



Business Ethics Promotion for SMEs – Hong Kong, China's Experience

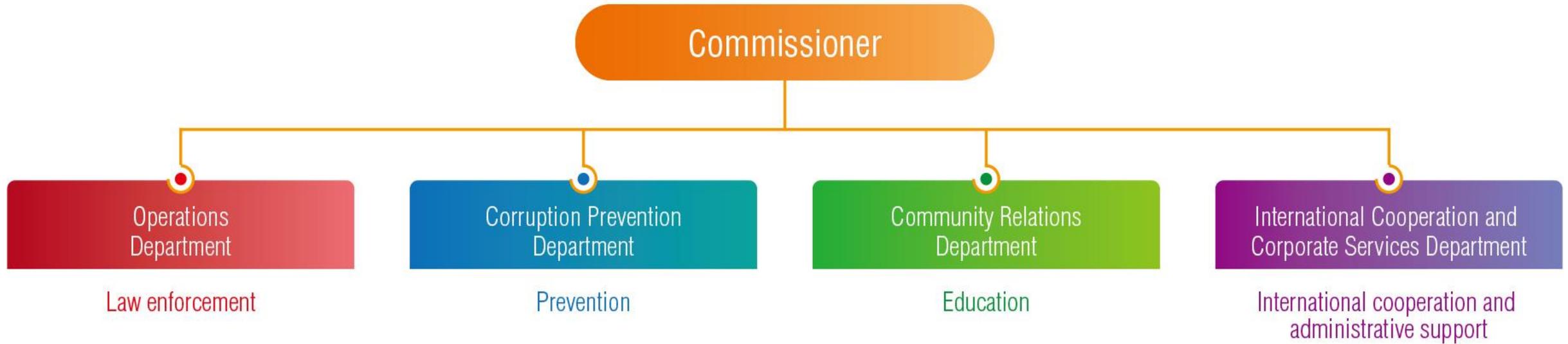
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Executive Director
Hong Kong Business Ethics Development Centre
Independent Commission Against Corruption
Hong Kong Special Administrative Region, China



Agenda



The ICAC's Integrated Approach



Why Business Ethics?



Business and professional ethics

(Higher level)



**First line of defence against
corruption and malpractice**

Anti-corruption legal requirements

(Minimum level)

From **Anti-Corruption** to **Business Ethics Promotion**

Hong Kong Business Ethics Development Centre

- Public-private partnership in ethics promotion since 1995

Mission

To promote business and professional ethics
on a long-term basis to sustain
a level-playing field



HKGCC



BEDC Strategy

Building strategic alliance

Engagement

Dedicated ethics resources

Client-focused services



Building strategic alliance with trades and industries

- Identify key stakeholders in different sectors
- Collaborate with them and tap their expertise to build a clean and fair business environment

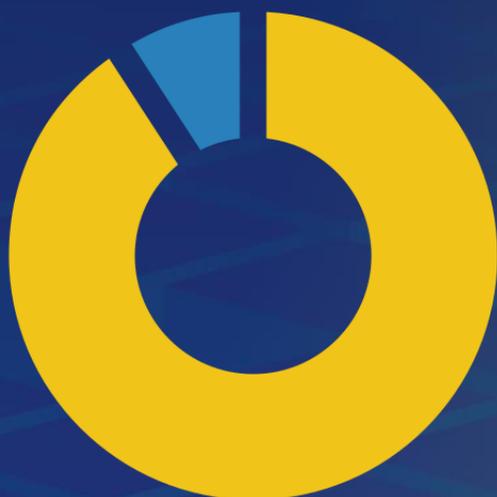
Regulators

Professional
bodies

Trade associations
/ Chambers of
commerce

Building strategic alliance

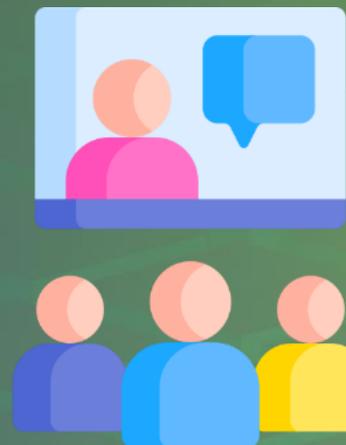
SME Corruption Prevention Network



SME : > 98%



SME corruption prevention network
> 80 trade associations



Reached 40,000 member companies

Building strategic alliance

Ethics Management Promotion Programme for SMEs

Partners:

