

LEGISLATIVE COUNCIL BRIEF

Prevention of Bribery Ordinance
(Chapter 201)

**Prevention of Bribery Ordinance
(Amendment of Schedule 1)
(Hong Kong IEC Limited) Order**

INTRODUCTION

At the meeting of the Executive Council on 17 October 2006, the Council ADVISED and the Chief Executive ORDERED that, under section 35 of the Prevention of Bribery Ordinance (Cap 201) (the Ordinance), the Prevention of Bribery Ordinance (Amendment of Schedule 1)(Hong Kong IEC Limited) Order (the Order) at Annex should be made.

Annex

JUSTIFICATION

2. The Ordinance and its subsidiary legislation provide a legislative framework to make further and better provision for the prevention of bribery and for purposes necessary thereto or connected therewith. The Ordinance has specific provisions governing public bodies which under section 2(1) of the Ordinance mean, among others, “any board, commission, committee or other body specified in Schedule 1”. Section 35 of the Ordinance stipulates that the Chief Executive in Council may by order published in the Gazette amend the Schedules to the Ordinance.

3. Under the Ordinance, public bodies are subject to more stringent control than private organisations. Members and employees of a public body for the purposes of the Ordinance will become public servants, and will be prohibited from soliciting or accepting any

advantage relating to their work in the public body concerned. Furthermore, persons doing business with a public body are subject to the relevant sections of the Ordinance which make bribery and corrupt dealings in connection with public bodies and public servants under various circumstances an offence.

4. Although AsiaWorld-Expo (AWE) is an important exhibition and convention facility towards the cost of which the Government made a major contribution, Hong Kong IEC Limited (HKIEC Ltd.) (the company owning and managing AWE) is not a designated public body under section 2(1) of the Ordinance. On the advice of the Independent Commission Against Corruption (ICAC), we are satisfied that HKIEC Ltd. meets the general criteria for inclusion as a public body as it -

- (a) has received substantial government capital investment; and
- (b) performs an important public function in furthering Hong Kong's position as an international business centre and trade fair capital.

The ICAC has also advised that some major areas of AWE operations, such as leasing of exhibition space and entertainment venues, and the relevant procurement procedures could be prone to allegations of abuse and malpractice. To protect the Government's financial interest in AWE and prevent any allegation of its mismanagement, it is important to ensure that fair and equitable practices are seen to be adopted in the management and operations of AWE.

5. It is recommended that HKIEC Ltd. be added to Schedule 1 of the Ordinance so as to specify HKIEC Ltd. as a public body for the purposes of the Ordinance, and hence subject to the stringent control therein for the prevention of bribery and malpractice.

THE ORDER

6. An order to make the necessary amendment to Schedule 1 is at Annex.

LEGISLATIVE TIMETABLE

7. The legislative timetable is -

Publication in the Gazette	27 October 2006
Tabling at the Legislative Council	1 November 2006
Commencement	1 January 2007

IMPLICATIONS OF THE PROPOSAL

8. The proposal carries some positive economic implications, as it can help safeguard against misallocation of resources due to possible abuse and malpractice in the management and operations of AWE. It has no financial, civil service, productivity, environmental or sustainability implications. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. The amendments will not affect the current binding effect of the Ordinance.

PUBLIC CONSULTATION

9. We have consulted the Board of Directors of HKIEC Ltd. on the proposal. It agreed with the proposal.

PUBLICITY

10. The Order will be published in the Gazette on 27 October 2006.

BACKGROUND

11. In August 2003, a tripartite joint venture, HKIEC Ltd., involving the Government, the Hong Kong Airport Authority (AA) and a private-sector consortium was formed to develop and operate AWE. The majority of directors on the Board of HKIEC Ltd. are appointed by the IEC Holdings Limited, formed by the Government and AA, with the remaining directors appointed by the private-sector consortium.

12. AWE is at present the biggest exhibition and event venue in Hong Kong, offering over 70,000 square metres of rentable space for

exhibitions, conventions, concerts, sports and entertainment events. It came into full operation in the first quarter of 2006.

13. There are currently 98 organizations designated as public bodies under Schedule 1 of the Ordinance, including the Hong Kong Trade Development Council, which is a statutory body promoting Hong Kong's export trade and operating the Hong Kong Convention and Exhibition Centre.

ENQUIRY

14. Any enquiries on the brief should be addressed to Ms Joan Hung, Assistant Secretary for Commerce, Industry and Technology (Commerce and Industry) on 2918 7452.

Commerce, Industry and Technology Bureau
October 2006

**PREVENTION OF BRIBERY ORDINANCE
(AMENDMENT OF SCHEDULE 1)(HONG
KONG IEC LIMITED) ORDER**

(Made by the Chief Executive in Council under section 35 of the
Prevention of Bribery Ordinance (Cap. 201))

1. Commencement

This Order shall come into operation on 1 January 2007.

2. Public bodies

Schedule 1 to the Prevention of Bribery Ordinance (Cap. 201) is amended
by adding –

“108. Hong Kong IEC Limited.”.

Clerk to the Executive Council

COUNCIL CHAMBER

2006

Explanatory Note

The purpose of this Order is to amend Schedule 1 to the Prevention of
Bribery Ordinance (Cap. 201) so as to specify Hong Kong IEC Limited as a
public body for the purposes of the Ordinance.