

**The 22<sup>nd</sup> Report on the  
the Work of  
the Advisory Committee on  
Post-service Employment of Civil Servants**

**(1 January 2010 –  
31 December 2010)**

## **INTRODUCTION**

The Government's policy on post-service outside work aims to ensure that civil servants on final leave or who have left the Government will not take up any work outside the Government (referred hereafter as "outside work") which may constitute real or potential conflict of interest with their previous government service, or cause negative public perception embarrassing the Government and undermining the image of the civil service, without at the same time unduly restricting the said individuals' right to pursue employment or other work after ceasing government service.

2. The Advisory Committee on Post-service Employment of Civil Servants (referred hereafter as the "Advisory Committee"), formerly known as the Advisory Committee on Post-retirement Employment, was established in October 1987. The terms of reference of the Advisory Committee are as follows –

- (a) to advise the Government on the principles and the criteria to be adopted in formulating policy and arrangements to control post-service employment;
- (b) to consider and advise on all applications to take up post-service employment from directorate officers; and
- (c) to consider and advise on other applications which may be referred by the Secretary for the Civil Service.

3. This report informs the Chief Executive (CE) of the work of the Advisory Committee in 2010. It also outlines the recent pattern of taking up outside work by former civil servants as revealed by the applications processed in the year.

## **MEMBERSHIP OF THE ADVISORY COMMITTEE**

4. The Chairman and Members of the Advisory Committee are appointed by the CE. The membership of the Advisory Committee in 2010 comprised –

Chairman: Mr Moses Cheng Mo-chi, GBS, JP

Members: Mr Simon Ip Sik-on, JP  
Ms Marina Wong Yu-pok, JP  
Mr Yeung Ka-sing, SBS, JP  
Mr Nicky Lo Kar-chun, SBS, JP

Secretary: Chief Executive Officer (Pensions) of the Civil Service Bureau

## **WORK OF THE ADVISORY COMMITTEE IN 2010**

### **Key Elements of the Arrangements Governing the Taking up of Post-service Outside Work by Directorate Civil Servants**

5. The current control regime governing the taking up of post-service outside work by directorate civil servants has evolved over time. A review undertaken in 2005 led to the adoption of a new set of arrangements since 1 January 2006 (referred hereafter as the “new arrangement”). The new arrangement is applicable to directorate civil servants who cease active service or enter into new agreements on or after 1 January 2006<sup>1</sup>. For directorate civil servants who ceased active service or entered into agreements before 1 January 2006, the pre-1 January 2006 arrangements (referred hereafter as the “old arrangement”) continue to apply to them<sup>2</sup>. Key elements of the new arrangement are set out in **Annex A**.

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<sup>1</sup> The new arrangement applies to directorate civil servants on pensionable/new permanent terms who cease active service on or after 1 January 2006; and directorate civil servants on agreement terms who enter into new agreements on or after 1 January 2006.

<sup>2</sup> The old arrangement is less stringent than the new arrangement. The major differences are –

- ♦ the old arrangement only applies to directorate civil servants who have retired on pensionable terms and directorate civil servants on agreement terms filling civil service posts pitched at Directorate Pay Scale D3 or above (or equivalent), while the new arrangement applies to all directorate civil servants who have left government service, regardless of the terms of appointment;

6. Briefly, under the new arrangement, all directorate civil servants, irrespective of their terms of appointments or the circumstances under which they leave the civil service, need to obtain prior permission from the Secretary for the Civil Service (SCS) to take up any outside work during their final leave period before formally leaving the Government and/or within a specified control period counting from the said departure. In general, directorate civil servants are subject to a minimum sanitisation period of six months (for civil servants below Directorate Pay Scale Point 4 (D4) or equivalent) or 12 months (for civil servants at D4 or above or equivalent) counting from cessation of active government service, during which outside work is normally not permitted. In addition, all directorate civil servants are normally not permitted to take up outside work of a commercial nature or full-time remunerated work, other than part-time or notionally remunerated work with specified non-commercial organisations<sup>3</sup>, for the whole duration of their final leave period (even if it exceeds the afore-stated minimum sanitisation period). The Government also applies a set of standard restrictions on the scope of approved outside work, which prohibits directorate civil servants from being personally involved, directly or indirectly, in the bidding for any government land, property, projects, contracts or franchises; or from undertaking work that is connected with their former government service, or involves any sensitive information that they had access to while in government service. Where

