

Others

**Information provided by ICAC to
the Public Accounts Committee in relation to Chapter 7 of
the Director of Audit's Report No. 60**

Table of Contents*

Description	
The date on which the Audit Commission informed ICAC about the value-for money audit	Annex 1
The ranking of Hong Kong in the annual Corruption Perceptions Index published by the Transparency International from 2005 to 2007	Annex 2
The number of Owners' Corporations reached by the Community Relations Department ("CRD") each year from 2003 to 2007	Annex 3
The number of talks, visits and meetings organized by the CRD each year from 2003 to 2007	Annex 4
The number of multi-faceted activities (such as roving exhibitions and various types of competitions and games) organized by the CRD each year from 2003 to 2007	Annex 5
The number of meet-the-public sessions organized by the CRD each year from 2003 to 2007	Annex 6
The number of CRD's community activities with sponsorship each year from 2003 to 2007	Annex 7
A list of the business organizations for which the CRD organized 11 or more talks a year from 2007-2008 to 2011-2012	Annex 8
The annual funding and expenditure of the ICAC from 2003-2004 to 2012-2013	Annex 9
The major heads of the ICAC's expenditure and their relevant amounts from 2003-2004 to 2012-2013	Annex 10

* This table of contents is prepared by the Legislative Council Secretariat

Description	
The annual headcount of and the number of staff additions, transfers and departures in the CRD from 2003-2004 to 2012-2013	Annex 11
Background Note for Annexes 4, 5 and 6	Annex 12
A breakdown of the annual funding and expenditure of the CRD from 2003-2004 to 2012-2013	Annex 13
Supplementary Information to Annex 9	Annex 14
Supplementary Information to Annex 11	Annex 15
A detailed breakdown of the expenditure of the Administration Branch from 2003-2004 to 2012-2013	Annex 16
Further breakdown of the departmental expenditure incurred/ allocated to the Administration Branch from 2003-2004 to 2012-2013	Annex 17
Make up (by nature of expenses) of the allocated General Departmental Expenses from 2003-2004 to 2012-2013	Annex 18
Detailed breakdown of the "Youth and Moral Education" expenditure grouped under publicity expenditure incurred between 2009-2010 and 2012-2013	Annex 19
Breakdown of \$1,738,840 of "International API Competition" expenditure grouped under publicity expenditure incurred in 2011-2012	Annex 20
Breakdown of \$4,730,210 labelled as "One-Off Requirement" in 2008-2009	Annex 21
Information on two entertainment expenses	Annex 22
Expenditure relating to the "International API Competition"	Annex 23
Details of the exchange programme which took place from 10 to 12 March 2010	Annex 24
Details of the lunch which was arranged for the participants of the "i-Generation" Youth Integrity Programme on 13 March 2010	Annex 25
Nature of the exchange programme under the "Announcement of Public Interest Competition for young people of Hong Kong, Guangdong and Macao" and two exchange tours organised for tertiary students of the ICAC Ambassador Programmes	Annex 26

Description	
Details of the exchange programme under the "Announcement of Public Interest Competition for young people of Hong Kong, Guangdong and Macao" and two exchange tours organised for tertiary students of the ICAC Ambassador Programmes, including the names of participants, selection criteria for these participants and the itineraries	Annex 27
Minutes of meeting approving the setting up of the Centre of Anti-Corruption Studies ("CACS")	Annex 28
Nature and function of CACS	Annex 29
Confirmation on whether the expenditure of CACS is part of the annual budget of CRD	Annex 30
The annual budget and expenditure of CACS	Annex 31
The headcount of CACS	Annex 32
The activity summary of CACS from its inception at 2008-2009 to 2012-2013	Annex 33
Detailed breakdown of the expenditure of "\$1,844,021" on Conference on Corporate Governance in the Financial Sector	Annex 34
Detailed breakdown of training expenses from 2006-2007 to 2012-2013	Annex 35
Information relating to the Mainland Liaison Office of the CRD	Annex 36
Information relating to ICAC being assigned by the Central People's Government to provide assistance to Member States of the United Nations Convention Against Corruption in helping them to effectively implement such Convention	Annex 37
The transportation expenditure relating to the International Anti-Corruption Public Service Announcement ("PSA") Video Competition and Workshop	Annex 38
ICAC's reply regarding the itinerary of the Guangzhou trip of the International Anti-Corruption PSA Video Competition and Workshop	Annex 39
Information on the total cost for organising the International Anti-Corruption PSA Video Competition and Workshop in December 2011	Annex 40

Description	
Information relating to the United Nations Convention Against Corruption ("the Convention") ratified by the Central People's Government of the People's Republic of China in 2006	Annex 41
The legal mechanism which enables the Convention to apply to Hong Kong	Annex 42
ICAC's reply regarding its responsibility to ensure the full compliance with the Convention	Annex 43
Legislative amendments that have been made to the Independent Commission Against Corruption Ordinance (Cap. 204) and other ordinances to ensure the full compliance with the Convention	Annex 44
ICAC's reply regarding the compliance with the Convention	Annex 45
Items of information provided in the 34 requests made by Mr Timothy TONG, former Commissioner, ICAC to the Chief Executive to attend duty visits outside Hong Kong	Annex 46
Information relating to the policy of the ICAC to strengthen its liaison with the Mainland authorities	Annex 47
Duties of the Commissioner, ICAC to liaise with and/or provide assistance to the Mainland authorities on corruption practices	Annex 48
The justification for hiring a mainland scholar as a consultant for CACS	Annex 49
The hiring process of the mainland scholar	Annex 50
The types of work that had been carried out/completed by the mainland scholar during his one-year tenure at CACS	Annex 51
The Expenditure of CACS	Annex 52
The review conducted by ICAC following China's accession to the United Nations Convention Against Corruption in 2005 and ICAC was designated by China in 2006 to assist other member states to the Convention in developing measures for the prevention of corruption	Annex 53
Papers presented to the Citizens Advisory Committee on Community Relations for endorsing the changing work strategy of the CRD in the past 10 years, including repositioning the Mainland liaison work and district work	Annex 54

Description	
The liaising channels of CRD with the Liaison Office of the Central People's Government in the HKSAR	Annex 55
The reason why ICAC cannot disclose the information on how many official lunch and dinner Mr Timothy TONG, former Commissioner, ICAC brought his personal guest(s) to attend; and whether Mr TONG had reimbursed ICAC the costs concerned.	Annex 56
Information on the provision of preventive education against corruption to the Lands Department, the Correctional Services Department and the Fire Services Department	Annex 57
The justification(s) for the ICAC to operate seven Regional Offices	Annex 58
The annual operating cost of each of the seven ICAC Regional Offices from 2007-2008 to 2011-2012	Annex 59
The specific areas that the impending review of the Regional Offices cover	Annex 60
Details of the six duty visits outside Hong Kong undertaken by the incumbent Commissioner, ICAC and the 35 th duty visit outside Hong Kong undertaken by Mr Timothy TONG	Annex 61
Applications to/approvals from the Chief Executive for the requests made by the incumbent Commissioner, ICAC to attend duty visits outside Hong Kong	Annex 62
Extract of the minutes of meeting(s) of the Citizen Advisory Committee on Community Relations ("CACCR") on the deliberations of the CACCR Paper 11/2009 "Mainland Liaison Work of the ICAC – Review and the Way Forward"	Annex 63
The activities undertaken by ICAC to fulfil the duties of assisting other States Parties to the United Nations Convention Against Corruption ("UNCAC") in developing and implementing specific measures for the prevention of corruption in accordance with the provisions of paragraph 3 of Article 6 of the Convention	Annex 64
The expenditure of CRD from 2006-2007 to 2012-2013	Annex 65
In respect of Annex 64 above : The implication on manpower resources each year from 2006-2007 to 2012-2013	Annex 66

Description	
In respect of Annex 64 above: The beneficial effect(s) on Hong Kong	Annex 67
Information on the UNCAC	Annex 68
ICAC's reply regarding the notes of meeting with Lijiang Municipal People's Procuratorate held on 16 January 2009 prepared by the ICAC	Annex 69
Information on the Anti-Corruption PSA Competition and Workshop in Hong Kong in December 2011	Annex 70
Professor YUAN Bo-shun's involvement in the planning and organization of the Anti-Corruption PSA Competition and Workshop	Annex 71
Clarification about the use of ICAC Form 569 by CRD	Annex 72
The legal provision that allows Commissioner, ICAC to delegate his power in making and modifying the Commission Standing Orders, provided under section 11 of the ICAC Ordinance (Cap. 204), to ICAC officers	Annex 73
The reason why ICAC could obtain breakdown of the expenditures on duty visits and official entertainment in 2006-07, prior to the implementation of the Government Financial Management Information System in 2007-2008	Annex 74

Item (a): The date on which the Audit Commission informed the Independent Commission Against Corruption (“ICAC”) that a value-for money audit to review the work of its Community Relations Department (“CRD”) in providing preventive education and enlisting public support against corruption would be conducted, and the dates during which such an audit was performed

The Audit Commission informed the ICAC on 17 September 2012 that a value-for-money audit to review the work of Community Relations Department in providing preventive education and enlisting support against corruption would be conducted.

The audit was performed from 4 October 2012 to 13 March 2013.

Item (b): The ranking of Hong Kong in the annual Corruption Perceptions Index published by the Transparency International from 2005 to 2007

<u>Year</u>	<u>HK's ranking</u>	<u>No. of countries / territories polled</u>
2005	15 th	159
2006	15 th	163
2007	14 th	180

Item (c): The number of Owners' Corporations reached by the CRD each year from 2003 to 2007 through talks, visits/meetings and seminars/workshops, in a similar format to Table 1 of Chapter 7 of the Audit Report

**OCs reached by the CRD
(2003 to 2007)**

Year	Number of OCs reached through			
	Talks	Visits/ Meetings	Seminars/ Workshops	Overall (Note)
2003	197	288	740	1,150*
2004	152	217	530	861
2005	124	180	528	807
2006	146	284	681	1,065*
2007	100	134	1,803	2,007*

Note: As some OCs were reached in more than one way, the overall number of OCs reached was less than the sum of the number of OCs reached through talks, visits/meetings and seminars/workshops.

Remarks:

- * A larger number of OCs were reached in these years due to:
- the launch of practical guides on building management;
 - the implementation of large scale district programmes by the ICAC; and
 - enhanced co-operation with relevant Government departments and related bodies which implemented policy initiatives of the Administration, such as more briefing sessions on the Building Management (Amendment) Ordinance in 2007 by Home Affairs Department, a large number of repair orders issued by Buildings Department, more seminars for Tenant Purchase Scheme for OCs and the Building Management and Maintenance Scheme by the Hong Kong Housing Society etc. Another example is that a larger number of OCs was reached in 2010 because CRD has conducted seminars in relation to the Operations Building Bright Scheme launched by the Government.