- People's Procuratorate, Guangdong Province, China
- Commission Against Corruption, Macao, China
- A network with trade associations



Conferences



Cross-boundary legal guides



Feature articles
(distributed through trade associations)

Engagement

- Experience sharing by business leaders and companies
- Support of the business community to anti-corruption work



Experience sharing with students



Company visit programmes

Dedicated ethics resources

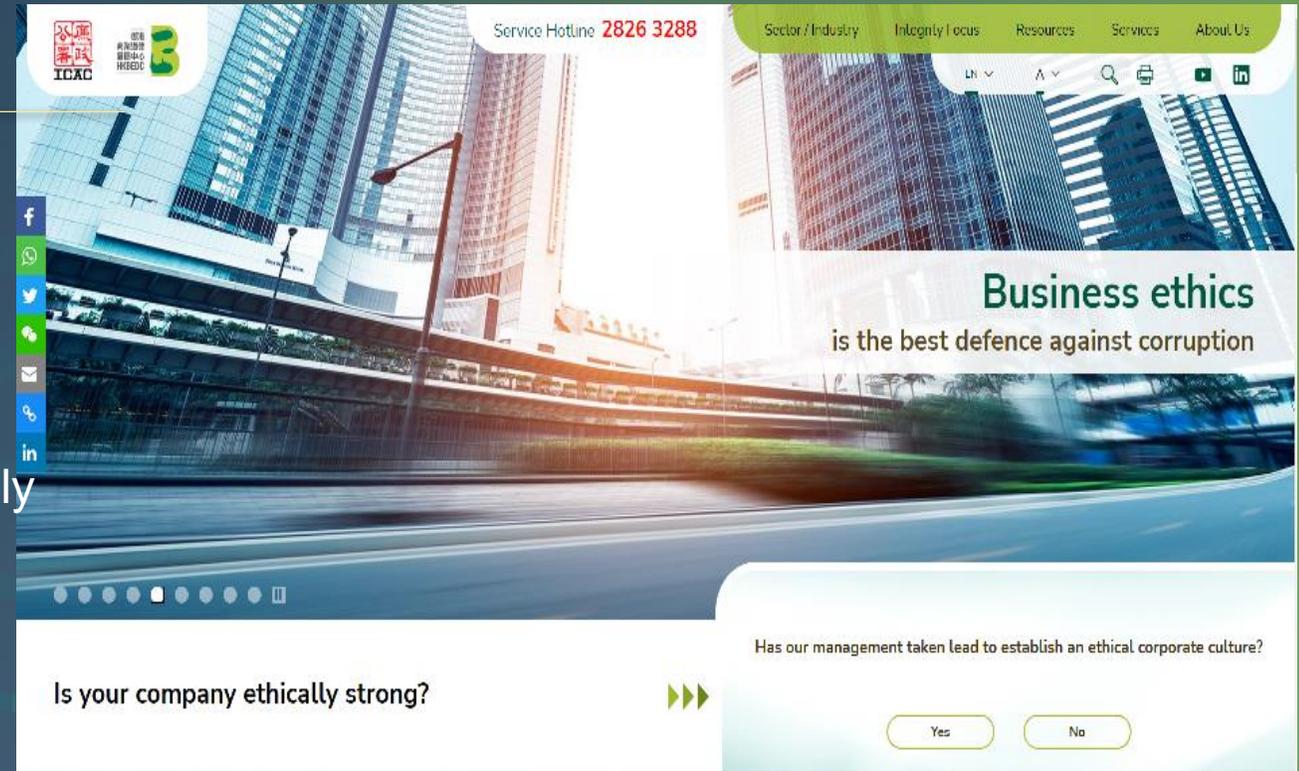
Launched in **2001** and last revamp in **2020**

