Corruption Prevention Guide for Testing and Certification Industry

防止貪污處
Corruption Prevention Department

Addendum

Corruption Prevention Services for the Private Sector

Please note that with effect from 10 September 2026, the Corruption Prevention Advisory Service (CPAS) and the Hong Kong Business Ethics Development Centre (HKBEDC) of the Independent Commission Against Corruption (ICAC) have been restructured as the Private Sector Integrity Centre (PSIC).

Accordingly, any references to the CPAS and HKBEDC in this publication are to be read as referring to the PSIC from that date onwards.

As a one-stop service and knowledge hub, PSIC continues to provide free, confidential, and tailor-made corruption prevention and integrity services to private-sector organisations.

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Private Sector Integrity Centre
Independent Commission Against Corruption
10 September 2026

廉政公署 ICAC

PSIC 私營機構誠信建設中心 Private Sector Integrity Centre

FOREWORD

Testing and certification is one of the economic areas where Hong Kong enjoys clear advantages and has good potential for further development. In the past two years, the Hong Kong Council for Testing and Certification had made progress in promoting the diversified development of the testing and certification industry by working closely with relevant Government departments, professional bodies and the industry. One of Hong Kong's key strengths is the high level of integrity and credibility of the Hong Kong society as a whole, which gives confidence to users of testing and certification services. Maintaining a high level of integrity is of utmost importance and ensures that services are provided in a reliable, consistent and impartial manner. Integrity is the cornerstone in building the "Tested in Hong Kong, Certified in Hong Kong" branding.

To assist the testing and certification industry in maintaining its high level of integrity and to help service providers to enhance internal monitoring, the Independent Commission Against Corruption (ICAC) has recently developed a Corruption Prevention Guide. It provides a framework for good governance and effective internal control measures, which will be very useful for all establishments in the industry.

On behalf of the Hong Kong Council for Testing and Certification, I express our gratitude to the ICAC for developing this Guide specifically for the testing and certification industry. I also thank the ICAC for inviting comments from the Council when preparing the Guide. The Council will work together with the ICAC to promote this important Guide to the industry. I look forward to continued cooperation between the Council and the ICAC in supporting the healthy development of the industry.

Professor CHING Pak-chung, BBS
Chairman
Hong Kong Council for Testing and Certification

FOREWORD

Testing and certification services underpin important decisions in all aspects of human endeavour. People rely on them to accept goods and services, to valuate properties, to diagnose and treat diseases, and to protect the environment. The Hong Kong Accreditation Service (HKAS), our local official accreditation body providing assurance to the quality and reliability of such services, sees integrity as the keystone to the success and further development of the testing and certification industry. Ever since the establishment of its predecessor in 1985, maintaining integrity has already featured prominently in accreditation regulations. This requirement echoes and consolidates the impartiality, independence and conflict of interest prevention as emphasized in international standards for competence including ISO/IEC 17025 for laboratories, ISO/IEC 17020 for inspection bodies, and ISO/IEC 17021 for certification bodies.

Through the years, HKAS has continued to refine its integrity requirements in collaboration with stakeholders. Various techniques have been employed to strengthen the robustness of management systems as well as to sharpen their ability in detecting irregularities. HKAS is especially grateful to practitioners who have diligently contributed to their development and implementation. With the support of the industry, the Accreditation Advisory Board has recently decided to take the next step forward to require all accredited organizations to establish a code of conduct for their personnel.

Excellent integrity is a distinctive advantage of the local testing and certification industry. We are most grateful to the Independent Commission Against Corruption (ICAC) for compiling this Corruption Prevention Guide. The many years of experience learnt by the industry, fortified with the insights of the ICAC, is crystallized in a readily adaptable form to suit specific situations and circumstances. This valuable document is set to catapult the integrity of the industry to the next higher level.

Professor KWAN Hoi-shan, JP
Chairman
Accreditation Advisory Board
Hong Kong Accreditation Service

FOREWORD

Through the hard work and dedication of its stakeholders over the years, the testing and certification industry has attained a very good reputation both locally and internationally. Being one of the economic areas where Hong Kong has definite competitive advantage over other places in the region, we are eager to sustain the industry's international reputation and to develop its potential further. To do so, it is imperative for the testing and certification companies to maintain a high standard of professionalism and adopt good practices in their operations. This is particularly crucial to companies with on-site operations where supervision of staff performing duties outside office premises is difficult. Corruption is a high-stake crime; a single incident of corruption involving their employees could ruin a hard-earned business, their goodwill, competitiveness in the industry as well as profits.

The Independent Commission Against Corruption is delighted to partner with the Hong Kong Council for Testing and Certification and the Hong Kong Accreditation Service in producing this Corruption Prevention Guide. We are also thankful for the support from the industry in providing us feedback and advice for the purpose. With a corruption prevention focus, this Guide aims to promote good corporate governance and provide a host of good practices to ensure effective management and internal control. We dedicate this publication to all proprietors and company executives or directors in the industry. We hope they will find it useful, informative and stimulating as they steer their companies ahead in helping Hong Kong develop into a testing and certification hub in the region.

Mr. TSE Man-shing
Director of Corruption Prevention
Independent Commission Against Corruption

HOW TO USE THIS CORRUPTION PREVENTION GUIDE

For quick and easy reference, users will find the following icons throughout this Corruption Prevention Guide. They serve to lead users to the information required:

	Sample Document – sample document for adoption where applicable
	Legislation – extracts of relevant ordinance
	Reference Website – relevant website for reference
	Pointer – cross reference to other sections of the Guide

DISCLAIMER

The recommendations as contained in this Guide including the sample forms or documents are for general guidance only. The sample forms and documents should be modified and adapted as appropriate to suit individual organizations' operational needs before use. The ICAC will not accept any liability, legal or otherwise, for loss occasioned to any person acting or refraining from action as a result of any material including the sample forms or documents in the Guide.

Throughout this Guide, the male pronoun is used to cover references to both the male and female. No gender preference is intended.

ACKNOWLEDGEMENT

For the purpose of compiling this Guide, the following organizations were consulted. We are grateful for their useful views and suggestions.