Item (d): The number of talks, visits and meetings organized by the CRD each year from 2003 to 2007, the number of organizations reached and the number of people reached, in a similar format to Table 5 of the Audit Report

**Organizations and people reached by talks, visits and meetings
(2003 to 2007)**

Year	Number of talks, visits and meetings	Number of organizations reached	Number of people reached
2003	1,358	629	29,897
2004	1,357	575	26,864
2005	1,491	716	26,619
2006	1,537	662	30,202
2007	1,069	503	20,301

(The figures in this table are related to activities conducted by CRD under the programme area “District Organizations” with the theme of enlisting support.)

Remarks:

Please refer to the Background Note for Item (d), (e) and (f).

Item (e): The number of multi-faceted activities (such as roving exhibitions and various types of competitions and games) organized by the CRD each year from 2003 to 2007, the number of organizations reached and the number of people reached, in a similar format to Table 6 of the Audit Report

**Organisations and people reached by multi-faceted activities
(2003 to 2007)**

Year	Number of activities	Number of organisations reached	Number of people reached (figures round to the nearest '000)
2003	300	4,227	400,000
2004	260	2,490	440,000
2005	320	2,300	400,000
2006	318	2,400	400,000
2007	281	1,900	400,000

Remarks:

Please refer to the Background Note for Item (d), (e) and (f).

Item (f): The number of meet-the-public sessions organized by the CRD each year from 2003 to 2007 and the number of people reached, in a similar format to Table 7 of the Audit Report

**People reached by meet-the-public sessions
(2003 to 2007)**

Year	Number of sessions	Number of people reached
2003*	69	922
2004	31	572
2005	48	799
2006	44	662
2007#	24	380

Remarks:

Please refer to the Background Note for Item (d), (e) and (f).

Item (g): The number of CRD's community activities with sponsorship each year from 2003 to 2007, the number of sponsors and the amount of sponsorship, in a similar format to Table 8 of the Audit Report

**Community activities with sponsorship
(2003 to 2007)**

Year	Number of activities with support from sponsors	Number of sponsors	Amount of sponsorship (\$ million)
2003	76	90	3.4
2004	83	89	1.5
2005	71	74	2.0
2006	72	82	2.1
2007	58	59	1.9

Remarks:

- The amount of sponsorship is only one of the indicators measuring the public support enlisted by the ICAC. In fact, CRD has been actively enlisting support from different organizations and the public at large in disseminating anti-corruption messages.
- In recent years, CRD has adopted a more prudent approach towards accepting sponsorship from outside organizations, especially from the business sector, so as to avoid possible conflict of interest.
- The number of sponsors and amount of sponsorship have seen a general drop because the mode of co-operation between CRD and outside organizations has been changing over the past ten years.
- During the early years, CRD had co-organized projects with outside organizations mainly on a “cost-sharing” basis, i.e. CRD and co-organizers both contributed to the project funding. For instance, from 2004 to 2006, a number of projects were organized with NGOs for new arrivals annually. Those NGOs which contributed part of the project expenditures became CRD projects’ sponsors (about 30 such sponsors annually). However, starting from 2007/08, such projects died down in view of the Government’s revised “integration” policy towards new arrivals. As such, the figures in relation to sponsorship have seen a drop.
- In recent years, based on manpower constraints and cost-effectiveness considerations, CRD

has changed the mode of co-operation with its partners, i.e. CRD to provide assistance in kind to the outside organizations, such as loan of game sets and exhibits, for them to organize activities of their own to reach their members/clients.

- From 2003 to 2012, CRD has constantly enlisted the support of 400 to 500 organizations every year as co-organizers / assisting organizations of CRD's projects to promote probity messages to different sectors.
- For particular years in which territory-wide projects were held jointly with outside organizations, amount of sponsorship was larger than usual. For instance, in 2008, to tie in with the Government's initiative on building management, CRD launched a territory-wide programme with Home Affairs Department, Buildings Department and Hong Kong Housing Society. They had altogether provided sponsorship in the amount of \$2.5 M (i.e. 68% of the \$ 3.7 M sponsorship received by CRD during the year).

Item (h): A list of the names of business organizations, referred to in Table 2 in paragraph 2.17 of the Audit Report, for which the CRD organized 11 or more talks a year from 2007-2008 to 2011-2012

(in alphabetical order of the names of business organizations)

2007-2008

	Name of business organization
1	BOC Hong Kong (Holdings) Limited (also known as Bank of China (Hong Kong) Limited)
2	Hong Kong Association of Freight Forwarding and Logistics Ltd
3	Hong Kong Property Services (Agency) Ltd.
4	Midland Realty (Holdings) Ltd
5	Nanyang Commercial Bank Ltd
6	PCCW
7	Shun Hing Electric Service Centre Limited
8	Shun Hing Electronic Trading Co Limited - Training Centre
9	Sino Land Company Limited
10	SmarTone Telecommunications Holdings Limited
11	Standard Chartered Bank
12	Synergis Management Services Limited
13	The Wharf (Holdings) Limited
14	Wing Hang Bank, Ltd.

2008-2009

	Name of business organization
1	AECOM
2	Cafe de Coral Holdings Limited
3	Cathay Pacific Catering Services (HK) Ltd.
4	Hong Kong Association of Freight Forwarding and Logistics Ltd
5	Midland Realty (Holdings) Ltd
6	PCCW
7	Sanfield Management Limited
8	Sino Land Company Limited
9	SmarTone Telecommunications Holdings Limited

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	Name of business organization
10	Synergis Management Services Limited
11	Urban Property Management Ltd

2009-2010

	Name of business organization
1	Construction Industry Council - Construction Related Course
2	Fubon Bank (Hong Kong) Ltd
3	Hutchison Telecommunications International Limited
4	Synergis Management Services Limited

2010-2011

	Name of business organization
1	Belle Worldwide Limited
2	Cathay Pacific Catering Services (HK) Ltd.
3	Construction Industry Council - Construction Related Course
4	Shun Hing Electronic Trading Co., Ltd
5	Swire Coca Cola HK Ltd
6	Synergis Management Services Limited
7	Wing Hang Bank, Ltd.

2011-2012

	Name of business organization
1	China Mobile (Hong Kong) Limited
2	China State Construction International Holdings Limited
3	Construction Industry Council - Construction Related Course
4	Hong Kong Aircraft Engineering Co Ltd
5	Hong Kong CSL Limited
6	SmarTone Telecommunications Holdings Limited
7	Synergis Management Services Limited
8	Travel Industry Council of Hong Kong - Tourism Industry Pre-service Tourist Guide Training Course

Remarks:

- CRD stands ready to provide preventive education services to business organizations through various channels. Responses of business organizations in using CRD services are entirely voluntary. They are likely to be more responsive in arranging talks for their staff when they have a large staff size, and/or their management places greater emphasis on integrity training. Some of the trades or organizations may be more prone to corruption problems (e.g. property management, construction, etc.). These organizations usually have regular arrangements of ICAC talks (e.g. induction course for new recruits).
- CRD also provides training for business sector employees who have to fulfil the training/licensing requirements of the industry (e.g. tourism, real estate agency, etc.)
- To ensure the cost effective use of manpower, CRD would provide self-learning packages or make train-the-trainer arrangement for business organizations which request talks for “repeated” targets or for small number of frontline/junior employees. As far as frontline/junior employees are concerned, CRD would normally decline requests for talks which involve less than 10 participants.

Item (i): The annual funding and expenditure of the ICAC from 2003-2004 to 2012-2013

Financial Year	Annual Funding (\$ million)	Annual Expenditure (\$ million)
2003-04	708.2	703.3
2004-05	681.6	677.6
2005-06	663.0	640.4
2006-07	668.5	661.8
2007-08	701.2	696.9
2008-09	756.9	750.0
2009-10	808.1	766.9
2010-11	814.2	770.0
2011-12	824.1	821.2
2012-13	875.5	861.9

Item (j): The major heads of the ICAC's expenditure and their relevant amounts from 2003-2004 to 2012-2013

Major Heads	2003-04 (\$'000)	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)
Salaries	577,296	535,813	509,689	504,900	535,565
Allowances	15,710	22,708	16,717	17,602	18,307
Job-related allowances	9,435	8,941	8,668	8,414	8,076
Mandatory Provident Fund contribution	14,227	13,763	13,468	13,415	13,622
Remuneration for special appointments	2,366	2,185	2,191	2,886	2,434
General departmental expenses	52,679	64,571	59,770	84,892	85,762
Investigation expenses	4,562	4,418	3,091	2,555	2,462
Publicity	9,709	8,093	10,279	11,301	11,876
Grant to the ICAC Welfare Fund	59	56	56	55	56
<i>Subtotal for Subhead 000 Operational expenses</i>	<i>686,043</i>	<i>660,548</i>	<i>623,929</i>	<i>646,020</i>	<i>678,160</i>
Subhead 103 Rewards and special services	14,768	14,766	15,266	15,257	16,491
Subhead 203 Expenses of witnesses, suspects and detainees	516	656	205	505	467
General non-recurrent	90	139	-	-	-
Capital Account Plant, Equipment and Works Minor plant, vehicles and equipment (block vote)	1,914	1,539	1,040	-	1,822
Total Expenditure	703,331	677,648	640,440	661,782	696,940

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Major Heads	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Salaries	575,599	593,580	596,612	637,522	677,260
Allowances	20,957	21,842	18,514	22,698	22,254
Job-related allowances	7,875	7,803	7,631	7,324	7,103
Mandatory Provident Fund contribution	14,255	14,408	14,786	14,954	17,502
Remuneration for special appointments	2,460	2,421	2,489	2,596	3,545
General departmental expenses	93,188	91,246	95,378	95,838	96,208
Investigation expenses	2,560	3,480	2,970	3,817	4,196
Publicity	16,485	14,437	13,893	17,094	16,445
Grant to the ICAC Welfare Fund	57	57	58	60	59
<i>Subtotal for Subhead 000 Operational expenses</i>	<i>733,436</i>	<i>749,274</i>	<i>752,331</i>	<i>801,903</i>	<i>844,572</i>
Subhead 103 Rewards and special services	16,274	16,149	16,374	17,747	16,357
Subhead 203 Expenses of witnesses, suspects and detainees	361	602	334	458	438
General non-recurrent	-	-	-	-	-
Capital Account Plant, Equipment and Works Minor plant, vehicles and equipment (block vote)	-	897	929	1,137	554
Total Expenditure	750,071	766,922	769,968	821,245	861,921

Item (r): The annual headcount of and the number of staff additions, transfers and departures in the CRD from 2003-2004 to 2012-2013

Date	Established Posts ^(a)	Strength ^(b) (Staff in Posts)
1 April 2003 ^(c)	211	198
1 April 2004	208	190
1 April 2005	208	165
1 April 2006	178	166
1 April 2007 ^(d)	179	164
1 April 2008	183	167
1 April 2009	182	159
1 April 2010	184	160
1 April 2011	184	181
1 April 2012	183	179
1 April 2013	184	172

- (a) Changes in established posts were due to creation/deletion of posts.
- (b) Changes in strength (staff in posts) were due to recruitment and wastage.
- (c) Owing to the Enhanced Productivity Programme of the Government, the establishment of CRD's CACOs(M/L) and ACACOs went down from 115 in 2003 to 96 in 2007, representing a decrease of 16.5%.
- (d) Because of staff wastage and a new recruitment system, CRD's vacancies of the CACOs(M/L) and ACACOs increased from 13 in 2007 to 24 in 2010 (i.e. 24% of the establishment).