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- ◆ under the old arrangement, the specified minimum sanitisation period is six months for all retiring directorate civil servants on pensionable terms, while under the new arrangement, retiring civil servants at Directorate Pay Scale D1 to D3 (or equivalent) and at D4 to D8 (or equivalent) are subject to a six-month and 12-month minimum sanitisation period respectively;
  - ◆ under the old arrangement, there is no restriction on the taking up of outside work during final leave while under the new arrangement, the taking up of outside work during final leave is normally not approved; and
  - ◆ under the old arrangement, the information pertaining to individual cases of outside work is not disclosed while under the new arrangement, information pertaining to outside work approved and taken up by civil servants at Directorate Pay Scale D4 to D8 (or equivalent) is made available in a public register.

<sup>3</sup> The specified non-commercial organisations include (a) charitable, academic or other non-profit making organisations not primarily engaged in commercial operations; (b) non-commercial regional or international organisations; and (c) the Central Authorities of the People's Republic of China.

necessary, the Advisory Committee may advise, and SCS as the approving authority may impose, a longer sanitisation period and/or additional work restrictions for specific applications.

### **Vetting Procedures and Criteria**

7. An application for post-service outside work from a directorate civil servant is first scrutinised by the Permanent Secretary (PermSecy) and/or Head of Department (HoD) of the applicant's last posting in the Government and, where applicable, the Head of Grade (HoG) to which the applicant belonged when in government service. Depending on the nature of the outside work under application and the business nature of the prospective employer, Civil Service Bureau (CSB), where necessary, also invites views from other Permanent Secretary(ies) of the policy bureau(x) responsible for the policy area(s) in which the applicant's prospective employment and the business nature of the prospective employer fall. CSB then forwards the application, together with the assessments made by the relevant parties within the Administration, including CSB's initial views and recommendations, to the Advisory Committee for consideration and advice. The Advisory Committee meets to discuss the applications on a need basis. The application, with the Advisory Committee's advice, is then decided on by SCS.

8. In line with the criteria promulgated by the Government, the key factors taken into account by the Advisory Committee in considering applications for permission to take up outside work are real or potential conflict of interest and public perception. The specific considerations include –

- (a) whether the applicant, while in government service, had been involved in the formulation of any policy or decisions, the effects of which directly or specifically benefited or could directly or specifically benefit his/her own business or prospective employer;
- (b) whether the applicant or his/her prospective employer might gain an unfair advantage over competitors because of the applicant's access to sensitive information while in government service;

- (c) whether the applicant, while in government service, had been involved in any contractual or legal dealings to which his/her prospective employer was a party;
- (d) whether the proposed work would have any connection with the assignments/projects and/or regulatory/enforcement duties in which the applicant had been involved while in government service;
- (e) whether the applicant's taking up of the work under application would give rise to public suspicion of conflict of interest or other impropriety; and
- (f) whether any aspects of the work under application would cause embarrassment to the Government or bring disgrace to the civil service.

9. For applications that the Advisory Committee supports, the Committee may, based on the specific circumstances of an application, recommend subjecting the applicant to a longer sanitisation period than the prescribed minimum duration. It may also recommend the imposition of a sanitisation period on a directorate civil servant who is not subject to a prescribed minimum sanitisation period (e.g. one who leaves the Government on non-retirement grounds), having regard to the specific circumstances of his/her application. Where appropriate, the Advisory Committee may also recommend the imposition of work restrictions on the scope of activities that an applicant may undertake, for instance, forbidding him/her from getting involved in dealings between the Government and his/her prospective employer on an across-the-board basis or in respect of a stated area or areas.