Association of Construction Materials Laboratories
Hong Kong Accreditation Service
Hong Kong Association for Testing, Inspection and Certification
Hong Kong Association of Medical Laboratories
Hong Kong Council for Testing and Certification
Hong Kong Productivity Council
Hong Kong Q-Mark Council
Innovation and Technology Commission
The Chinese Manufacturers' Association of Hong Kong

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INTRODUCTION

Following the Government's plan to develop the testing and certification (T & C) industry[1], the Hong Kong Council for Testing and Certification was established in 2009 to advise the Government on the overall development strategy and initiatives for promoting the growth of the industry. The T & C industry comprises three service sectors, namely, testing, inspection and certification.

The ***testing sector*** – a wide range of testing services is provided, covering consumer products (e.g. toys, textiles, electrical and electronic products), food, construction materials, environmental samples, medical testing, etc.

The ***inspection sector*** – local demand can pertain to both statutory (e.g. inspections of lifts and escalators and fire services installations) and non-statutory inspections, as well as external demand for goods inspections arising from international trade relating to consumer products and construction products. With the relocation of the manufacturing industry from Hong Kong to the Pearl River Delta Region, many goods inspection activities are increasingly conducted outside Hong Kong though they are still managed by Hong Kong based inspection companies.

The ***certification sector*** – activities in Hong Kong cover mainly system certification (e.g. quality or environmental management systems) and product certification (e.g. cement products for construction use) to help enhance the quality of the products concerned.

The ensuing chapters provide the key elements of a good governance framework and a host of corruption prevention measures for the T & C companies to strengthen their own internal control mechanism. They are advised to adopt the recommended measures as appropriate, taking into consideration of their organizational structure, resource capability, operational needs and risk exposures.

The Advisory Services Group of the Corruption Prevention Department of ICAC stands ready to provide ***free, confidential and tailor-made corruption prevention advice*** *to private companies on request. For further information, please contact the Group at 2526 6363.*

[1] *In 2009, the Government's Task Force on Economic Challenges identified "T & C" as one of the six economic areas where Hong Kong enjoys clear advantages and has good potential for further development.*

Chapter 1 OBSERVING THE ANTI-BRIBERY LAWS

1.1 Hong Kong Context

Like other private sector companies, companies in the T & C industry (e.g. laboratories, inspection or certification bodies) are required to abide by the laws of Hong Kong in their business operations to ensure fair competition and keep the industry corruption-free. It is essential for their directors and employees to understand and observe the following provisions of the Prevention of Bribery Ordinance (Cap. 201) when they carry out the company's duties or business transactions.

1.1.1 Bribery by Employees

Annex 1 of Appendix 1

- Section 9(1) – It is an offence for an agent (e.g. an employee) to solicit or accept an advantage, without the permission of his principal (e.g. his employer), as an inducement to, or reward for, his doing or forbearing to do any act, or showing or forbearing to show favour or disfavour to any person, in relation to his principal's affairs.
- Section 9(2) – Any person who offers an advantage to an agent for the above purpose also commits an offence.
- Section 9(3) – Any agent who, with an intent to deceive his principal, uses any receipt, account or other document which contains any statement which is misleading or false or defective in any material particular and in respect of which the principal is interested, is guilty of an offence.
- Section 9(5) – The principal's permission should be given before the advantage is offered, solicited or accepted, or as soon as reasonably possible after such offer or acceptance.
- Section 12 – Any person convicted of an offence under Section 9 is subject to a maximum penalty of seven years' imprisonment and a fine of HK$500,000.
- Section 19 – It is not a defence to claim that an advantage offered or accepted is customary in any profession, trade, vocation or calling.

1.1.2 Definitions of Key Elements

The key elements of the above sections, which are defined in Section 2 of the Prevention of Bribery Ordinance, are highlighted below:

Principal

- The principal is the employer or any authorized persons of the employer (e.g. the proprietor or Management Board of a T & C company).

Agent

- An agent is a person acting for the principal. Any director or employee acting for a company is an agent of the company (e.g. laboratory technician, marketing manager, or operation manager of a T & C company).

Advantage

- An advantage includes money, gift, loan, reward, commission, employment, contract, service, favour, discharge of liability, whether in whole or in part, etc.

3.2.2

- Entertainment, which is defined as food or drink provided for consumption on the occasion and of any other entertainment provided at the same time (e.g. singing and dancing performance), is not an advantage.

1.1.3 Illustrative Examples

The following examples illustrate possible risks of corruption in the T & C industry:

- An inspector soliciting or accepting a bribe from a local manufacturer for conniving at the irregularities found during a pre-shipment inspection conducted at the manufacturer's production factory located in the Mainland.
- A procurement manager of a T & C company accepting rebate from a laboratory equipment supplier for placing purchase orders of laboratory consumables with the latter.
- A laboratory technician submitting false laboratory reports to deceive his employer (i.e. the testing laboratory) of the test results.

- A marketing manager of a T & C company accepting a red packet from a customer during the Chinese New Year as a reward for arranging a faster service delivery schedule to the latter.
- A factory owner offering frequent and lavish meals and other entertainment to an inspector as part of the "sweetening" process before demanding for unjustified favours in the future.

1.2 Mainland Context

Apart from the Prevention of Bribery Ordinance, Hong Kong companies with operations in the Mainland should observe its anti-corruption and anti-bribery laws and may make reference to the ***"Integrity and Compliance with the Law" – A Guide to the Prevention of Corruption for SME Entrepreneurs Investing in Guangdong and Hong Kong***, a publication jointly published by the ICAC and the Guangdong Provincial People's Procuratorate (available for reference at the ICAC website *www.icac.org.hk*), or consult their legal advisors when necessary.

Chapter 2 ADHERING TO INDUSTRY STANDARDS AND REQUIREMENTS

An accreditation status signifies a T & C company's competence in the performance of specific activities, and a test report or certificate issued by an accredited company is a confirmation of quality assurance of a product or reliability of a special process. Currently, there are a number of local and international accreditation standards and ethical schemes operated by different organizations. While participations in these accreditation or ethical schemes are voluntary, they have increasingly been recognized as the trade standards or mandatory requirements in many business deals. To earn the confidence of their customers, T & C companies are encouraged to acquire the relevant accreditation status and ensure their services do comply with local and international standards.

2.1 Local Standards

2.1.1 Accreditation Schemes

The Hong Kong Accreditation Service (HKAS) under the Innovation and Technology Commission is the local authority providing accreditation services to T & C companies in accordance with international standards. It operates the following three voluntary accreditation schemes (for details, please visit the HKAS website *www.hkas.gov.hk*):

- Hong Kong Laboratory Accreditation Scheme (HOKLAS) for the testing sector;
- Hong Kong Inspection Body Accreditation Scheme (HKIAS) for the inspection sector; and
- Hong Kong Certification Body Accreditation Scheme (HKCAS) for the certification sector.