Background Note for Item (d), (e) and (f)

This note should be referred to when reading the figures shown in item (d) to (f).

CRD's work regarding enlisting public support through liaison (i.e. visit, meeting and talk) and projects (i.e. multi-faceted activities at district level), as the figures in item (d) to (f) referred to, is only part of CRD's wide spectrum of work. The general drop in the figures in this area of work does not mean that CRD's overall work output has diminished. In fact, CRD's work under other spheres has been stepped up in tandem with changes of the society and the corruption trend. Moreover, it should be noted that the figures only cover the work output of activities conducted by "face-to-face" approach. CRD's publicity/educational efforts by means of the mass / "web" media have not been included.

Stepping up of CRD's efforts in providing preventive education

Apart from enlisting public support, CRD has been actively providing preventive education to a wide range of targets, from business organizations and building management bodies, civil servants and employees of public bodies, young people to candidates and electors in public elections. The figures on key areas of CRD's work as shown in the Controlling Officer's Report of the ICAC from 2003 to 2012 (see attached table) have been steady or on an increase in some areas.

CRD's changing work strategy in past ten years

Over the years, in mapping out its work strategy, CRD has taken into account the rapid societal changes and the development in information technology. CRD also constantly adjusts its work strategy based on manpower and cost-effectiveness considerations. The changes are entailed in the following five areas.

Greater use of “web” media

In recent years, apart from the traditional “face-to-face” mode of contact with the public, CRD has made more effective use of the “web” media in putting across anti-corruption messages. Apart from maintaining a corporate website (2 million visits in 2012) and uploading a variety of videos on the ‘ICAC Channel’, CRD has also developed and maintained three thematic websites respectively for young people (410,000 visits in 2012), teachers (660,000 visits), business sector and professionals (93,000 visits), and for particular themes on ‘ad hoc’ basis when necessary (e.g. building management sector and elections).

Stepping up production of tailor-made products

To meet rising expectations for ICAC’s preventive education services, CRD has deployed more resources from district entrenchment activities to the production of tailor-made products, which include a toolkit on directors’ ethics; practical guides for SMEs, financial intermediaries, estate agency practitioners and insurance agents, etc; three toolkits on different themes related to building management; teaching packages for use in the secondary school curriculum; personal ethics module for tertiary students; training videos and case studies for staff of private and public sector alike, etc. These products, though requiring investment of substantial resources on research and development, facilitate the dissemination of anti-corruption messages to different sectors in a more in-depth manner and on a broader scale, yet with much less time and manpower constraints.

Business sector and youth as priority targets

In mapping out its recent work strategy, CRD has prioritized “business sector” and “youth” as CRD’s targets for preventive education. In 2010 and 2011, altogether 18 officers (12 CACOs and 6 ACACOs) were deployed from CRD’s regional offices to the Headquarters units responsible for the work of the Business Sector and Youth programme areas. An example is that since 2011, CRD has implemented a programme for SMEs in Guangdong, Hong Kong and Macao. The programme includes the production of a corruption prevention guide, developing a network of some 70 trade associations to promote anti-corruption messages and a series of conferences/workshops.

CRD has also stepped up its work for youth in recent years. The major

initiatives include developing a module on personal ethics for tertiary students, and the ICAC Ambassador Programme for 11 tertiary education institutions, which created a network for 140 tertiary students to organize activities on campus to put across probity messages to their fellows.

In 2010 and 2011, 18 officers (12 CACOs and 6 ACACOs) have been deployed from CRD regional offices (which mainly carry out district entrenchment activities) to Headquarters units (which are responsible for work of the Business Sector and Youth.) Based on cost-effectiveness consideration, there has been a change in CRD's policy regarding district work, i.e. attending regular meetings of district consultative committees (such as area committees) and ceremonial functions strictly on the basis of operational need, thus resulting in a reduced number of district liaison activities.

Using new indirect training approach

Some organizations with a large work force (such as public hospitals and bus companies, etc) have adopted the indirect training mode, i.e. disseminating anti-corruption messages within their organizations either through their own trainers who have attended CRD's train-the-trainer sessions, or through training videos produced by CRD, or through the distribution of CRD's education reference materials. Regarding the public sector, seven government departments and four public bodies have adopted such an indirect training approach in 2012, reaching a total of 15,500 government officers and 2,600 staff of public bodies respectively.

Stepping up regional, international and mainland liaison

CRD, in recent years, has also enhanced its efforts in strengthening ICAC's relationship with international and mainland anti-corruption agencies through duty visits, receiving visitors and co-organizing projects such as conferences and competitions. Since 2008, the ICAC has co-organized five thematic conferences with the Mainland Ministry of Supervision and the Commission Against Corruption of Macao for exchange of corruption prevention and education experience. Moreover, in 2011, as a member of the International Association of Anti-Corruption Authorities (IAACA), an organization set up to promote the effective implementation of the United Nations Convention Against Corruption, the ICAC was appointed by the IAACA to host the International Anti-Corruption Public Service Announcement Video Competition and Workshop in December 2011 in Hong Kong. In addition, the

Centre of Anti-Corruption Studies, which was established in 2009, organises regional/international conferences on global anti-corruption issues. CRD has assisted in the execution of such large-scale events in 2009, 2010 and 2013.

Manpower constraints

Owing to the Enhanced Productivity Programme of the Government, the establishment of CRD's CACOs and ACACOs went down from 115 in 2003 to 96 in 2007, representing a decrease of 16.5%. Also, because of staff wastage and a new recruitment system, CRD's vacancies of the CACOs and ACACOs have increased from 13 in 2007 to 24 in 2010 (i.e. 24% of the establishment). Though in 2011, 24 new recruits have been deployed to CRD to fill the vacancies on a temporary basis (12 – 18 months), they needed a considerable “settling-in” period for on-the-job training, which also demanded time and resources of existing CRD officers.

Figures on CRD's work in Controlling Officer's Report of ICAC (2003 – 2012)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Business Sector</u>										
Business organizations contacted	1,482	1,310	1,337	1,551	1,414	1,333	1,430	1,538	1,575	1,550
Business organisations which have used ICAC's corruption prevention service	427	504	468	454	420	410	421	444	447	562
Managers and frontline workers in the business sector who have received training in corruption prevention and business ethics	46,934	39,002	35,785	39,195	44,411	40,427	36,597	37,893	38,309	40,567
<u>Public Sector</u>										
Government departments/public bodies reached	76	72	113	96	118	121	128	124	129	126
Civil servants/staff of public bodies who have received training in corruption prevention	22,221	23,775	23,142	29,080	28,442	26,725	29,734	26,347	27,335	28,960
<u>Youth</u>										
Secondary schools visited	458	401	401	481	434	408	418	415	396	404
Tertiary institutes reached	11	11	11	11	11	11	11	11	11	11
Secondary/tertiary students who have received training in corruption prevention and ethics	98,176	80,186	81,779	80,565	83,855	83,709	81,252	81,323	83,318	79,179

Item (k): A breakdown of the annual funding and expenditure of the CRD from 2003-2004 to 2012-2013

Annual Funding of
Programme (3) - Preventive Education and
Programme (4) - Enlisting Support

Major Heads (Note 1)	2003-04	2004-05	2005-06	2006-07	2007-08
	(\$)	(\$)	(\$)	(\$)	(\$)
Salaries	99,782,000	96,499,000	90,761,000	88,565,000	90,536,000
Allowances	872,000	91,000	1,451,000	1,066,000	868,000
Job-related allowances	1,267,000	1,267,000	1,187,000	1,219,000	1,219,000
Mandatory Provident Fund contribution	2,331,000	2,052,000	2,408,000	2,408,000	2,284,000
Remuneration for special appointments (Note 2)	397,000	395,000	395,000	395,000	395,000
General departmental expenses (Note 3)	6,877,000	6,525,000	6,770,000	7,672,000	12,273,000
Publicity	8,193,000	8,193,000	8,193,000	8,193,000	8,793,000
Grant to the ICAC Welfare Fund	11,000	11,000	11,000	11,000	12,000
Subtotal for Subhead 000 Operational expenses	119,730,000	115,033,000	111,176,000	109,529,000	116,380,000
General non-recurrent (Note 4)	90,000	140,000	-	-	-
Capital Account	-	-	-	-	-
Plant, Equipment and Works					
Minor plant, vehicles and equipment (block vote)					
Total Expenditure	119,820,000	115,173,000	111,176,000	109,529,000	116,380,000

Note 1: The various major items under Programmes (3) and (4) include funding/expenditure of the CRD as well as overhead shares of the Administration Branch and Commission-wide items (electricity, training, contract maintenance, Electrical and Mechanical Services Trading Fund (EMSTF) payment, guarding, cleansing, etc.).

Note 2: “Remuneration for special appointments” is earmarked for the Commissioner’s salaries and accountable entertainment allowance (\$36,000 per year). The amount shown here is the share attributed to Programmes (3) and (4).

Note 3: “General departmental expenses” cover expenses directly related to the day-to-day running of the ICAC including administration (subsistence allowances, telephone lines and charges, duty visits, entertainment, postage, photocopying, printing, etc.), contract maintenance (maintenance of computers, systems, equipment, etc.), hire of services (all types of service, guarding, cleansing, etc.), electricity, stores and equipment (stationery, paper, furniture, etc.), employment of staff on temporary contract terms, EMSTF payment, training, and transport and travelling (petrol, hire of vehicles, etc.).

Note 4: “General non-recurrent” provision/expenditure in 2003-04 and 2004-05 was for an initiative under a territory-wide campaign to enhance ethical practices in the local tourist industry.