### **Applications Involving Directorate Civil Servants**

10. For the period from 1 January 2010 to 31 December 2010, the Advisory Committee considered and advised on a total of 40 applications for post-service outside work from 24 directorate civil servants under both the old and new arrangements. Ten applications were considered by the Advisory Committee through discussion at meetings, while the remainder were considered by way of paper circulation. The Advisory Committee

recommended approval of all the applications. The advice of the Advisory Committee was accepted by SCS who approved all the applications.

11. Of the 40 approved applications (1 processed under the old arrangement and 39 under the new arrangement), the average break between cessation of active service and commencement of outside work was 13 months. Other than applying the standard work restrictions to the approved 39 applications processed under the new arrangement, SCS also imposed additional conditions on 25 approved applications (1 processed under the old arrangement and 24 under the new arrangement). More details of the 40 applications, including the rank of applicants when in government service, the business nature of employers and the functional nature of the post-service work, are set out in **Annex B**.

#### **Applications Involving Non-directorate Civil Servants**

12. Applications for outside work from non-directorate civil servants who retired on pensionable terms are considered and decided by the relevant PermSecy/HoD/HoG. The Advisory Committee is presented with the summary statistics for information. In 2010, a total of 567 applications from 443 non-directorate civil servants were considered. Among them, three were rejected, 36 were approved with conditions, and the remainder were approved without sanitisation requirement or work restriction. More details of these 567 applications, including the rank of applicants when in government service, are set out in **Annex C**. The Annex also provides information on the business nature of employers and the functional nature of the post-service work for the 564 approved applications.

#### **Review on Post-service Outside Work by Directorate Civil Servants**

13. On 10 December 2008, the Legislative Council (referred hereafter as the “LegCo”) passed a resolution to appoint a Select Committee to Inquire into Matters Relating to the Post-service Work of Mr LEUNG Chin-man (referred hereafter as the “Select Committee”). The LegCo endorsed the Report of the Select Committee on 15 December 2010. In its Report, the Select Committee made a total of 23 recommendations on the existing arrangements

governing the taking up of post-service work by directorate civil servants. The Administration conducted a one-month consultation with the Advisory Committee, the Public Service Commission, departmental and grade management, the constituent staff unions of the central staff consultative councils and all serving directorate staff. The Advisory Committee offered its views on the Select Committee's recommendations to the Administration in January 2011. In 2009, the Advisory Committee had offered its views on the recommendations of the independent Committee on Review of Post-service Outside Work for Directorate Civil Servants in response to the Administration's invitation for views.

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**Key Elements of the New Arrangement  
Governing the Post-service Outside Work of Directorate Civil Servants**

<b>1. Coverage</b>
<ul style="list-style-type: none"> <li>* Directorate civil servants on pensionable or new permanent terms who cease active service on or after 1 January 2006.</li> <li>* Directorate civil servants on agreement terms upon their entering into agreements, including renewal of agreements, on or after 1 January 2006.</li> </ul>
<b>2. Sanitisation period (counting from cessation of active service during which outside work is normally not permitted)</b>
<ul style="list-style-type: none"> <li>* Minimum sanitisation period for directorate civil servants retired or retiring on pensionable or new permanent terms – <ul style="list-style-type: none"> <li>D4 or above (or equivalent) – 12 months;</li> <li>Others – 6 months.</li> </ul> </li> <li>* No minimum sanitisation period is specified for directorate civil servants leaving the civil service on grounds other than retirement (e.g. agreement officers and resignees). Each case will be considered on its own merits.</li> <li>* The minimum sanitisation period is normally shortened or waived for notionally remunerated work and may be shortened for remunerated work taken up with the following organisations (the specified organisations) – <ul style="list-style-type: none"> <li>(a) charitable, academic or other non-profit making organisations not primarily engaged in commercial operations;</li> <li>(b) non-commercial regional or international organisations; or</li> <li>(c) the Central Authorities of the People’s Republic of China, where the work would not give rise to conflict of interest and is unlikely to cause negative public perception.</li> </ul> </li> </ul>

- \* For all other outside work (in particular work of a commercial nature), the minimum sanitisation period would only be shortened where there are special considerations, and provided that the work would not give rise to conflict of interest or negative public perception.
- \* Having regard to the circumstances of a particular case, a longer sanitisation period may be imposed if so required to more fully forestall conflict of interest or negative public perception.