HKAS is a member of many international accreditation cooperations and a signatory to the multilateral mutual recognition arrangements of these cooperations. Under these arrangements, the above schemes are currently recognized by over 80 partners in more than 60 economies worldwide.

2.1.2 General Accreditation Requirements

Any T & C company seeking or maintaining HKAS's accreditation status should demonstrate that it:

- is competent in the performance of specific activities (i.e. testing, inspection or certification) for which it is applying for accreditation or has been accredited;
- complies with HKAS's technical requirements and criteria for respective accreditation scheme and continuous assessments after accreditation;
- is in conformity with the obligations stated in the "Regulations for HKAS Accreditation", such as:

1.1

  - establish in writing and make known to all employees the policy restricting acceptance of advantage, with reference to the Prevention of Bribery Ordinance;
  - maintain absolute integrity and impartiality in all circumstances; and
  - inform HKAS of any complaints relating to its accredited activities that cannot be resolved satisfactorily within 60 days from the date of receipt.

2.2 International Standards and Ethical Schemes

Listed below are some common examples of international standards and ethical schemes, but they are by no means exhaustive.

2.2.1 International Organization for Standardization (ISO)

Being one of the globally recognized quality assurance standards, ISO sets the international standards on a wide range of technical fields, management systems and conformity assessment. Some ISO standards relevant to the T & C industry include:

Standards/Requirements (for details, please visit the ISO website *www.iso.org*)	
ISO/PAS[2] 17001 - 17005	General requirements on impartiality, confidentiality, complaints and appeals, disclosure of information and management systems
ISO/IEC[2] 17025	General requirements for the competence of testing and calibration laboratories
ISO 15189	Particular requirements for quality and competence of medical laboratories
ISO/IEC 17020	General criteria for the operation of various types of bodies performing inspection
ISO/IEC 17021	Requirements for bodies providing audit and certification of management systems during conformity assessment

2.2.2 Other International Standards and Ethical Schemes

- Electronic Industry Citizenship Coalition (EICC) (*www.eicc.info*) – a scheme to promote an industry code of conduct for global electronics supply chain to improve working and environmental conditions.
- Good Manufacturing Practice (GMP) (*www.who.int*) – the control and management of manufacturing and quality control testing of products, which are widely applied in the food and healthcare industry.

[2] *Publicly Available Specification (PAS) and International Electrotechnical Commission (IEC) are organizations for standardization. A standard with prefix of ISO/PAS or ISO/IEC represents collaboration between the two organizations for such standard.*

- Hazard Analysis and Critical Control Point (HACCP) (*www.who.int*) – an international principle defining the requirements for effective control of food safety management system.
- International Council of Toy Industries (ICTI) CARE[3] (*www.toy-icti.org*) – the toy industry's ethical manufacturing programme which aims at ensuring safe and humane working environments for toy factory workers.
- Worldwide Responsible Accredited Production (WRAP) (*www.wrapcompliance.org*) – a factory production facility certification programme, which is widely applied in apparel and footwear industry.

[3] *"CARE" stands for Caring, Awareness, Responsible, Ethical.*

Chapter 3 PRACTISING GOOD GOVERNANCE PRINCIPLES

Good corporate governance is the key to prevent corruption and, at the same time, win the trust of customers and business associates. It requires the top level management of a company (including the Management Board of large companies or the proprietor of small and medium enterprises) to take the lead in setting the standard of not tolerating themselves and their employees in corruption-prone situations with the message cascading down to each and every level of all staff. In fostering a culture of honesty and integrity within the company, it is advisable for them to adopt and adapt the following good corporate governance principles.

3.1 Governance Structure

3.1.1 Large Companies

Management Board

☐ Determine a policy on the Board composition, including:

- the roles and responsibilities of Board Chairman and members;
- the number of Board members, having regard to the size and scale of business of the company;
- a good mix of Board membership to facilitate the inclusion of various expertise for the effective running of the company's business and effective governance; and
- the tenure of Board Chairman and members and a mechanism for the admission of new talents into the Board.

☐ Lay down the rules and procedures for convening a Board meeting, such as the frequency of meetings, quorum of a meeting, voting arrangement and resolution mechanism.

☐ Record accurately in meeting minutes the discussions and resolutions passed.

Functional Committees

- ☐ Establish committees under the Board to oversee major functions of the company, particularly compliance and technical audits, etc.
- ☐ Require the functional committees to report back to the Board.

Audit Committee

- ☐ Establish an Audit Committee to oversee all internal and external auditing activities.
- ☐ Appoint at least one person with expertise in the accounting or auditing profession as a member of the Audit Committee.

Compliance Committee

2.1 & 2.2

- ☐ Establish a Compliance Committee to oversee quality assurance matters and technical competency and compliance in accordance with the relevant local and international standards (e.g. ISO standards).

3.1.2 Small and Medium Enterprises

- ☐ Designate operational units/teams to handle major functions of the company (e.g. compliance, procurement).
- ☐ Require these units/teams to submit regular reports to the company management.
- ☐ Appoint an independent auditor to audit the company's business operations and statements of accounts periodically.

3.2 Code of Conduct

Appendix 1

- ☐ Issue a Code of Conduct for compliance by Board members/company directors and employees, and set out in the Code the following key policies and provisions.

3.2.1 Commitment to Ethical Practices

- ☐ Include in the Code a statement showing the company's commitment to good governance and ethical practices.

- ☐ State the company's firm stance (e.g. "zero tolerance" policy towards corruption and fraud) and require all employees to abide by the anti-bribery laws and regulations in Hong Kong as well as in other jurisdictions when conducting business on behalf of the company.

- ☐ Make known the above commitment to business partners, customers, suppliers and contractors.

3.2.2 Solicitation and Acceptance of Advantage and Entertainment

1.1

- ☐ Set out the policies governing solicitation or acceptance of advantage and entertainment, with reference to the Prevention of Bribery Ordinance.

- ☐ Prohibit Board members/company directors and employees from accepting advantage from persons with whom they have official dealings and from their colleagues or subordinates, except with the company's permission, to ensure their objectivity in conducting the company's business.

- ☐ Specify the permissible value of token gifts they are allowed to accept in their official capacity.

- ☐ Lay down the procedures and authority for approval of acceptance of advantage under the specified circumstances.