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Annual Funding of Programme (3) - Preventive Education and Programme (4) - Enlisting Support

Major Heads (<i>Note 1</i>)	2008-09	2009-10	2010-11	2011-12	2012-13
	(\$)	(\$)	(\$)	(\$)	(\$)
Salaries	99,182,000	104,430,000	102,932,500	104,734,234	113,019,021
Allowances	900,936	992,150	1,263,997	1,129,886	1,602,573
Job-related allowances	1,133,511	941,950	880,332	887,869	815,901
Mandatory Provident Fund contribution	2,469,232	2,154,910	2,090,441	2,063,800	2,285,537
Remuneration for special appointments (<i>Note 2</i>)	396,207	418,200	401,301	406,812	451,530
General departmental expenses (<i>Note 3</i>)	15,635,422	15,630,940	15,410,108	15,426,808	15,472,352
Publicity	9,500,000	13,000,000	13,000,000	13,000,000	18,000,000
Grant to the ICAC Welfare Fund	10,944	11,220	11,022	11,022	11,418
<i>Subtotal for Subhead 000 Operational expenses</i>	129,228,252	137,579,370	135,989,701	137,660,431	151,658,332
General non-recurrent (<i>Note 4</i>)	-	-	-	-	-
Capital Account	-	-	-	-	-
Plant, Equipment and Works					
Minor plant, vehicles and equipment (block vote)					
Total Expenditure	129,228,252	137,579,370	135,989,701	137,660,431	151,658,332

Note 1: The various major items under Programmes (3) and (4) include funding/expenditure of the CRD as well as overhead shares of the Administration Branch and Commission-wide items (electricity, training, contract maintenance, Electrical and Mechanical Services Trading Fund (EMSTF) payment, guarding, cleansing, etc.).

Note 2: "Remuneration for special appointments" is earmarked for the Commissioner's salaries and accountable entertainment allowance (\$36,000 per year). The amount shown here is the share attributed to Programmes (3) and (4).

Note 3: "General departmental expenses" cover expenses directly related to the day-to-day running of the ICAC including administration (subsistence allowances, telephone lines and charges, duty visits, entertainment, postage, photocopying, printing, etc.), contract maintenance (maintenance of computers, systems, equipment, etc.), hire of services (all types of service, guarding, cleansing, etc.), electricity, stores and equipment (stationery, paper, furniture, etc.), employment of staff on temporary contract terms, EMSTF payment, training, and transport and travelling (petrol, hire of vehicles, etc.).

Note 4: "General non-recurrent" provision/expenditure in 2003-04 and 2004-05 was for an initiative under a territory-wide campaign to enhance ethical practices in the local tourist industry.

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Annual Expenditure of Programme (3) - Preventive Education and Programme (4) - Enlisting Support

Major Heads (<i>Note 1</i>)	2003-04	2004-05	2005-06	2006-07	2007-08
	(\$)	(\$)	(\$)	(\$)	(\$)
Salaries	96,797,000	90,036,000	85,168,000	83,476,273	91,770,389
Allowances	487,000	1,516,000	1,120,000	1,057,762	799,651
Job-related allowances	1,261,000	1,174,000	1,120,000	1,024,715	1,002,350
Mandatory Provident Fund contribution	2,282,000	2,121,000	1,992,000	1,939,930	2,059,837
Remuneration for special appointments (<i>Note 2</i>)	423,000	391,000	392,000	490,599	425,974
General departmental expenses (<i>Note 3</i>)	8,878,000	10,292,000	9,082,000	13,172,056	14,093,506
Publicity	9,709,000	8,093,000	10,279,000	11,300,477	11,876,047
Grant to the ICAC Welfare Fund	11,000	10,000	10,000	9,394	9,755
<i>Subtotal for Subhead 000 Operational expenses</i>	<i>119,848,000</i>	<i>113,633,000</i>	<i>109,163,000</i>	<i>112,471,206</i>	<i>122,037,509</i>
General non-recurrent (<i>Note 4</i>)	90,000	139,000	-	-	-
Capital Account	-	-	32,000	-	-
Plant, Equipment and Works					
Minor plant, vehicles and equipment (block vote)					
Total Expenditure	119,938,000	113,772,000	109,195,000	112,471,206	122,037,509

Note 1: The various major items under Programmes (3) and (4) include funding/expenditure of the CRD as well as overhead shares of the Administration Branch and Commission-wide items (electricity, training, contract maintenance, Electrical and Mechanical Services Trading Fund (EMSTF) payment, guarding, cleansing, etc.).

Note 2: “Remuneration for special appointments” is earmarked for the Commissioner’s salaries and accountable entertainment allowance (\$36,000 per year). The amount shown here is the share attributed to Programmes (3) and (4).

Note 3: “General departmental expenses” cover expenses directly related to the day-to-day running of the ICAC including administration (subsistence allowances, telephone lines and charges, duty visits, entertainment, postage, photocopying, printing, etc.), contract maintenance (maintenance of computers, systems, equipment, etc.), hire of services (all types of service, guarding, cleansing, etc.), electricity, stores and equipment (stationery, paper, furniture, etc.), employment of staff on temporary contract terms, EMSTF payment, training, and transport and travelling (petrol, hire of vehicles, etc.).

Note 4: “General non-recurrent” provision/expenditure in 2003-04 and 2004-05 was for an initiative under a territory-wide campaign to enhance ethical practices in the local tourist industry.

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Annual Expenditure of Programme (3) - Preventive Education and Programme (4) - Enlisting Support

Major Heads (<i>Note 1</i>)	2008-09	2009-10	2010-11	2011-12	2012-13
	(\$)	(\$)	(\$)	(\$)	(\$)
Salaries	96,590,699	95,980,478	100,284,852	106,466,908	112,803,112
Allowances	1,196,819	1,386,514	1,053,774	1,360,490	854,099
Job-related allowances	953,032	935,341	930,734	830,740	826,588
Mandatory Provident Fund contribution	2,010,435	1,975,069	2,097,318	2,230,577	2,581,778
Remuneration for special appointments (<i>Note 2</i>)	432,954	404,315	430,612	450,996	609,722
General departmental expenses (<i>Note 3</i>)	14,621,601	13,367,830	14,662,077	14,178,305	14,163,873
Publicity	16,484,824	14,436,752	13,893,617	17,094,025	16,444,906
Grant to the ICAC Welfare Fund	10,106	9,570	10,006	10,422	10,124
<i>Subtotal for Subhead 000 Operational expenses</i>	132,300,470	128,495,869	133,362,990	142,622,463	148,294,202
General non-recurrent (<i>Note 4</i>)	-	-	-	-	-
Capital Account	-	-	-	-	-
Plant, Equipment and Works					
Minor plant, vehicles and equipment (block vote)					
Total Expenditure	132,300,470	128,495,869	133,362,990	142,622,463	148,294,202

Note 1: The various major items under Programmes (3) and (4) include funding/expenditure of the CRD as well as overhead shares of the Administration Branch and Commission-wide items (electricity, training, contract maintenance, Electrical and Mechanical Services Trading Fund (EMSTF) payment, guarding, cleansing, etc.).

Note 2: “Remuneration for special appointments” is earmarked for the Commissioner’s salaries and accountable entertainment allowance (\$36,000 per year). The amount shown here is the share attributed to Programmes (3) and (4).

Note 3: “General departmental expenses” cover expenses directly related to the day-to-day running of the ICAC including administration (subsistence allowances, telephone lines and charges, duty visits, entertainment, postage, photocopying, printing, etc.), contract maintenance (maintenance of computers, systems, equipment, etc.), hire of services (all types of service, guarding, cleansing, etc.), electricity, stores and equipment (stationery, paper, furniture, etc.), employment of staff on temporary contract terms, EMSTF payment, training, and transport and travelling (petrol, hire of vehicles, etc.).

Note 4: “General non-recurrent” provision/expenditure in 2003-04 and 2004-05 was for an initiative under a territory-wide campaign to enhance ethical practices in the local tourist industry.

Breakdown of total annual expenditure by department

	2003-04 (\$'000)	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)
Corruption Prevention Department (CPD)	44,365	41,761	37,868	39,843	43,385
Community Relations Department (CRD)	108,808	101,594	97,722	96,966	103,345
Operations Department (OPS)	487,974	466,256	440,747	433,768	443,393
Administration Branch (ADM)	28,165	26,164	26,067	27,181	43,648
Common Services (i.e. Common to all departments and ADM)	34,019	41,873	38,036	64,024	63,169
Total Expenditure	703,331	677,648	640,440	661,782	696,940

	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Corruption Prevention Department (CPD)	46,937	45,122	40,742	50,050	46,999
Community Relations Department (CRD)	111,837	110,460	113,816	123,214	128,219
Operations Department (OPS)	475,032	503,339	502,420	536,248	569,988
Administration Branch (ADM)	48,696	49,269	50,973	48,753	55,235
Common Services (i.e. Common to all departments and ADM)	67,569	58,732	62,017	62,980	61,480
Total Expenditure	750,071	766,922	769,968	821,245	861,921

Supplementary Information to Item (r) Annex 18

- (a) “Strength” referred to in Annex 18 and the tables below means the number of staff actually occupying the established posts.
- (b) The established posts and staff in posts of the ICAC from 1 April 2003 to 1 April 2013.

1. Community Relations Department

Date	Established Posts	Strength (Staff in Posts)
1 April 2003	211	198
1 April 2004	208	190
1 April 2005	208	165
1 April 2006	178	166
1 April 2007	179	164
1 April 2008	183	167
1 April 2009	182	159
1 April 2010	184	160
1 April 2011	184	181
1 April 2012	183	179
1 April 2013	184	172

2. Operations Department

Date	Established Posts	Strength (Staff in Posts)
1 April 2003	996	953
1 April 2004	991	906
1 April 2005	988	907
1 April 2006	986	897
1 April 2007	986	909
1 April 2008	967	912
1 April 2009	999	927
1 April 2010	998	942
1 April 2011	995	957
1 April 2012	994	939
1 April 2013	1013 + 1 ⁽¹⁾	941

⁽¹⁾ Including 1 supernumerary Assistant Director post approved by the Finance Committee for the period from 12.12.2012 to 11.6.2015.

