligations derived?
- › How can we ensure that we are complying with our legal obligations?
- › What are the consequences if we are not complying with our legal obligations?

The *ANTI-BRIBERY AND CORRUPTION* module covers all legislated legal obligations of Hong Kong organisations and demonstrates practical assistance and guidance to ensure that these obligations are complied with through the prevention and maintenance of anti-bribery and corruption practices throughout the organisation.

The module fulfils this objective by comprehensively covering three areas;

- › Legislation and guidelines;
 - › Obligations; and
 - › Consequences
1. The legislative and regulatory landscape from which the primary legal obligations are derived;
 - › Prevention of Bribery Ordinance (Cap 201) (HK);
 - › Independent Commission Against Corruption Ordinance (Cap 204) (HK);
 - › Banking Ordinance (Cap 155) (HK);
 - › Theft Ordinance (Cap 210) (HK);
 - › Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (HK);
 - › Companies Ordinance (Cap. 622) (HK).
 2. The specific areas where legal and regulatory obligations apply to the Hong Kong organisation;
 - › bribery and corruption risk identification;
 - › Risks connected with public officials;
 - › Risk in relation to private sector employees;

- Risk dealing with public bodies; and
- Risk dealing with banking and financial services.
- Duties of directors and other officers in an organisation;
- Directors obligation of disclosing any conflicts of interest
- Directors of a HKEx listed company obligation of fulfilling their fiduciary duties; and
- Directors obligations to ensure the proper book of accounts.
- Reporting and record keeping;
- Complying with the Prevention of Bribery Ordinance and reporting any regulatory non-compliance to the Securities and Futures Commission;
- Reporting any property connected with bribery and corruption activities;
- HKEx listed companies reporting anti-bribery and corruption measures in the Environment, Social and Governance (ESG) report;
- Keeping business records; and
- HKEx Listed companies ensuring the suitability of the premises for record keeping.
- Code of Conduct on anti-bribery and corruption;
- Policies and guidelines against bribery and corruption in relation to agents;
- Policies and Guidelines prescribing Due Diligence measures;
- Policies and guidelines against giving or accepting an advantage as a reward to do or not to do certain act;
- Policies and guidelines against bribery and corruption by political contributions, sponsorships and donations;
- Policies and guidelines for HKEx listed companies to maintain a strong corporate governance against bribery and corruption;
- Policies and guidelines of a banking institution to maintain corporate integrity; and
- Policies and Guidelines against bribery and corruption in relation to auctions and tenders.
- Prevention and monitoring;
- Maintaining reports on gifts and advantages received;
- Maintaining integrity management system;
- Maintaining integrity-based management Systems for SMEs
- Maintaining risk management systems against bribery and corruption;
- Maintaining reports of the conflict of interest; and
- Maintaining a whistleblowing policy and violation reporting.

- Investigation and enforcement;
 - Managing external investigations and the request for accounts, books and documents; and
 - Responding to search and entry by the investigators.
 - Awareness of and training in Anti-bribery and corruption policy;
 - Staff anti-corruption and anti-bribery training; and
 - Board member training.
3. Prevention of bribery and corruption legislations in Hong Kong impose a fine and imprisonment upon conviction of a bribery or corruption offence. Significant consequences can apply to organisations, their employees and authorised individuals found to have breached or not complied with anti-bribery and corruption legal obligations. The *ANTI-BRIBERY AND CORRUPTION* module covers specific consequences in detail. They can include monetary penalties, disciplinary measures and even terms of imprisonment for individuals found to have committed serious criminal offences.

The *ANTI-BRIBERY AND CORRUPTION* module does not cover a particular individual or entity and case laws for those who were found guilty of a bribery or corruption offence.

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