- ☐ Remind them to avoid accepting overly lavish or frequent entertainment offered by customers or business partners, as this may be a "sweetener" to build up a store of goodwill for future demands of unjustified favours.

3.2.3 Conflict of Interest

- ☐ Require Board members/company directors and employees to avoid and declare any actual or perceived conflict of interest.

- ☐ Warn them not to misuse their position in company or abuse the power entrusted with them to make personal gains or to benefit their relatives or personal friends.

- ☐ Provide them with examples of conflict of interest in work situations.

- ☐ Require Board members/company directors to make a declaration to the Board and the employees to their supervisors when a conflict of interest arises.

Annex 3 of Appendix 1

- ☐ Provide them with a standard form for declaration of conflict of interest.

- ☐ Specify the actions for managing declared conflict of interest, such as requirements to abstain from related meetings or to reassign the tasks.

- ☐ Establish a system to record the declared conflicts and the mitigated actions taken.

3.2.4 Protection of Company Information

- ☐ Remind Board members/company directors and employees to use company assets and information solely for the purpose of the company's business and prohibit any unauthorized use (e.g. disclosure of the schedule of service fees to business competitors).

- ☐ Establish a system for the protection of commercially sensitive information (e.g. restricting access to authorized employees only or keeping records of recipients of confidential documents).

3.2.5 Outside Work

- ☐ Require Board members/company directors and employees to seek approval from the company (e.g. Human Resources Manager) before taking up any outside work (e.g. working as part-time product design consultant of the company's customer or HKAS's assessor).

- ☐ Grant permission only if the outside work would not give rise to conflict of interest.

- ☐ Require the Board member/company director or employee concerned to seek fresh approval on an annual basis and the approving authority to review the application to ascertain if further approval is justified.

3.2.6 Compliance Monitoring

- ☐ State the disciplinary actions against breaches of the Code, such as warning, dismissal, etc., and report to the appropriate law enforcement agencies in case of suspected crime.

- ☐ Designate an employee of the appropriate level (e.g. Human Resources Manager) to handle enquiries on the Code.

3.2.7 Promulgation of the Code

- ☐ Endorse the Code by the Board or the company's top management.

- ☐ Issue the Code to all Board members/company directors and employees upon appointment, and incorporate it into the company's handbook, if any.

- ☐ Remind employees to abide by the Code through periodic circulation or company intranet.

- ☐ Arrange training workshops for both new and serving employees to explain the Code and update them of any changes.

Chapter 4 INJECTING CORRUPTION PREVENTION AND INTERNAL CONTROL MEASURES

A test report or certificate issued by an accredited T & C company is an independent and reliable confirmation of quality assurance of a product or reliability of a special process. Risks of corrupt or fraudulent practices hence exist as manufacturers and traders are keen to obtain a favourable test report/certificate. As any illicit acts or malpractices will not only affect the reliability of the test/inspection/certification results, but also undermine public confidence in the industry and bring disrepute to the company concerned, it is therefore important for T & C companies to ensure that they have put in place adequate safeguards against abuse and corruption in their day-to-day operations. This chapter recommends a host of corruption resistant measures to help T & C companies strengthen their internal control mechanism.

4.1 Operational Manuals/Instructions

4.1.1 Compliance with Local and International Standards

2.1 & 2.2

- ☐ Lay down clear operational manuals/instructions to ensure all employees comply with the local and international standards (e.g. HKAS and ISO requirements on integrity) in testing, inspection and certification.
- ☐ Check compliance with the operational manuals/instructions periodically.
- ☐ Review the operational manuals/instructions regularly to suit the company's operations and the change in local and international standards as necessary.

4.1.2 Roles and Responsibilities

- ☐ Define clearly in the operational manuals/instructions the roles and responsibilities of each level of employees.
- ☐ Specify the approving authorities for making decisions in various functions (e.g. endorsement of laboratory test results) and the chain of command for reporting.

4.1.3 Training

- ☐ Ensure compliance with the operational manuals/instructions through in-house training or briefing for employees.
- ☐ Keep employees aware of the latest changes and development of both local and international standards.

4.2 Sales and Marketing

4.2.1 General Policy

- ☐ Lay down the company's sales and marketing policies, including marketing strategy, credit and payment policy.
- ☐ Prepare annual marketing plan for endorsement by the Board and the top management.
- ☐ Make sales and marketing related information, such as service fees, payment terms and credit policy, known to all potential customers, if appropriate.
- ☐ Provide a channel (e.g. customer service hotline) for customers to make enquiries about the details of testing, inspection or certification services (e.g. delivery schedule).
- ☐ Require employees who are responsible for sales and marketing activities to maintain activity logs, recording all sales and marketing work, such as the customers contacted or visited and the outcome.

4.2.2 Discount Policy

- ☐ Set out the range of discounts on service fees or other benefits that could be offered (for each type of services) by employees of different levels.
- ☐ Specify the criteria for offering discounts or other benefits (e.g. long-term business partners, customers with good payment history).

- ☐ Seek approval from the appropriate authority (e.g. General Manager) for special discounts, if necessary.

4.3 Handling of Testing Samples

4.3.1 Sample Register

- ☐ Record all the testing samples received in a central register (e.g. by using computer record), listing the date and quantity of samples received, batch numbers, laboratory technicians responsible for conducting the test, etc.

- ☐ Assign unique sample identity (e.g. computer barcode) to each sample (or each batch of samples) and put them into a tamper-proof container or store them in a secure location.

- ☐ Ensure proper documentation of hand-over of samples among different teams or divisions of the laboratory (e.g. recording the check-in and check-out time by each team or division).

4.3.2 Storage and Disposal of Samples

- ☐ Designate the location for storage of samples (e.g. laboratory cabinets, company's warehouse) during the course of testing.

- ☐ Maintain proper record on the retrieval of samples (e.g. name of processing staff, date, time and reason for retrieval) from the storage location.

- ☐ Lay down the policy on the disposal of tested samples, including:
  - the method of disposal (e.g. dumping at landfills or returning to customers);
  - the reason for retaining the tested samples at the laboratory, if necessary (e.g. for verification of test results or on request by the customer);
  - the maximum duration for the retention of tested samples;

- the disposal of perishable tested samples (e.g. food); and
- the disposal of unused samples (e.g. returning to customers).

☐ Prohibit any unauthorized use or disclosure of the samples, including the design, outlook, material content, ingredient, etc.