3. Corruption Prevention Department

Date	Established Posts	Strength (Staff in Posts)
1 April 2003	55	55
1 April 2004	55	54
1 April 2005	55	53
1 April 2006	55	51
1 April 2007	55	55
1 April 2008	58	55
1 April 2009	57	55
1 April 2010	57	50
1 April 2011	63	59
1 April 2012	66	61
1 April 2013	61	51

4. Administration Branch

Date	Established Posts	Strength (Staff in Posts)
1 April 2003	91	84
1 April 2004	84	82
1 April 2005	83	75
1 April 2006	118 ^(a)	75
1 April 2007	112 ^(b)	84
1 April 2008 ^(c)	146 ^(b)	122
1 April 2009	142 ^(b)	119
1 April 2010	142 ^(b)	114
1 April 2011	135 ^(b)	119
1 April 2012	135 ^(b)	112
1 April 2013	139 ^(b)	115

- ^(a) Owing to the Enhanced Productivity Programme of the Government, the 3 departments and the Administration Branch had withheld recruitment for 40 vacant posts and they are reflected under the Administration Branch's establishment. Some of these posts were deleted in subsequent years. Until 2011, a total of 24 of these posts were deleted.
- ^(b) Including 7 Assistant Commission Against Corruption Officer posts redeployed to the Operations Department to meet operational needs since 2.1.2007.
- ^(c) 32 posts were re-deployed to Administration Branch from the Operations Department due to re-organisation

Item (a): A detailed breakdown of the expenditure of the Administration Branch for each year from 2003-2004 to 2012-2013; and the reasons(s) for any significant increases

A breakdown of the total expenditure of the Administration Branch (ADM) for each year from 2003-04 to 2012-13 are :-

	2003-04 (\$'000)	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)
Staff Cost	27,742	25,739	25,549	26,500	43,029
General Departmental Expenses (GDE)	423	425	518	681	619
Total Expenditure	28,165	26,164	26,067	27,181	43,648

	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Staff Cost	47,732	48,622	50,298	48,139	52,751
General Departmental Expenses (GDE)	964	647	675	614	2,484
Total Expenditure	48,696	49,269	50,973	48,753	55,235

Staff Cost

- There was a significant increase of expenditure in ADM since 2007-2008 which was mainly attributable to
- the transfer of 32 Chinese Language Officers and transcribers from the Operations Department (annual staff cost of around \$11.4M);
 - in the same year, the Office of Strategic Research (OSR) was established under the ADM (annual staff cost of around \$2M until its eventual disbandment in September 2012).
 - the Centre of Anti-Corruption Studies (CACS) was set up in December 2008 and formally opened in April 2009 (annual staff cost of around \$4M). The CACS was also under ADM except that it was transferred to the Corruption Prevention Department for the period from January 2011 to August 2012, as reflected in the ups and downs of the staff cost of ADM in the 2010-11 and 2011-12 financial years.

- Other related increases in the staff cost included pay rises, increments and MPF, etc.

General Departmental Expenditure (GDE)

- The increase in GDE in 2008-09 was mainly attributable to the procurement of books, journals and furniture, etc for the opening of the CACS in April 2009.
- With the return of the CACS to ADM in September 2012, there was a significant increase in the GDE in 2012-13 mainly due to the payment of around \$1.2M to two local universities commissioned to carry out research projects. In the same financial year, the CACS organised a major regional academic summit from 28 February to 2 March 2013 involving an expenditure of around \$0.6M.
- Other related increases in GDE were attributable to the rising Composite Consumer Price Index which has increased by 22% from 2005 to 2012.
- The above information does not appear to be relevant to the scope of the audit review in Chapter 7 of the Audit Report No. 60.

Item (a): Further breakdown of the departmental expenditure incurred / allocated to the Administration Branch from 2003-2004 to 2012-2013 (Annex 9 refers) (i.e. \$28,165,000; \$26,140,000; \$26,067,000; \$27,181,000; \$43,648,000; \$48,696,000; \$49,269,000; \$50,973,000; \$48,753,000; \$55,235,000).

➤ Please refer to further information on Annex 9 item (a).

Item (b): Make up (by nature of expenses) of the allocated General Departmental Expenses from 2003-2004 to 2012-2013 (Annex 10 refers) (i.e. \$21,084,452; \$24,937,254; \$24,162,671; \$23,809,066; \$25,084,272; \$28,136,021; \$34,991,970; \$35,907,203; \$35,514,261; \$38,331,184).

- The allocated General Departmental Expenses (GDE) from 2003-04 to 2012-13 includes the following items:
 - ✧ Stores and equipment (e.g. stationery, publication, office equipment)
 - ✧ Temporary staff
 - ✧ Hire of services and professional fees
 - ✧ Administration (e.g. subsistence allowance, telephone call charges, photocopying costs)
 - ✧ Transport and travelling
 - ✧ Specialist supplies (e.g. arms and ammunition, specialist equipment and system)
 - ✧ Maintenance materials
 - ✧ Contract maintenance (e.g. computer, electronic typewriter, photocopier, fax machine, shredder)
 - ✧ Trading fund services
- The above information does not appear to be relevant to the scope of the audit review in Chapter 7 of the Audit Report No. 60.

Item (d): Detailed breakdown of the “Youth and Moral Education” expenditure grouped under publicity expenditure incurred between 2009-2010 and 2012-2013 (i.e. \$5,127,819; \$4,564,593; \$2,941,369; \$2,637,423) (Annex 10 to the reply to PAC’s letter of 30.4.2013 refers)

2009-10

Project / Item	Expenditure
(1) “I Generation” Youth Integrity Programme (Youth Summit, Youth Concert and production of publicity exhibits)	\$1,272,417
(2) Interactive Drama Performances for Secondary Schools (268 performances in the academic year 2009-10 and production of publicity items)	\$1,732,688
(3) Youth Activities by Regional Offices and Publicity	\$5,713
(4) Training Programme for Law Students with Legal Education Trust Fund	\$4,430
(5) Mobile Exhibition Vehicle (Theme: Report Corruption) (Rental of vehicle for mobile exhibitions in districts and schools, production of exhibits, hiring of casual labourer service and production of souvenirs and promotional pamphlets)	\$1,322,512
(6) Seminar on Youth Moral Education	\$246,574
(7) Gee-dor-dor Parenting Booklets	\$250,381
(8) “I-MISSION” Ambassadors Programme for Secondary Students	\$116,778
(9) General Studies Teaching Package for Senior Primary Students	\$70,943
(10) ICAC Periodical (3 Issues)	\$62,904
(11) Moral Education Web	\$16,439
(12) Calligraphy Competition for Primary and Secondary Schools	\$26,004
(13) Integrity Links Seminar Series	\$36
Total	\$5,127,819

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2010-11

Project / Item		Expenditure
(1)	Interactive Drama Performances for Secondary Schools (265 performances in the academic year 2010-11)	\$1,023,933
(2)	Two Mobile Exhibition Vehicles (Themes: Report Corruption and Hong Kong - Our Advantage is You and the ICAC) (Rental of vehicle for mobile exhibitions in districts and schools, production of exhibits, hiring of casual labourer service and production of souvenirs and promotional pamphlets)	\$1,908,832
(3)	Gee-dor-dor Cartoon Series (Festivals and Celebrations)	\$520,981
(4)	Gee-dor-dor Probity Promotion Carnival	\$417,577
(5)	Inauguration of ICAC Ambassador Association “i-League” for Tertiary Education Institutions	\$210,983
(6)	ICAC Ambassador Programmes for Tertiary Education Institutions	\$34,732
(7)	Production of DVD ROMs for “I Generation” Youth Integrity Programme	\$96,005
(8)	Liberal Studies Teaching Package for Senior Secondary Students	\$82,597
(9)	ICAC Periodical (3 Issues)	\$87,153
(10)	Moral Education Web	\$80,088
(11)	Junior Reporters Scheme for Junior Secondary Students	\$55,484
(12)	Module on Personal Ethics for Tertiary Students	\$26,600
(13)	Integrity Links Seminar Series cum Launching of Teaching Packages	\$10,028
(14)	Joint Projects with Youth and Other Organisations in Organising Activities for Tertiary/Secondary School Students	\$9,000
(15)	Youth Activities by Regional Offices	\$600
Total		\$4,564,593

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2011-12

Project / Item		Expenditure
(1)	Interactive Drama Performances for Secondary Schools (259 performances in the academic year 2011-12 and production of publicity items)	\$1,103,838
(2)	Training Videos on Personal Ethics for Tertiary Students and Leaflets	\$519,963
(3)	Mobile Exhibition (Apr - Aug 2011) (Rental of vehicle, production of exhibits, hiring of casual labourer service and production of souvenirs and promotional pamphlets)	\$439,172
(4)	ICAC Electronic Story Book for Young Kids	\$263,100
(5)	Gee-dor-dor (Festivals and Celebrations) Teaching Package	\$153,771
(6)	ICAC Ambassador Programmes for Tertiary Education Institutions (a) 2010-11 Finale cum Annual Gathering (b) Training Camp for 2011-12 Ambassadors (c) Subsidies for Activities Organised by 2011-12 Ambassadors	\$191,387
(7)	Annual and Regular Activities for i-League (a) Exchange Programme to Beijing for Members in 2011 (b) Regular Activities	\$155,323
(8)	ICAC Periodical (3 Issues)	\$104,072
(9)	Integrity Links Seminar Series cum Launching of ICAC Electronic Story Book for Young Kids	\$10,317
(10)	Moral Education Web	\$90
(11)	Youth Activities by Regional Offices	\$336
Total		\$2,941,369

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2012-13

Project / Item		Expenditure
(1)	Interactive Drama Performances for Secondary Schools (290 performances in the academic year 2012-13 and production of publicity leaflets)	\$1,329,816
(2)	Parenting Guidebook and Short Videos	\$576,339
(3)	“Life and Society” Teaching Package for Junior Secondary Students	\$135,496
(4)	ICAC Ambassador Programmes for Tertiary Education Institutions (a) Subsidies for Activities Organised by 2012-13 Ambassadors (b) Training Camp (b) Exchange Programme for Ambassadors	\$255,245
(5)	Annual and Regular Activities for i-League	\$50,002
(6)	ICAC Periodical (3 Issues)	\$112,700
(7)	Maintenance of i-League Website	\$70,400
(8)	English Moral Education E-book	\$67,800
(9)	Moral Education Web	\$19,306
(10)	Moral Education Catalogue	\$15,500
(11)	Moral Education Teachers Sharing Sessions	\$988
(12)	Integrity Links Seminar Series	\$3,519
(13)	Youth Activities by Regional Offices	\$312
Total		\$2,637,423

Item (e): Breakdown of \$1,738,840 of “International API Competition” expenditure grouped under publicity expenditure incurred in 2011-2012 (Annex 10 to the reply to PAC’s letter of 30.4.2013 refers)

An expenditure statement of “International API Competition” is attached.