### **3. *Final leave period***

- \* The taking up of outside work during the final leave period is subject to the rules governing sanitisation.
- \* Directorate civil servants are not permitted to take up any full-time paid work or any work of a commercial nature (including self-employment) during the final leave period, unless there are special considerations. Directorate civil servants on final leave may, upon approval, take up part-time or notionally paid work with specified non-commercial organisations, subject to there being no problem of dual identity.

### **4. *Control period (counting from formal departure from the Government during which prior permission is required for taking up outside work)***

- \* Directorate civil servants retired on pensionable or new permanent term –
  - D8 or equivalent – 3 years;
  - Others – 2 years.
- \* Directorate civil servants who left the service on grounds other than retirement after six or more years of continuous service –
  - D8 or equivalent – 3 years;
  - Others – 2 years.
- \* Directorate civil servants who left the service on grounds other than retirement after less than six years of continuous service –
  - D8 or equivalent – 1.5 years;
  - Others – 1 year.

## **5. *Vetting criteria***

- \* The key factors of consideration are conflict of interest (real or potential) and public perception.
- \* The specific considerations include –
  - (a) whether the applicant, while in government service, had been involved in the formulation of any policy or decisions, the effects of which directly or specifically benefited or could directly or specifically benefit his/her own business or his/her prospective employer;
  - (b) whether the applicant or his/her prospective employer might gain an unfair advantage over its competitors because of the applicant's access to sensitive information while in government service;
  - (c) whether the applicant, while in government service, had been involved in any contractual or legal dealings to which the prospective employer was a party;
  - (d) whether the proposed work would have any connection with the assignments/projects and/or regulatory/enforcement duties in which the applicant had been involved while in government service;
  - (e) whether the applicant's taking up of the proposed work would give rise to public suspicion of conflict of interest or other impropriety; and
  - (f) whether any aspects of the proposed work would cause embarrassment to the Government or bring disgrace to the civil service.

## **6. *Restrictions on scope of work***

- \* Standard work restrictions will be imposed on all approved cases of outside work. The applicants should not –
  - (a) be personally involved, directly or indirectly, in the bidding for any government land, property, projects, contracts or franchises;
  - (b) undertake, or represent any person in, any work including any litigation or lobbying activities that are connected in any way with –
    - (i) the formulation of any policy or decision;
    - (ii) sensitive information;
    - (iii) contractual or legal dealings;

- (iv) assignments or projects; and/or
- (v) enforcement or regulatory duties, in which he had been involved or to which he had access during his last three years of service; or
- (c) engage in any activities which would cause embarrassment to the Government or bring disgrace to the civil service.

\* Further specific restrictions on scope of work may be imposed on a case-by-case basis.

#### **7. *Blanket permission***

\* Blanket permission is given for unremunerated work with the specified organisations throughout the entire period from cessation of active service to the expiry of control period.

#### **8. *Transparency***

\* For approved outside work taken up by directorate civil servants at D4 or above (or equivalent), the basic information (limited to the name of the applicant, his last civil service post title, date of cessation of active service, restrictions/sanitisation imposed on the approved work, commencement date of the approved work, and where applicable, identity of outside employer, the applicant's position in the outside organisation and a brief description of his main duties in the outside organisation) will be included in a register for public inspection on request. An entry will be kept until the expiry of the applicant's control period or after he has notified the Civil Service Bureau of the cessation of the outside work, whichever happens earlier.

\* For approved outside work taken up by directorate civil servants below D4 (or equivalent), where there is public concern about the propriety of the work, the basic information may be disclosed on a case-by-case basis.