☐ If a contractor is hired for the disposal of tested samples (e.g. transportation of the tested samples to landfills), make sure the contractor adopts appropriate control measures to prohibit any unauthorized use or disclosure of the samples.

☐ Conduct random supervisory checks on the whereabouts of the samples against the sample register.

4.4 Inspections

4.4.1 Allocation of Inspection Duties

☐ Assign inspection duties by rotation, if possible, to prevent the inspectors from getting too well-acquainted with particular customers or persons-in-charge of the factories.

☐ Review the allocation of inspection duties regularly and redeploy employees to cope with the operational needs, if necessary (e.g. arranging inspections in pairs or by teams if resources permit).

4.4.2 Monitoring of Inspections

Appendix 2

☐ Require the factory under inspection to sign an undertaking to acknowledge the company's stance on anti-bribery and staff integrity, such as:

- the commitment to the principles of integrity and fair play; and
- the policy on prohibiting the inspectors from soliciting and accepting money, gifts, expensive accommodation, lavish meals and unnecessary treats such as karaoke and nightclub entertainment from the factory.

- ☐ Provide a direct channel for the factory to report any impropriety of the inspectors to the company.

- ☐ Inform the factory that the on-site inspection results given by the inspectors are subject to review by their supervisors, and remind the factory not to exert any undue pressure on the inspectors.

3.2

- ☐ Remind the inspectors to observe the guidelines on the following areas as stipulated in the company's Code of Conduct:
  - Gambling – not to engage in frequent gambling activities with persons having business dealings with the company; and
  - Loans – not to accept any loan from, or through the assistance of, any individual or organization having business dealings with the company.

- ☐ Devise a standard inspection checklist, listing out all the items and areas to be checked, for use by the inspectors.

- ☐ Take photographs of the items checked or defects identified during the inspection as far as possible to support the inspection findings.

- ☐ Require the inspectors to prepare an inspection report after each inspection, covering the inspection findings and including the following information:
  - the date, time and place of the inspection;
  - the nature of the inspection (e.g. pre-shipment checks); and
  - the actual time spent (e.g. by recording the "in" and "out" time of the factory visit).

- ☐ Conduct periodic supervisory checks on the performance of the inspectors, including unannounced visit to the factory on the date of inspection or telephone audit to collect feedback from the factory after the inspection.

- ☐ Intensify the level of supervisory checks based on risk factors (e.g. complaints against individual inspectors or discrepancies detected in inspection reports).

4.4.3 Overseas Inspection Duties

3.2.1

- ☐ Remind the inspectors to observe the laws and regulations in other jurisdictions when carrying out overseas inspection duties.

- ☐ Issue guidelines to employees on the acceptance of meals and entertainment, passage and accommodation offered by customers when discharging inspection duties overseas or in the Mainland, which should include but not limited to the following specifications:
  - the limits on the type, class or value of the meals and entertainment, passage and accommodation that an inspector may accept; and
  - the need to seek prior approval before acceptance (i.e. before commencement of the inspection) and the level of approving authorities.

- ☐ Require the inspectors to report the actual meals and entertainment, passage and accommodation accepted, if any, after each inspection duty. If the exact value of the above is not known, require the inspector concerned to certify an estimated value.

4.5 Reports and Certificates

4.5.1 Control and Security of Reports and Certificates

- ☐ Standardize the report or certificate format to be used by all employees to ensure all necessary information is included for proper presentation of the testing or inspection results.

- ☐ Incorporate in the test reports or certificates the following key features:
  - use of special paper or design to prevent forgery and unauthorized amendments;
  - a unique identification of the report or certificate (e.g. serial numbering);

- a description and precise identification of the sample, component or item tested or inspected; and
- the name, signature and post title of the Approved Signatory (i.e. personnel approved by HKAS to sign on the test reports or certificates on behalf of the T & C companies).

☐ Keep the blank test reports or certificates in secure locations.

☐ Ensure the voided reports and certificates are properly disposed of and require the employees concerned to document the reasons for voiding the reports and certificates.

☐ Build in appropriate security features if electronic reports or certificates are used (e.g. digital signature).

4.5.2 Verification Channels

☐ Establish a user-friendly channel (e.g. enquiry hotline) for verification on the authenticity of the reports and certificates.

☐ Provide sample report and certificate at the company's website for reference by customers and business partners.

4.6 Quality Assurance

4.6.1 Quality Assurance System

2.1 & 2.2

☐ Develop a quality assurance system and put in place effective measures to monitor compliance with the local and international standards and their requirements by employees.

☐ Remind all employees that quality assurance is a corporate responsibility and requires their ownership.

☐ Empower supervisors of each functional area (e.g. Laboratory Manager, Inspection Manager) to conduct periodic supervisory checks to ensure

compliance with the company's operational procedures and the relevant standards (e.g. ISO standards).

☐ Conduct regular management review on the quality assurance system, taking into account the latest development and technical requirements of the industry.

4.6.2 Quality Assurance Audits

☐ Lay down clear procedures for quality assurance audits, including:

- verification of testing results (e.g. review of laboratory records and worksheets) or inspection findings (e.g. on-site supervisory checks) by supervisors;
- arrangement of parallel testing to ensure accuracy and completeness of the tests by other laboratories, if resources permit and based on risk assessment (including risk factors such as the nature and number of complaints received); and
- collection of feedback from customers.

☐ Appoint an independent Quality Assurance/Compliance Manager with adequate knowledge and experience to conduct technical audits on operational procedures regularly and compile audit reports, highlighting any substandard work or performance.

☐ Maintain proper records on quality assurance audits to facilitate management review and external audits (e.g. assessment by HKAS).

4.7 Subcontracting of Services

4.7.1 Policy on Subcontracting

☐ Lay down the policy and procedures for subcontracting, such as the types of services to be subcontracted, the circumstances where subcontracting is required (e.g. when the company is out of capacity

to perform laboratory testing), and the general requirements on the subcontractors (e.g. laboratories accredited by HKAS).

☐ Follow the principles of fairness, openness and competitiveness in the selection of subcontractors. (Please refer to the ***Best Practice Checklist on "Procurement"*** at the ICAC website *www.icac.org.hk* for more details.)