**IAACA International Anti-corruption PSA Video Competition and Workshop -
Consolidated Budget (As per CRD financial records)**

	Items	Actual Expenditure (HK\$)
1	Event Office	
	Air fare / Travelling expense for 18 overseas / Mainland speakers, adjudicators and Project Steering Group* members	472,049.15
	Hotel accommodation and room rental for overseas / Mainland speakers, adjudicators and Project Steering Group* members	131,188.00
	SI service for opening, competition, workshops and closing events	21,300.00
	Printing of flyers for distribution at IAACA Meeting in Morocco in Oct 2011	4,250.00
	Translation service for publicity/ promotional materials (from English to French, Spanish, Arabic and Russian)	4,200.00
	Refreshment (cakes and drinks) for escorts (student helpers)	502.20
	Casual labourers	600.00
	Production of delegate handbook	4,500.00
	Transportation for Guangzhou trip (visit to Guangdong Provincial People's Procuratorate) for 44 participants including Project Steering Group* members, adjudicators, panelists and overseas participants	12,807.00
	Postage (Sending out correspondences to guests/ members whose email addresses are not available; sending out discs with video entries to adjudicators)	1,584.00
	Local transport for Project Steering Group* members, speakers, adjudicators and overseas and Mainland participants (including a saloon car for IAACA President, coaches, etc for delegates for 5 days)	128,663.00
	Sub-total	781,643.35
2	Decoration/ Design/ Productions	
	Venue decoration, stage set up (e.g. title boards, directional signs, mic tags and name plates, etc)	15,540.00
	Design and production of publicity materials:	
	Leaflet	14,000.00
	Programme brochure	16,400.00
	Design and production of trophies	17,825.00
	Design and production of souvenirs for speakers and adjudicators	17,780.00
	Production of Certificate of Appreciation for contesting organisations	23,400.00
	Design and production of DVD souvenir for participants (with opening video, ICAC API trailer and event highlights)	6,500.00
	Production of post-event disc with conference, workshop materials and winning entries	13,800.00
	AV and audio set-up	480,000.00
	EMSD service	28,000.00
	Sub-total	633,245.00
3	Opening/ Closing Ceremony/ Workshop	
	Professional Master of Ceremony	30,000.00
	Production of flyers and reply slips for recruitment	5,100.00
	Production of pens (1,000 pcs)	3,800.00
	Name badges (badge holder + strap + name card)	8,700.00

	Items	Actual Expenditure (HK\$)
	Conference folders	25,275.00
	Photo-shooting and finishing, video shooting from 7-9 Dec	10,746.40
	Production of ballot boxes	1,500.00
	Casual labourers (for preparation, opening/ closing ceremonies, workshop and lunches/ dinners)	12,348.00
	Drinking water for speakers, panel members, interpreters and participants (bottled)	1,176.00
	Wine for lunches/ dinners	2,520.00
	Reception cocktail for all Project Steering Group* members, speakers, adjudicators, participants and local guests on 7 Dec 2011	25,600.00
	Coffee breaks for all Project Steering Group* members, speakers, adjudicators and participants (2 nos.) on 8 & 9 Dec 2011	11,400.00
	Coffee corner for Project Steering Group* members/ adjudication panel on 6, 7 and 8 Dec 2011	2,200.00
	Lunches for all Project Steering Group* members, speakers, adjudicators and participants (2 nos.) on 8 & 9 Dec 2011	49,500.00
	Dinner for all Project Steering Group* members, speakers, adjudicators and overseas and Mainland participants on 8 Dec 2011	104,500.00
	Backdrop & venue decoration at 9/F Mess and dinner on 8 Dec 2011	12,400.00
	Contingency - printing of table card for dinner and miscellaneous, e.g. amendment of contents of programme brochure	3,800.00
	Sub-total	310,565.40
4	Social Programme	
	Boat tour for Project Steering Group* members and Mainland delegates on 7 Dec 2011	2,016.30
	Peak tram ride for all Project Steering Group* members, speakers, adjudicators and overseas and Mainland participants who attended dinner on 8 Dec 2011	5,800.00
	City tour for Project Steering Group* members, speakers, adjudicators and overseas and Mainland participants on 9 Dec 2011	5,900.00
	Sub-total	13,716.30
	Grand Total	1,739,170.05

* Project Steering Group members included regional representatives of five continents and representatives of law enforcement agencies and related organizations of nine countries and places.

Item (f): Breakdown of \$4,730,210 labelled as “One-Off Requirement” in 2008-2009
(Annex 10 to the reply to PAC’s letter of 30.4.2013 refers)

Project / Item	Expenditure
(1) Conference on Corporate Governance in the Financial Sector	\$1,844,021
(2) “Report Corruption” Publicity including:	\$2,691,390
- Mobile Vehicle Exhibitions	(\$1,149,760)
- Launching Event of Mobile Vehicle Exhibitions	(\$214,102)
- Production of Announcement of Public Interest (API) Campaign	(\$494,450)
- Media Buy for API Campaign	(\$833,078)
(3) Production of ICAC Documentary on “ICAC Major Achievements and Challenges”	\$194,799
Total	\$4,730,210

Item (g): Nature of entertainment expenses of items 50 and 52 (Table 2 of Annex 13 to the reply to PAC's letter of 30.4.2013 refers)

Item 50

Luncheon of the “Ethics – The Core Values of Leadership 2007 Directors’ Forum”. It included a luncheon speech and formed an integral part of the half-day conference*. The participants included company directors, business executives, professionals and guest speakers of group discussion.

Item 52

“Business Ethics Conference for Small and Medium Enterprises”. It included a luncheon speech which formed an integral part of the half-day conference. The participants included SME directors and managers, representatives of chambers of commerce and guest speakers. The luncheon expenses covering luncheon and venue rental, etc. were part of a conference package provided by the hotel.

* The total expenditure of this conference was \$205,480, with \$87,505 paid for the luncheon. Since luncheon fees (\$70,650) were collected from the participants and the co-organiser shared part of the luncheon fees (\$10,000), the ICAC was only responsible for \$37 of the expenditure per head for the luncheon on average.

Item (i): Confirmation on whether the expenditure of item 88 (Table 2 of Annex 13 to the reply to PAC's letter of 30.4.2013 refers) has been included in the \$1,738,840 of "International API Competition" (Annex 10 to the reply to PAC's letter of 30.4.2013 refers), if not, please advise how item 88 has been included as part of the publicity expenditure (Annex 10 to the reply to PAC's letter of 30.4.2013 refers)

The expenditure of item 88 (\$154,296) has been included in the \$1,738,840 of "International API Competition".

Item (j): Nature of the exchange programme included as item 74 (Table 2 of Annex 10 to the reply to PAC's letter of 30.4.2013 refers)

The exchange programme refers to a 3-day exchange programme held in Hong Kong from 10 to 12 March 2010. This exchange programme was a component activity under the “i-Generation” Youth Integrity Programme (YIP) 2009/10. Other components of the YIP included workshops, a project competition, a youth summit and a youth concert. The main objectives of the YIP were to help participants i) to gain insights into the pivotal value of integrity to young people; ii) to acquire the essential qualities of an ethical leader and appreciate the importance of corporate citizenship; iii) to sharpen their leadership and organisational skills through direct involvement in planning and implementing different exchange activities of the programme; and iv) to establish network with prominent leaders in Hong Kong and students from other places and exchange with them on integrity related issues.

There were around 180 participants in this exchange programme. They included some 100 students in Hong Kong, 72 members of the winning teams of the project competition from Mainland China, Macao and overseas who were sponsored to join the exchange programme. This exchange programme comprised a welcoming party, exchange sessions with academics, social leaders and students from different places; visits to the ICAC and other significant organisations in Hong Kong, such as Hong Kong Police Force, Hong Kong Monetary Authority, Hong Kong Exchanges & Clearing Ltd. etc.

Item (k): Nature of the lunch which took place at Foo Lum Restaurant on 13 March 2010 included as item 74 in which 540 guests participated (Table 2 of Annex 13 to the reply to PAC's letter of 30.4.2013 refers)

The lunch which took place at Foo Lum Restaurant (G/F, Hay Wah Building, 73-85 Hennessy Road, Wanchai) on 13 March 2010 was arranged for the participants of the "i-Generation" Youth Integrity Programme (YIP) 2009/10. The major component activities of the YIP included workshops, a project competition, an exchange programme, a youth summit and a youth concert. The Youth Summit was held at Youth Square in Chai Wan in the morning of 13 March 2010 while the Youth Concert was held at Queen Elizabeth Stadium in Wanchai in that afternoon. A total of 540 participants joined the lunch, including 72 members of the winning teams of the project competition from Mainland China, Macao and overseas who were sponsored to join the exchange programme, around 100 ICAC Ambassadors and some 350 tertiary students or members of youth bodies from Hong Kong. The lunch aimed at furthering the exchanges amongst these young participants and building their friendship in between the two activities.

**Item (I): Nature of the outbound exchange tours included in items 76, 83 and 92
(Table 2 of Annex 13 to the reply to PAC's letter of 30.4.2013 refers)**

Item 76

The ICAC jointly organised an Announcement of Public Interest Competition for young people of Hong Kong, Guangdong and Macao with the Guangdong Provincial People's Procuratorate and the Commission Against Corruption, Macao in 2010/11. The objectives of the Competition were to keep the young generation vigilant of the evils of corruption and enlist their support to the anti-corruption work. Young people from Hong Kong, Guangzhou and Macao were recruited to join the Competition. As a component activity, an exchange programme to Guangzhou, Macao and Hong Kong for members of 30 shortlisted teams in the final round of the Competition from the three places was arranged. The purpose of the exchange programme was to enhance the participants' knowledge of anti-corruption work in the three places.

Items 83 and 92

The outbound exchange tours refer to the two exchange programmes (a 4-day tour to Beijing in 2011 and a 5-day tour to Shanghai and Hangzhou in 2012) organised for 27 and 34 tertiary students of the ICAC Ambassador Programmes co-organised with local tertiary institutions in the 2010/11 and 2011/12 academic years respectively. These Ambassadors had planned and conducted activities on campus to promote integrity messages.

The main objectives of the two exchange programmes were i) to provide an opportunity for the ICAC Ambassadors to share their experiences in promoting integrity messages through organising creative on-campus activities with the governmental officials, teachers and students in the universities of Mainland China, and promote exchanges among them on the topics related to anti-corruption, preventive education etc. and ii) to enhance the ICAC Ambassadors' understanding of the anti-corruption work in the Mainland China.

Item (m): (i) Internal meeting minutes which approved these exchange programmes to take place; (ii) Names of participants/guests in these exchange programmes; (iii) Names of ICAC staff participating in these exchange programmes; (iv) Selection criteria for these participants/guests; and (v) Detailed itinerary of these three exchange programmes

Item 76

(i) The proposal of the Announcement of Public Interest Competition including the exchange programme was approved at the first working group meeting between the Guangdong Provincial People's Procuratorate, the Commission Against Corruption, Macao and the ICAC held on 22 October 2009. The approval of the former Commissioner for the ICAC officers (see (iii) below) to conduct the exchange programme was given on 8 July 2010.