a wide range of **corruption prevention and ethics resources**

~ **28,000** visits and **15,950** unique visitors monthly

a number of **thematic mini-websites**

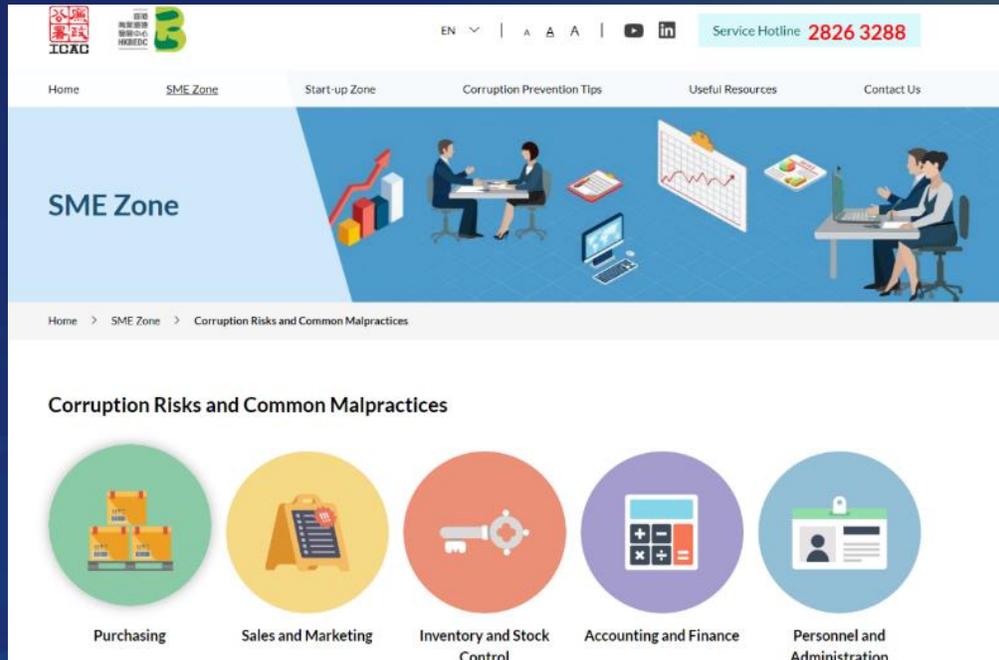
Eye-catching design, interactive elements, social media friendly



<https://hkbedc.icac.hk>

Dedicated ethics resources

Webpage for SMEs



- Analysis of corruption risks and common malpractices
- Case studies
- Practical guides

- Feature articles
- Training videos
- E-learning materials
- Publicity leaflets

Formation of the SME Corruption Prevention Network

Against the backdrop of the financial tsunami, ICAC organised a "Business Ethics Conference cum Pledging Ceremony for SMEs" in September 2009 to encourage SMEs to stay on course in practising ethics management.

53 trade associations attending the event registered their commitment in safeguarding the probity culture and level playing field of Hong Kong. Since then, they have formed the "SME Corruption Prevention Network" to help promote business ethics to SMEs.

SME Conference cum Pledging Ceremony



I pledge in all sincerity that I shall:

help safeguard the probity culture and level playing field of Hong Kong, support ICAC's efforts to promote ethical business practices, and assist small and medium enterprises to strengthen corporate governance, uphold business ethics and enhance competitive edges.

Dedicated ethics resources

Online resources for SMEs



**SMART TIPS FOR SMES
BUSTING CORRUPTION MYTHS (1)**

Running a business requires profound knowledge and skills. Whether you are a novice entrepreneur or an experienced businessman, you may have been caught in corruption myths. In this series of three feature articles, the Hong Kong Business Ethics Development Centre (HKBEDC) will help Oscar, a young entrepreneur, and Uncle Fai, an SME proprietor, debunk some common corruption myths in business operations.