4.7.2 Probity Requirements for Subcontractors

Appendix 3

☐ Include in the contract conditions a set of probity clauses prohibiting the subcontractor and its employees from:

- offering, soliciting or accepting any advantage as defined in the Prevention of Bribery Ordinance when conducting business under the contract;
- divulging any information in the contract to other parties (e.g. proprietary information on the product sample being tested); and
- engaging in other work which could create or potentially give rise to conflict of interest (e.g. a subcontractor's employee engaging in other work or employment which has a conflict of interest with his duties in connection with the contract).

Annex of Appendix 3

☐ Require the subcontractor to sign a standard declaration form to confirm compliance with the probity requirements.

4.7.3 Review of Subcontractors' Performance

☐ Collect user feedback on the subcontractor's services and hold regular meetings to review the subcontractor's performance.

☐ Review the need for subcontracting regularly, having regard to the company's business strategy and operational capacity.

☐ Consider using a term contractor for the regularly and frequently required services.

4.8 Documentation and Records

4.8.1 Information Security

- ☐ Issue guidelines on the processing, storage, disposal/re-use, transmission, printing, scanning and sending of information to prevent leakage of information, particularly commercially sensitive information of the company and the customer (e.g. design of the product sample being tested).

- ☐ Classify the company's data and information (e.g. confidential and open information) and ensure that classified messages, data or documents in whatever form should bear the same classification as their paper equivalent and are protected accordingly.

- ☐ Make sure all employees are aware of the classification of the information they handle and stay vigilant of information security.

- ☐ Define information access rights and devise adequate safeguards against unauthorized access to company information (e.g. using password control to access computer and upgrading computer systems with audit trail functions to detect any anomalies).

4.9 Handling of Complaints/Feedbacks

4.9.1 Complaints from Customers

- ☐ Establish and publicize to customers and business partners the dedicated channel for lodging a complaint (e.g. company's website or hotline).

Appendix 4

- ☐ Assign a dedicated team or personnel (e.g. Quality Assurance Department) to receive and record all complaints/information received in a complaint record form. All complaints/information received should be kept in strict confidence.

4.9.2 Feedbacks from Employees

☐ Lay down an internal whistle-blowing policy and make known to all employees the following:

- the company's policy in encouraging whistle-blowing;
- the identity of the whistle-blower and the details of the report will be kept confidential; and
- the consequence of making false or malicious allegations (e.g. disciplinary actions).

☐ Establish a user-friendly channel for collecting such feedbacks.

4.9.3 Investigation of Complaints/Feedbacks

☐ Empower an employee at the appropriate rank to carry out an independent investigation into the complaints/feedbacks.

☐ Submit the investigation report, with recommendation for the corrective or follow-up actions if applicable, to the designated authority (e.g. Head of Quality Assurance, Compliance Manager or the Management Board) for consideration and a decision of the follow-up actions to be taken.

☐ Notify the complainant/whistle-blower of the investigation outcome in a timely manner.

☐ Establish an appeal channel against investigation outcome.

4.9.4 Disciplinary Actions

☐ Lay down the procedures for initiating the various levels of disciplinary actions, such as verbal/written warning, dismissal, etc., against employees who are in breach of the company rules and regulations, and make them known to all employees.

☐ Maintain proper records of all disciplinary cases.

☐ Establish a mechanism to handle employees' appeals against the imposed disciplinary actions.

4.9.5 Report of Suspected Corruption or Fraud

- ☐ Report all instances of crime or suspected crime to the appropriate law enforcement agencies (e.g. report cases of suspected corruption to the ICAC and suspected crime, such as fraud, to the Police).

- ☐ Report at the first practicable opportunity and avoid taking any action which may hinder or frustrate subsequent investigation or action by the law enforcement agencies.

Chapter 5 SEEKING ASSISTANCE FROM RELEVANT ORGANIZATIONS

5.1 Independent Commission Against Corruption

5.1.1 Consultancy Services on Corruption Prevention

The Advisory Services Group under the Corruption Prevention Department assists private companies in identifying vulnerable areas in their operations and provides free, confidential and tailor-made advice on implementing corruption resistant safeguards. For further information, please contact the Group through the following channels:

- By phone : 2526 6363
- By fax : 2522 0505
- By e-mail : asg@cpd.icac.org.hk

5.1.2 Corporate Ethics Programmes

The Hong Kong Ethics Development Centre under the Community Relations Department is tasked to promote business and professional ethics in Hong Kong, and assist private companies in developing ethics training programmes for their employees. For enquiries, please contact the Centre through the following channels:

- By phone : 2587 9812
- By fax : 2519 7762
- By e-mail : hkedc@crd.icac.org.hk

5.1.3 Reporting Corruption

The Report Centre under the Operations Department receives and records corruption complaints from members of the public through a secure system to ensure confidentiality. Any person may lodge a complaint through the following channels:

- By phone : 2526 6366 (24-hour service)
- In person : ICAC Report Centre (24-hour service)
  303 Java Road, North Point, Hong Kong
- By mail : GPO Box 1000, Hong Kong

5.2 Other Relevant Organizations

5.2.1 Hong Kong Council for Testing and Certification

The Hong Kong Council for Testing and Certification is set up to advise the Government on the overall development strategy and initiatives for promoting the growth of the T & C industry. The secretariat of the Council can be contacted through the following channels:

- By phone : 2829 4885
- By fax : 2877 9251
- By e-mail : enquiry@hkctc.gov.hk

5.2.2 Hong Kong Accreditation Service

The Hong Kong Accreditation Service of the Innovation and Technology Commission provides third-party accreditation for laboratories, inspection and certification bodies located in Hong Kong under three accreditation schemes. It can be contacted through the following channels:

- By phone : 2829 4840
- By fax : 2824 1302
- By e-mail : hkas@itc.gov.hk

5.2.3 China National Accreditation Service for Conformity Assessment

As the national accreditation body, the China National Accreditation Service for Conformity Assessment is responsible for the accreditation of certification bodies, laboratories and inspection bodies. It can be contacted through the following channels:

- By phone : + 86 10 6710 5330
- By fax : + 86 10 6710 5005
- By e-mail : info@cnas.org.cn

SAMPLE CODE OF CONDUCT

Introduction

1. The (*name of company*) (hereafter referred to as the Company) regards honesty, integrity and fair play as our core values that must be upheld by all directors and staff[1] of the Company at all times. This Code sets out the basic standard of conduct expected of all directors and staff, and the Company's policy on acceptance of advantage and handling of conflict of interest when dealing with the Company's business.