(ii) The 28 participants of the exchange programme are as follows:

Secondary School / Tertiary Education Institution	Number of Participants
Secondary School A	5
Secondary School B	4
Secondary School C	5
Tertiary Education Institution A	3
Tertiary Education Institution B	3
Tertiary Education Institution C	5
Tertiary Education Institution D	2
Tertiary Education Institution E	1

(iii) One Chief Youth and Education Officer, one Community Relations Officer and one Assistant Youth and Education Officer of the ICAC conducted the exchange programme.

(iv) An adjudication panel, comprising staff members of the three organisers, was responsible for selecting the best 30 teams in the final round of the Announcement of Public Interest Competition. The selection was based on the advertising direction, creativity and effectiveness in promoting the anti-corruption message of entries

submitted by the teams. Members of the selected teams participated in the exchange programme.

- (v) The itinerary of the exchange programme is at the **Appendix** (Chinese version only).

Item 83

- (i) The approval of the former Commissioner was given on 9 June 2011.
- (ii) The 27 participants of the exchange programme are as follows:

Tertiary Education Institution	Number of Participants
Tertiary Education Institution A	12
Tertiary Education Institution B	7
Tertiary Education Institution C	6
Tertiary Education Institution D	2

- (iii) One Principal Youth and Education Officer and two Youth and Education Officers of the ICAC conducted the exchange programme.
- (iv) The exchange programme was organised for the participants of the ICAC Ambassador Programmes co-organised with local tertiary institutions. In the 2010-11 academic year, with the assistance of the respective Student Affairs Office in student recruitment and selection, 129 ICAC Ambassadors were recruited to plan and implement probity promotion activities in their campuses. All of them were then invited to join the exchange programme to Beijing held in June 2011 so as to share their experiences in promoting integrity messages with the governmental officials, teachers and students in the universities of Mainland China, to consolidate the positive values developed in the ICAC Ambassador Programme and to gain an understanding on the anti-corruption work in Mainland China. All the ICAC Ambassadors were free to join this exchange programme to Beijing and a total of 27 Ambassadors enrolled at last.

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- (v) The itinerary of the exchange programme is provided below:

27 June 2011 (Monday)	
Morning	Flight from Hong Kong to Beijing
Afternoon	Visit to Peking University
28 June 2011 (Tuesday)	
Morning	Visit to Ministry of Supervision of the People's Republic of China
Afternoon	Visit to Beijing Bureau of Supervision and Tsinghua University
29 June 2011 (Wednesday)	
Morning	Visit to Beijing People's Procuratorate and Beijing High People's Court
Afternoon	Visit to Cultural Heritage: Olympic Green and Wangfujing Shopping Street
30 June 2011 (Thursday)	
Morning	Visit to Cultural Heritage: National Centre of Performing Arts, Tiananmen Square and the Forbidden City
Evening	Flight from Beijing to Hong Kong

Item 92

- (i) The approval of the former Commissioner was given on 23 May 2012.
- (ii) The 34 participants of the exchange programme are as follows:

Tertiary Education Institution	Number of Participants
Tertiary Education Institution A	16
Tertiary Education Institution B	8
Tertiary Education Institution C	5
Tertiary Education Institution D	3
Tertiary Education Institution E	2

- (iii) One Principal Youth and Education Officer, one Chief Youth and Education Officer, one Senior Youth and Education Officer and one Youth and Education Officer conducted the exchange programme.
- (iv) The exchange programme was organised for the participants of the ICAC Ambassador Programmes co-organised with local tertiary institutions. In the

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2011-12 academic year, with the assistance of the respective Student Affairs Office in student recruitment and selection, 112 ICAC Ambassadors were recruited to plan and implement probity promotion activities in their campuses. All of them were then invited to join the exchange programme to Shanghai and Hangzhou held in June 2012 so as to share their experiences in promoting integrity messages with the governmental officials, teachers and students in the universities of Mainland China, to consolidate the positive values developed in the ICAC Ambassador Programme and to gain an understanding on the anti-corruption work in Mainland China. All the ICAC Ambassadors were free to join this exchange programme to Shanghai and Hangzhou and a total of 34 Ambassadors enrolled at last.

- (v) The itinerary of the exchange programme is provided below:

11 June 2012 (Monday)	
Morning	Flight from Hong Kong to Shanghai
Afternoon	Visit to Fudan University
Evening	Visit to Cultural Heritage: The Shanghai Bund
12 June 2012 (Tuesday)	
Morning	Visit to Shanghai High People's Court and the First Branch of Shanghai People's Procuratorate
Afternoon	Visit to Cultural Heritage: Museum of 1st National Congress of the Communist Party of China, City God Temple at Xintindi, Huxinting, Yuyuan Garden, Shanghai Laojie and Nanjing Road
13 June 2012 (Wednesday)	
Morning	Visit to Shanghai Bureau of Supervision
Afternoon	Visit to Cultural Heritage: Ancient Town at Zhujiyajiao and Museum of Chen Yun's Former Residence
14 June 2012 (Thursday)	
Morning	Visit to Cultural Heritage: City Balcony of Hangzhou, Hangzhou City Planning Exhibition Hall and Hangzhou Public Service Centre* (* Including an exchange session with officials from Zhejiang Bureau of Supervision, Hangzhou Bureau of Supervision and Hangzhou Public Service Centre)
Afternoon	Visit to Zhejiang University

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15 June 2012(Friday)	
Morning	Visit to Cultural Heritage: West Lake (Fish Viewing at the Flower Pond and Curved Yard and Lotus Pool in Summer)
Afternoon	Visit to Cultural Heritage: Xihu Tiandi
Evening	Flight from Hangzhou to Hong Kong

交流團日程

2010年7月27日(星期二)

時間	行程			
早上	<u>A組 - 香港</u> 08:15 於九龍塘多福道耀中國際學校(中學部)門口集合，並乘坐過境旅遊巴士從香港前往廣州	<u>B組 - 澳門</u> 08:45 於澳門拱北關口出境廳集合，過關後與珠海參加者會合，並乘坐旅遊巴士前往廣州	<u>C/D組 - 廣州</u> 11:30 於廣州市天河城吉之島南門集合，乘坐旅遊巴士前往午膳地點	<u>D1組 - 珠海</u> 09:15 於拱北關口入境廳門口集合，與澳門參加者會合，一同乘坐旅遊巴士前往廣州
12:30	午餐 - 嶺南會荔枝灣			
14:30	參觀廣東省人民檢察院 (地址: 廣州市珠江新城華強路) 啓動儀式、團體大合照及參觀			
15:45	參觀嶺南印象園 (地址: 廣州市大學城外環西路) 及車上遊覽廣州大學城			
18:00	晚餐 - 廣州大學城福林農莊			
19:30	廣州夜遊			
20:30	入住廣州錦江之星酒店(海珠店)			

2010年7月28日(星期三)

時間	行程	
07:45	早餐 - 錦江之星酒店(海珠店)	
08:30	在酒店大堂集合 乘坐過境旅遊巴士從廣州前往澳門	
12:30	午餐 - 澳門小飛象葡國菜餐廳	
14:45 – 15:15	分組參觀以下地點:	
	<u>香港 A 組及澳門 B 組</u> 參觀澳門廉政公署總部 (地址: 新口岸宋玉生廣場 皇朝廣場)	<u>廣州 C/D 組及珠海 D1 組</u> 參觀澳門廉政公署 黑沙環社區辦事處 (地址: 黑沙環勞動節街 68-72 號裕華大廈地下)
15:40 – 16:20	<u>香港 A 組及澳門 B 組</u> 參觀澳門廉政公署 黑沙環社區辦事處	<u>廣州 C/D 組及珠海 D1 組</u> 參觀澳門廉政公署總部
16:45	參觀澳門歷史博物館	
17:30 – 18:10	團體大合照及參觀大三巴	
18:30 – 19:45	晚餐 - 濠景酒店中菜廳	
21:30	乘坐新渡輪從澳門前往香港	
22:45	入住香港仔田灣港灣酒店	

2010年7月29日(星期四)

時間	行程
07:15 – 08:30	酒店大堂集合 早餐 - 田灣彩星酒家
09:15 – 12:05	參觀香港廉政公署總部 (地址: 北角渣華道 303 號廉政公署大樓)
12:15	午餐 - 香港廉政公署大樓餐廳
14:30	粵港澳反腐倡廉廣告創作比賽頒獎禮 (地址: 灣仔香港會議展覽中心舊翼演講廳一)
19:00	晚餐 - 灣仔好彩海鮮酒家
20:45	遊覽香港太平山頂
22:30	返回香港仔田灣港灣酒店

2010 年 7 月 30 日 (星期五)

時間	行程			
08:15 – 09:00	酒店大堂集合 早餐 - 田灣彩星酒家			
09:00	得獎者接受訪問			
10:00	分組參觀以下其中一個地點:			
	<u>香港 A 組及澳門 B 組</u> 參觀香港聯合交易所 (地址: 中環交易廣場 1 座/2 座) (10:00 – 11:15)		<u>廣州 C/D 組及珠海 D1 組</u> 參觀香港歷史博物館 (地址: 尖沙咀漆咸道南 100 號) (10:30 – 12:00)	
12:30	午餐 - 尖沙咀安達中心富臨酒家			
14:30	<u>A 組 - 香港</u> 在午膳地點 解散	<u>B 組 - 澳門</u> 在午膳地點 解散後乘坐 新渡輪從香港 返回澳門	<u>C/D 組 - 廣州</u> 乘坐過境 直通旅遊巴士 從香港返回廣 州關口或天河 區吉之島南門	<u>D1 組 - 珠海</u> 由旅行社專人 陪同從香港乘 坐珠江客運返 回珠海九州港

住宿安排

廣州

廣州錦江之星酒店(海珠店)

地址：廣州市海珠區江燕路 245 號

電話：(86) 0755 8884 5695

香港

香港仔田灣港灣酒店

地址：香港仔田灣石排灣道 47 號

電話：(852) 2197 3333

傳真：(852) 2197 3300

Item (o): Minutes of meeting approving the setting up of the Centre of Anti-Corruption Studies (CACS) referred to in Annex 15

See attached photocopies of the relevant documents, no Chinese translation is provided

- The above information does not appear to be relevant to the scope of the audit review in Chapter 7 of the Audit Report No.60.

**Extract of Action Notes
Commissioner's Weekly Meeting on 4.8.2008**

Attendance :	C	DCR	AD/A	Ag AD/CR1	} for discussion of PR Items only
	Ag H/Ops	Ag DCP	C/MA	Ag PPIO	

Action

Non-PR Items

6. To Set Up a Centre of Anti-Corruption Studies

Having given further thought to the previous idea of setting up an ICAC Academy, C considered that it would be more appropriate to establish a centre of anti-corruption studies to enable us to assimilate the input of academics and overseas experts. He initially thought that the centre could be led by a director pitched at senior directorate level. The centre would jointly with universities conduct researches on corruption issues and offer courses on anti-corruption work. C further advised that a steering committee chaired by him comprising a representative each from the three departments would be set up to further develop the initiative. Meanwhile, CPD would continue with its current work with the tertiary education institutions. The proposal should be presented at the brainstorming session with ACOC members to be held on 8 September. AD/A would co-ordinate the presentation material.