Oscar
Uncle Fai, I recently co-founded a start-up with a friend. While I am responsible for client servicing and sourcing of suppliers, my friend is in charge of product research and development. As our company has yet to generate revenue, a lot of expenses are paid out of my own pocket. A supplier suggested giving me a "rebate" recently which could cover some of my expenses. Can I accept it?

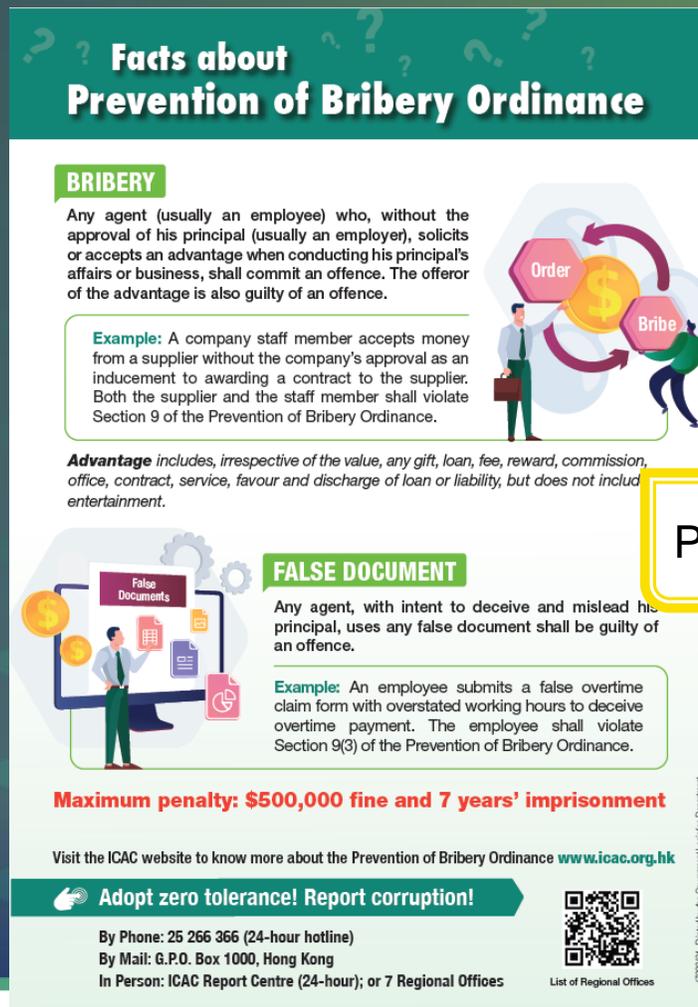
Uncle Fai
As one of the business owners, you certainly can accept the rebate to subsidise your expenses.

Oscar
Moreover, a friend of mine who has been posted overseas recently, helped me close a deal with his employer in Hong Kong. I would like to offer him a commission according to trade practice. Is it okay?

Uncle Fai
Don't ever take things for granted and always return a favour. Your friend offered you assistance, of course you should thank him. Besides, since your friend is not in Hong Kong, such arrangement won't be governed by Hong Kong laws.

Oscar and Uncle Fai had some misconceptions about the anti-corruption law in Hong Kong. Let's help them dispel the following myths

Feature article



Facts about Prevention of Bribery Ordinance

BRIBERY

Any agent (usually an employee) who, without the approval of his principal (usually an employer), solicits or accepts an advantage when conducting his principal's affairs or business, shall commit an offence. The offeror of the advantage is also guilty of an offence.

Example: A company staff member accepts money from a supplier without the company's approval as an inducement to awarding a contract to the supplier. Both the supplier and the staff member shall violate Section 9 of the Prevention of Bribery Ordinance.