Prevention of Bribery

Prevention of Bribery Ordinance

2. Under the Prevention of Bribery Ordinance (the Ordinance), any director or staff member who, without the permission of his employer or principal (i.e. the Company), 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.

(The relevant provisions of Section 9 of the Ordinance and the definition of "advantage" are detailed at **Annex 1**.)

Acceptance of Advantage

3. It is the Company's policy that directors and staff should not solicit or accept any advantage for themselves or others, from any person, company or organization having business dealings with the Company, 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 $_____in 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 should accept any advantage from a subordinate, except those mentioned in paragraphs (a) and (b) above.

[1] *Staff cover full-time, part-time and temporary staff, except where specified.*

4. Gifts or souvenirs described in paragraph 3(d) above are deemed as offers to the Company. The directors and staff members concerned should report the acceptance to the Company and seek direction as to how to handle the gifts or souvenirs from the approving authority[2] using Form A **(Annex 2)**. If a director or staff member wishes to accept any advantage not covered in paragraph 3, he/she should also seek permission from the approving authority using Form A.

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

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

Offer of Advantage

7. Directors and staff are prohibited from offering advantages to any director or staff of another company or organization, 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 Company's business.

Entertainment

8. As defined in Section 2 of the Ordinance, "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 Company has business dealings (e.g. customers, suppliers or contractors) or from his/her subordinates to avoid placing himself/herself in a position of obligation (e.g. provision of favourable test reports to customers). To maintain impartiality, staff members, especially those carrying out inspection duties, should not accept free meals/entertainment from the organizations being assessed unless under very exceptional circumstances.

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[2] *Specify the post of the approving authority in the Code and the Form.*

Records, Accounts and Other Documents

9. Directors and staff should ensure that all testing and assessment records or certificates, receipts, accounts or other documents they submit to the Company 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 Company, regardless of whether there is any gain or advantage involved, may constitute an offence under the Ordinance.

Compliance with Laws of Hong Kong and in Other Jurisdictions

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

Compliance with Professional Standards

11. Directors and staff should perform their work objectively and impartially. They should also observe the technical and ethical requirements as defined in the relevant professional standards for testing, inspection and certification (e.g. ISO standards).

Conflict of Interest

12. Directors and staff should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Company) or the perception of such conflicts. They should not misuse their position or authority in the Company 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 interest arises, the director or staff member should make a declaration to the management through the reporting channel using Form B **(Annex 3)**.

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

(a) A staff member providing testing, inspection or certification services to a customer whom he/she, his/her relative or close personal friend has financial interest in the business of the customer.

(b) A staff member undertaking part-time work as a product design consultant for a customer whom he/she is responsible for testing, inspecting or certifying the products of the customer.

(c) A staff member involved in subcontracting out the Company's testing services (e.g. selection of subcontractors) is closely related to or has financial interest in a potential subcontracting laboratory.

(d) A staff member involved in the procurement of laboratory equipment (e.g. evaluation of suppliers' quotations) is closely related to or has financial interest in a potential equipment supplier.

Use of Company Assets

14. Directors and staff in charge of or having access to any Company assets, including funds, property (e.g. laboratory equipment or consumables), information, and intellectual property, should use them solely for the purpose of conducting the Company's business. Unauthorized use, such as misuse for personal gain, is strictly prohibited.

Confidentiality of Information

15. Directors and staff should not disclose any commercially sensitive information of the Company and the customers (e.g. design, innovation, technology or other proprietary information of the products under testing or assessment) without authorization or misuse any Company information (e.g. unauthorized sale of the information). Those who have access to or are in control of such information, including information in the Company'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, including directors', staff's and customers' personal data, to ensure compliance with the Personal Data (Privacy) Ordinance.

Outside Employment

16. Any full time staff who wish to take up employment outside the Company must 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.

Relationship with Customers, Suppliers and Contractors

Gambling

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

Loans

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

Compliance with the Code

19. It is the responsibility of every director and staff member of the Company to understand and comply with this Code, whether performing his/her company duties in or outside Hong Kong. Managers and supervisors should also ensure that the staff under their supervision understand well and comply with this Code.

20. Any director or staff member in breach of this 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.

21. Any enquiries about this Code or reports of possible breaches of this Code should be made to (*post of designated senior staff*).

_____

(*Name of Company*)

Date :

[The Company may wish to include other guidelines on the conduct required of directors and staff as appropriate or consult the Advisory Services Group of the Corruption Prevention Department of ICAC for tailor-made advice on the preparation of the Code.]

Extracts of the Prevention of Bribery Ordinance

Section 9

(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 –

(a) doing or forbearing to do, or having done or forborne to do, any act in relation to his 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 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 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 principal's affairs or business,

shall be guilty of an offence.

(3) Any agent who, with intent to deceive his 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 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 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

"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.

"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, such provisions.

Section 19

In any proceedings for an offence under this Ordinance, it shall not be a defence to show that any such advantage as is mentioned in this Ordinance is customary in any profession, trade, vocation or calling.

Form A

(Company Name)

Report on Gifts Received

Part A – To be completed by Receiving Staff

To : ***(Approving Authority)***

Description of Offeror :

Name & Title of Offeror : _____

Company : _____

Relationship (Business/Personal) : _____

Occasion on which the Gift was/is to be received : _____

Description & (assessed) value of the Gift : _____

Suggested Method of Disposal :	**Remark**
( ) Retain by the Receiving Staff	_____
( ) Retain for Display/as a Souvenir in the Office	_____
( ) Share among the Office	_____
( ) Reserve as Lucky Draw Prize at a Staff Function	_____
( ) Donate to a Charitable Organization	_____
( ) Return to the Offeror	_____
( ) Others (please specify) :	_____

_____

(Name of Receiving Staff)

(Date) (Title)

Part B – To be completed by Approving Authority

To : ***(Name of Receiving Staff)***

The recommended method of disposal is ***approved/not approved**.