\* As regards unpaid outside work performed under the blanket permission for all directorate civil servants, the relevant information may be disclosed on a case-by-case basis where there is public concern.

## Applications for Post-service Outside Work by Directorate Civil Servants

(1 January 2010 – 31 December 2010)<sup>1</sup>**(A) Applications**

No. of applications considered by the Advisory Committee:	40
No. of applications recommended for approval by the Advisory Committee:	40
No. of applications approved by SCS:	40
No. of applications recommended for rejection by the Advisory Committee:	0
No. of applications rejected by SCS:	0

**(B) Break between government service and outside work**

- Overall average break between cessation of active government service and commencement of approved outside work: 13 months
- Breakdown of approved applications –

Applications where the applicants had/would have ceased active government service for 6 months or more by the time of commencement of outside work and no extension of the minimum sanitisation period was recommended <i>[Average break from cessation of active service: 15 months]</i>	30 <sup>2</sup>
Applications where the applicants applied to take up specific outside work within the minimum sanitisation period of 6/12 months and whose applications were supported by the Advisory Committee <i>[Average break from cessation of active service: 5 months]</i>	10 <sup>3</sup>
<b>Total:</b>	<b>40</b>

<sup>1</sup> Data are prepared on the basis of the date of approval/rejection of an application.

<sup>2</sup> Comprising 1 application subject to the old arrangement and 29 applications subject to the new arrangement.

<sup>3</sup> Comprising work with specified non-commercial/statutory organisations (8 applications) and work of commercial nature with no conflict of interest with former government duties (2 applications) considered under the new arrangement.

**(C) Number of applicants by rank and applications**

<b>Directorate rank (or equivalent)</b>	<b>Number of applicants<sup>4</sup></b>	<b>Number of applications</b>
D1	4	6
D2	6	6
D3	3	3
D4	5	7
D5	0	0
D6	5	17
D7	0	0
D8	1	1
<b>Total</b>	<b>24</b>	<b>40</b>

**(D) Approved post-service outside work applications by nature of prospective employers**

<b>Work nature</b>	<b>Private commercial organisations</b>	<b>Other entities<sup>5</sup></b>	<b>Total</b>
Paid work	13	20	<b>33</b>
Unpaid work	7	0	<b>7</b>
<b>Total</b>	<b>20</b>	<b>20</b>	<b>40</b>

<sup>4</sup> A directorate civil servant may submit more than one application for post-service outside work. Such applicants are counted only once.

<sup>5</sup> Other entities include statutory organisations, academic institutions, charitable organisations, non-profit making organisations not primarily engaged in commercial operation and regional/international organisations.

**(E) Approved post-service outside work applications with private commercial organisations by nature of business of the organisations**

Nature	Paid work			Unpaid work			Total
	Part-time	One-off Project	Full-time	Part-time	One-off Project	Full-time	
Administrative / Support Service	0	0	2	0	0	0	2
Banking/Finance	0	0	0	0	0	0	0
Entertainment / Recreation	0	0	0	3	0	0	3
Education	1	0	0	0	0	0	1
Information Technology	0	0	0	0	0	0	0
Legal Service	1	0	2	0	0	0	3
Management Consultancy	1	0	0	1	0	0	2
Manufacturing/ Trading	0	0	0	0	0	0	0
Medical	0	0	0	0	0	0	0
Printed Media/ Broadcasting/ Publishing	5	0	0	3	0	0	8
Real Estate/ Property Development	0	0	0	0	0	0	0
Security	1	0	0	0	0	0	1
Transport and Logistics	0	0	0	0	0	0	0
Works	0	0	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>0</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>20</b>

**(F) Approved post-service outside work applications with non-commercial entities**

Nature	Paid work			Total
	Part-time	One-off Project	Full-time	
Statutory organisations	1	0	5	6
Academic institutions	6	6	0	12
Charitable organisations	1	0	0	1
Non-profit making organisations not primarily engaged in commercial operation	1	0	0	1
Regional/ international organisations	0	0	0	0
<b>Total</b>	<b>9</b>	<b>6</b>	<b>5</b>	<b>20</b>