Advantage includes, irrespective of the value, any gift, loan, fee, reward, commission, office, contract, service, favour and discharge of loan or liability, but does not include entertainment.

FALSE DOCUMENT

Any agent, with intent to deceive and mislead his principal, uses any false document shall be guilty of an offence.

Example: An employee submits a false overtime claim form with overstated working hours to deceive overtime payment. The employee shall violate Section 9(3) of the Prevention of Bribery Ordinance.

Maximum penalty: \$500,000 fine and 7 years' imprisonment

Visit the ICAC website to know more about the Prevention of Bribery Ordinance www.icac.org.hk

Adopt zero tolerance! Report corruption!

By Phone: 25 266 366 (24-hour hotline)
By Mail: G.P.O. Box 1000, Hong Kong
In Person: ICAC Report Centre (24-hour); or 7 Regional Offices

List of Regional Offices

Publicity leaflet

Client-focused services

Preventive Education and Publicity Programme for SMEs and Startups



The poster features the ICAC logo (廉署 ICAC) and the HKBEDC logo (香港商業道德發展中心 HKBEDC) at the top. The main text reads "BUSTED!" in large green letters, followed by "12 MYTHS ABOUT CORRUPTION" in bold green letters. Below this, a paragraph states: "Customary practices and common work habits in our daily business may entail corruption risks. Let's bust the 12 common corruption myths together and stay smart when doing business!" The background of the poster is white with faint question marks.

The webpage contains 12 common corruption myths about advantage, business operation, staff integrity and corruption facts.



Client-focused services for SMEs

Code of Conduct
Setting ethical standards



Business Ethics Resources
Providing reference materials



Service Hotline:
2826 3288



System Control
Minimising corruption risks

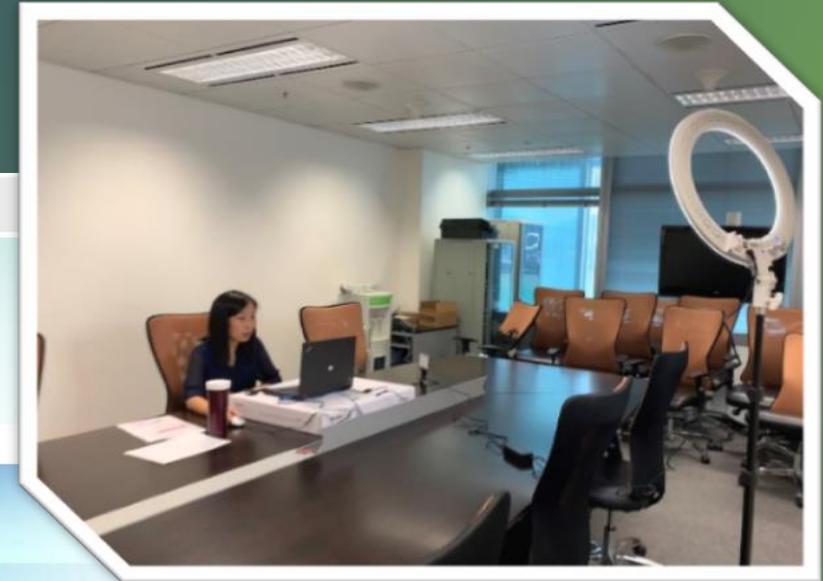


Staff Training
Cultivating ethical culture

Preventive Education and Publicity Programme for SMEs and Startups

Webinars for SMEs through BEDC Channel

BEDC Channel



Integrity Training • Livestream • Professional • Free

The BEDC Channel (the Channel) is an online platform hosted by the Hong Kong Business Ethics Development Centre (HKBEDC) to help business practitioners and professionals understand the anti-corruption law and uphold a high standard of business ethics. The Channel offers free thematic seminars conducted by HKBEDC's experienced officers for different trades and professions.



Keep informed and get connected



Comprehensive online resources:

<https://hkbedc.icac.hk>

E-news



LinkedIn



YouTube



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Thank you!