*The gift(s) concerned should be disposed of by way of : _____

_____

(Name of Approving Authority)

(Date) (Title)

** Delete as appropriate*

Form B

(Company Name)

Declaration of Conflict of Interest

Part A – Declaration *(To be completed by Declaring Staff)*

To : ***(Approving Authority) via (Supervisor of the Declaring Staff)***

I would like to report the following actual/potential* conflict of interest situation arising during the discharge of my official duties :-

Persons/companies with whom/which I have official dealings
My relationship with the persons/companies (e.g. relative)
Relationship of the persons/companies with our Company (e.g. supplier)
Brief description of my duties which involved the persons/companies (e.g. handling of tender exercise)

_____

(Name of Declaring Staff)

(Date) (Title/Department)

Part B – Acknowledgement *(To be completed by Approving Authority)*

To : ***(Declaring Staff) via (Supervisor of the Declaring Staff)***

Acknowledgement of Declaration

The information contained in your declaration form of ___(Date)___ is noted. It has been decided that :-

- ❑ You should refrain from performing or getting involved in performing the work, as described in Part A, which may give rise to a conflict.
- ❑ You may continue to handle the work as described in Part A, provided that there is no change in the information declared above, and you must uphold the Company's interest without being influenced by your private interest.
- ❑ Others (please specify) : _____

_____

(Name of Approving Authority)

(Date) (Title/Department)

** Delete as appropriate*

SAMPLE STATEMENT ON STAFF INTEGRITY

We (*Name of Company*) are committed to the principles of integrity and fair play in our service delivery, and we demand our employees to strictly adhere to such ethical principles. To further assure impartiality and objectivity of our assessment, we declare that our employees are prohibited from soliciting or accepting any benefits from you or your organization. They include but not limited to money, gifts, expensive accommodation, lavish meals and unnecessary treats such as karaoke and nightclub entertainment.

Should you have any enquiry or observe any violation of the above (e.g. solicitation of money from our employees), please contact our Quality Assurance Department to lodge a complaint or seek assistance (*Name of contact person and telephone number*). We undertake to treat all information received in strict confidence and will conduct thorough investigation into your complaint/feedback.

We trust you would share with us the same integrity values and assist us in upholding a high standard of ethical practices in our service delivery. Thank you for your cooperation.

(*Name of Company*)

Acknowledgement (For completion by the factory under inspection to acknowledge understanding of the above)

Factory Name: _____

Signature: _____ Factory Stamp: _____

Position: _____ Date: _____

Job Reference No.: _____

Name of Inspector(s): _____

* *Please return the completed form to (Name of Company) by fax (fax number) at your earliest convenience. Thank you.*

SAMPLE PROBITY CLAUSES FOR SUBCONTRACTING

Ethical Commitment

Information not to be Divulged

(A) The Contractor shall not use or divulge, except for the purpose of the Contract, any information provided by (*name of the employer*) (hereafter referred to as the Employer) in the Contract or in any subsequent correspondence or documentation. Any disclosure to any person or agent or subcontractor for the purpose of the Contract shall be in strict confidence and shall be on a "need to know" basis and extend only so far as may be necessary for the purpose of this Contract. The Contractor shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that information is not divulged for purposes other than that of this Contract by such person, agent or subcontractor. The Contractor shall indemnify and keep indemnified the Employer against all loss, liabilities, damages, costs, legal costs, professional and other expenses of any nature whatsoever the Employer may suffer, sustain or incur, whether direct or consequential, arising out of or in connection with any breach of the aforesaid non-disclosure provision by the Contractor or his employees, agents or subcontractors.

Prevention of Bribery

(B) The Contractor shall prohibit his employees, agents, and subcontractors who are involved in this Contract from offering, soliciting or accepting any advantage as defined in the Prevention of Bribery Ordinance (Cap. 201) when conducting business in connection with this Contract.

Declaration of Interest

(C) The Contractor shall require his employees, agents and subcontractors who are involved in this Contract to declare in writing to the Contractor any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract. In the event that such conflict or potential conflict is disclosed in a declaration, the Contractor shall forthwith take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed.

(D) The Contractor shall prohibit his employees who are involved in this Contract from engaging in any work or employment other than in the performance of this Contract, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract. The Contractor shall also require their subcontractors and agents to impose similar restriction on their employees by way of a contractual provision.

(E) The Contractor shall take all necessary measures (including by way of a code of conduct or contractual provisions and where appropriate) to ensure that his employees, agents and subcontractors are aware of the prohibitions in this clause.

Contractor's Declaration

(F) The Contractor shall also submit a signed declaration in a form (***Annex***) prescribed or approved by the Employer to confirm compliance with the provisions on ethical commitment as stated in the aforesaid sub-clauses (A), (B), (C), (D) and (E). If the Contractor fails to submit the declaration as required, the Employer shall be entitled to withhold payment until such declaration is submitted and the Contractor shall not be entitled to interest. To demonstrate compliance with the aforesaid sub-clauses (A), (B), (C), (D) and (E) on confidentiality, prevention of bribery, and declaration of interest, the Contractor and the subcontractors employed for the performance of duties under this Contract are required to deposit with the Employer a code of conduct issued to their staff.

To: ***(Name of Employer)***

Contract No.: _____

Title: _____

Sample Declaration by Contractor on Compliance with the Ethical Commitment Requirements

In accordance with the Ethical Commitment clauses of the Contract, we confirm that we have complied with the following provisions and have ensured that our directors, employees, subcontractors, agents are aware of the following provisions:

(a) Prohibiting our directors, employees, agents and subcontractors who are involved in this Contract from offering, soliciting or accepting any advantage as defined in Section 2 of the Prevention of Bribery Ordinance (Cap. 201) when conducting business in connection with this Contract;

(b) Requiring our directors, employees, agents and subcontractors who are involved in this Contract to declare in writing to us any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract. In the event that a conflict or potential conflict is disclosed, we will take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed;

(c) Prohibiting our directors and employees who are involved in this Contract from engaging in any work or employment other than in the performance of this Contract, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract and requiring our subcontractors to do the same; and

(d) Taking all measures as necessary to protect any confidential/privileged information or data entrusted to us by or on behalf of the Employer from being divulged to a third party other than those allowed in this Contract.

Signature: _____

Name of the Contractor: _____

Name of the Signatory: _____

Position of the Signatory: _____

Date: _____

SAMPLE COMPLAINT RECORD FORM

(A) Complaint Details

Date Received :	
Complainant :	
Telephone No. :	
Job Reference No. :	
Client Name :	
Service Concerned :	
Details of Complaint :	

(B) Actions/Investigations

Responsible Division:			
Actions Taken :	*Date*	*Actions/Investigations*	*Actions Taken by*
Remarks :			

(C) Recommendations

Prepared by : _____ Approved by : _____

Position : _____ Position : _____

Date : _____ Date : _____

Corruption Prevention Department
Independent Commission Against Corruption
303 Java Road, North Point, Hong Kong

J5028/11 E