**(G) Approved post-service outside work applications by functional nature**

Columnist/ Talk Show Host	6
Consultancy Service	2
Education	13
Finance & Accounting	0
Information Technology	0
Legal Service	3
Management	14
Medical	1
Real Estate/ Property Development	0
Sales / Marketing	1
Security	0
Works	0
<b>TOTAL</b>	<b>40</b>



**Post-retirement Outside Work of Non-directorate Civil Servants  
(1 January 2010 – 31 December 2010)**

**(A) Applications**

No. of applications considered by bureaux/departments:	567
No. of applications approved by bureaux/departments:	564
No. of applications rejected by bureaux/departments:	3

**(B) Number of applicants by rank and applications**

<b>Master Pay Scale (MPS) (or equivalent)</b>	<b>Number of applicants<sup>1</sup></b>	<b>Number of applications</b>
Below MPS Point 14	85	96
MPS Point 14 – 33	223	266
MPS Point 34 or above	135	205
<b>Total</b>	<b>443</b>	<b>567</b>

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<sup>1</sup> A non-directorate civil servant may submit more than one application for post-service outside work. Such applicants are counted only once.

**(C) Approved post-service outside work applications by nature of prospective employers**

<b>Work nature</b>	<b>Private commercial organisations</b>	<b>Other entities<sup>2</sup></b>	<b>Total</b>
Paid work	399	154	553
Unpaid work	11	0	11
<b>Total</b>	<b>410</b>	<b>154</b>	<b>564</b>

**(D) Approved post-service outside work applications with private commercial organisations by nature of business of the organisations**

<b>Nature</b>	<b>Paid work</b>			<b>Unpaid work</b>			<b>Total</b>
	<b>Part-time</b>	<b>One-off Project</b>	<b>Full-time</b>	<b>Part-time</b>	<b>One-off Project</b>	<b>Full-time</b>	
Banking/Finance	4	0	17	0	0	0	<b>21</b>
Education	6	1	6	0	0	1	<b>14</b>
Information Technology	1	0	3	0	0	0	<b>4</b>
Legal Service	0	1	6	0	1	0	<b>8</b>
Management Consultancy	2	0	6	0	0	0	<b>8</b>
Manufacturing/ Trading	3	0	12	0	0	0	<b>15</b>
Medical	12	0	6	0	0	0	<b>18</b>
Real Estate/ Property Development	0	1	19	0	0	2	<b>22</b>
Security	13	0	82	0	0	0	<b>95</b>
Transport and Logistics	19	1	16	0	0	0	<b>36</b>
Works	12	0	42	0	0	1	<b>55</b>

<sup>2</sup> Other entities include statutory organisations, academic institutions, charitable organisations, non-profit making organisations not primarily engaged in commercial operation and regional/international organisations.

Nature	Paid work			Unpaid work			Total
	Part-time	One-off Project	Full-time	Part-time	One-off Project	Full-time	
Others	44	4	60	1	0	5	114
<b>Total</b>	<b>116</b>	<b>8</b>	<b>275</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>410</b>

**(E) Approved post-service outside work applications with non-commercial entities**

Nature	Paid work			Total
	Part-time	One-off Project	Full-time	
Statutory organisations	23	1	5	29
Academic institutions	42	8	14	64
Charitable organisations	5	0	9	14
Non-profit making organisations not primarily engaged in commercial operation	26	9	11	46
Regional/ international organisations	0	1	0	1
<b>Total</b>	<b>96</b>	<b>19</b>	<b>39</b>	<b>154</b>

**(F) Approved post-service outside work applications by functional nature**

Education	94
Finance & Accounting	9
Information Technology	3
Legal Service	5
Management	33
Medical	47
Real Estate/Property Development	12
Security	103

Works	67
Others	191
<b>TOTAL</b>	<b>564</b>

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