AD/A

Extracted from
Summary Notes of Brainstorming Session with ACOC Members
held on 8 September 2008 at 10 am

Present

9 ACOC Members

Director of Community Relations, ICAC

Ag Director of Corruption Prevention, ICAC

Assistant Director/Administration, ICAC

Chief Staff Officer/Management & Administration, ICAC

A professor from a local university (in attendance only)

Members met in the morning of 8 September 2008 to brainstorm on ICAC's proposed initiatives to advance anti-corruption work in Hong Kong. ICAC put forth two themes for discussion: (a) the setting up in Hong Kong an international centre for anti-corruption studies, and (b) . Members' views and suggestions were summarised in the ensuing paragraphs.

(a) Setting up in Hong Kong an International Centre of Anti-corruption Studies

2. The Meeting was generally in support of the proposal of setting up in Hong Kong an international centre to facilitate corruption-related researches and provision of anti-corruption training programmes. Since the centre would aim to effect delivery of initiatives not only locally but also regionally and internationally, Members shared the view that its work would facilitate developments in Hong Kong and on the Mainland.

Item (p): nature and function of the CACS and how it would differ from the work of the Corruption Prevention Department or CRD;

➤ **Background and Objectives**

1. Due to globalization, corruption has become an international problem that knows no boundaries. With a view to strengthening international exchange and collaboration and understanding the global experience and strategies in anti-corruption, the Centre of Anti-Corruption Studies (CACS), established in April 2009, is tasked with consolidating liaison with the international and mainland community to conduct research and experience sharing on anti-corruption legislation, anti-corruption theories and organisational structures.
2. Entrench anti-corruption vision in Hong Kong.
3. Promote global participation and cooperation in graft fighting.

➤ **Main functions**

1. Provides resources and facilities for experts and academics from the local community, the mainland and overseas to conduct research and study on anti-corruption and related issues.
2. Strengthens exchanges and collaboration with mainland and international anti-corruption authorities and academic institutions through the Centre's extensive promotion work.
3. Serves as the CACS' resource centre with a library containing a collection of over 3,000 publications and items on related subjects.
4. Attaches high importance to academic research work. Research results are expected to provide a theoretical basis for formulating work strategies for the Commission's three functional departments.
5. Further publicizing to the international arena the work and deliverables of ICAC.

➤ **How is the work of CACS different from that of the three functional departments**

1. The functions of Operations Department are defined in Sub-sections 12(a) – 12(c) of the Independent Commission Against Corruption Ordinance, Chapter 204. Likewise, those of Corruption Prevention Department and Community Relations

Department are spelt out in Sub-sections 12(d) – 12(e) and Sub-sections 12(f) – 12(h) respectively.

2. CACS was established under the Administration Branch and at one time was under the command of the Director of Corruption Prevention.
3. The three functional departments are responsible for the frontline anti-corruption work conducted in a three-pronged approach; while the CACS is mainly on developing anti-corruption theories.
4. The Centre would aim at facilitating corruption related researches and analytical studies; and to effect delivery of initiatives not only locally but also on a regional or global basis.

Item (q): Confirmation on whether the expenditure of CACS is part of the annual budget of CRD, if not, which department is accountable for the expenditure of CACS

- CACS' s expenditure was absorbed from the budget of the department/branch it was placed under, i.e. Administration Branch since its inception until January 2011 and from September 2012 onwards; and Corruption Prevention Department from January 2011 to 31 August 2012. In 2009-2010, an additional budget of \$930,000 was included in CRD's annual budget for the Conference on "Collaborative Governance and Integrity Management" held in September 2010. The total expenditure for the Conference was \$950,000.
- The above information does not appear to be relevant to the scope of the audit review in Chapter 7 of the Audit Report No. 60.

Item (r)(i) : The annual budget and expenditure of CACS.

- The annual budget and expenditure of CACS are tabulated as follows:

Centre of Anti-Corruption Studies	2009-10	2010-11	2011-12	2012-13
Annual Budget (\$)	7,770,000	6,370,000	6,810,000	5,860,000
Actual Expenditure (\$)	5,911,781	5,774,292	5,206,810	5,551,924

- The above information does not appear to be relevant to the scope of the audit review in Chapter 7 of the Audit Report No. 60.

Item (r)(ii): The headcount of CACS

- The headcount of CACS from inception in 2008-2009 to 2012-2013 is tabulated as follows –

Year	Headcount	Details
2008-2009	6	1 SCACO, 2 CACO(U), 1 CACO(M/L), 1 Librarian / EO and 1 PS II / ACO
2009-2010	5	<i>Delete 1 CACO(M/L)</i>
2010-2011	7	Add 1 Legal Research Officer* and 1 Senior Consultant*
2011-2012	5	<i>Delete 1 Legal Research Officer* and 1 Senior Consultant* on contract completion</i>
2012-2013 till now	5	1 SCACO, 2 CACO(U), 1 EO and 1 ACO

* Temporary Contract Term Staff

Legend:

SCACO – Senior Commission Against Corruption Officer

CACO(U) – Commission Against Corruption Officer (Upper)

CACO(M/L) – Commission Against Corruption Officer (Middle / Lower)

EO – Executive Officer

PS II – Personal Secretary II

ACO – Assistant Clerical Officer

- The above information does not appear to be relevant to the scope of the audit review in Chapter 7 of the Audit Report No. 60.

Item (r)(iii): the activity summary of CACS from its inception at 2008-2009 to 2012-2013;

➤ **Deliverables**

1. Since its inception, the Centre conducted a number of research projects (see Annex 1) in collaboration with local universities. The research results can facilitate the ICAC efforts to intensify its anti-corruption work effectively. For example, the ICAC took reference of the Centre's relevant research results when formulating the code of conduct for civil service and the legal guide for cross-boundary businesses.
2. The Centre has received over 3,000 local and overseas academics and guests since its establishment, of which over 2,400 came from some 20 countries throughout five continents. They are mainly academics, experts and researchers; some of them are from non-governmental organisations or law enforcement agencies.
3. In 2009 and 2010, the Centre organised international anti-corruption seminars to promote exchanges of anti-corruption studies among Hong Kong, overseas and mainland experts and academics. Those overseas participants include academics, researchers, experts, councillors from Cambridge University, Transparent International, US Department of Justice and UK Law Commission.
4. At the end of February 2013, a Seminar on the Development and Management of Anti-Corruption Systems in Hong Kong and Mainland China was organised. Over 200 local and mainland academics and anti-corruption officers shared insights into the anti-bribery legislation and system development of the two places.
5. The Centre is also proactive in establishing a long-term cooperative relationship with other anti-corruption research centres. So far, the Centre has signed Academic Cooperation Agreements with four anti-corruption research centres in Mainland China (see Annex 2).
6. The Centre is identifying overseas anti-corruption research centres for establishing cooperation.

- The above information does not appear to be relevant to the scope of the audit review in Chapter 7 of the Audit Report No.60.

Centre of Anti-Corruption Studies

Research Projects

(A) Completed

1. Summaries of Court Judgments of ICAC Cases
2. Enactment History of Bribery Laws in Hong Kong since 1842;
3. The Accountability and Transparency of Law Enforcement Agencies or Organizations with an Anti-corruption Mandate - A Comparative Study;
4. A Study of Corruption Risks Faced by Small and Medium Enterprises Operating in the Pearl River Delta Region*
5. Civil Service System and Anti-Corruption Work*
6. Integrity Management: Local Experiments and Variations in the Pearl River Delta Region*
7. Misconduct in Public Office: An Analysis of Hong Kong Cases*
8. A Study on the Adequacies of the Hong Kong Anti-Bribery Laws*

(B) On-going

9. A Study of the Ethical Values and Decision Making of Young People*

*These research projects were awarded to local universities / research institutes by tender

Centre of Anti-Corruption Studies

Signatories to Academic Co-operation Agreement

(A) Since September 2010

1. Chinese Academy of Social Science
2. Anti-Corruption Research Centre, Peking University
3. College for Criminal Law Science and School of Law, Beijing Normal University

(B) Since March 2013

4. Anti-corruption and Governance Research Centre, Tsinghua University

Item (f): Detail breakdown of the expenditure of “\$1,844,021” on Conference on Corporate Governance in the Financial Sector referred to in Annex 6 of your reply dated 23 May 2013.

Please refer to Appendix B to Annex 7.

Item (h): Detailed breakdown of training expenses from 2006-2007 to 2012-2013 referred to in the supplementary information to item (j) of Annex 10 to your reply dated 15 May 2013, and reasons for the increase year-on-year.

- A breakdown of the ICAC's training expenses from 2006-07 to 2012-2013 is given below:-

No.	Item of Expenditure	Amount of Expenditure (HK\$)						
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
(A)	Training Fees	3,383,141	3,462,190	3,379,086	2,709,909	4,780,017	5,706,353	3,577,923
(B)	Teaching Aids and Others	475,464	1,373,506	1,586,018	1,752,897	2,269,396	1,249,214	1,330,034
	Total :	3,858,605	4,835,696	4,965,104	4,462,806	7,049,413	6,955,567	4,907,957

- With more training facilities after moving into the ICAC Building in 2007, the ICAC's annual training expenses stood steadily at around \$4.5 M to \$4.9M, over the past few years.
- In 2010-11 and 2011-12, a higher expenditure was incurred attributable to the increase of training opportunities to develop and equip the investigative and tactical capabilities of investigators and in the international law enforcement areas.
- The item on "Training Fees" comprises both overseas and local training courses. Over the years, the annual expenditure was around \$3.5M. The 2009/10 figure records a drop as the training and development strategy was undergoing a review in that year, resulting in a smaller number of officers being sent for training.

PAC letter dd 24.5.13

- Separately, 2010-11 and 2011-12 saw a higher expenditure upon completion of the review and implementation of a new training and development strategy, under which an increased number of officers were arranged to attend overseas courses to ensure that ICAC remained at the cutting edge of global best practices. They included professional investigation training, computer forensics, senior police administration courses and forensic accounting, etc, together with other overseas training offered by law enforcement in Australia, Canada, Singapore, Thailand, the United Kingdom and United States of America, etc. In those years, more in-house courses were conducted by experts, guest lecturers and training officers from law enforcement agencies, universities and the private institutions from Hong Kong and overseas, for the benefit of larger groups of ICAC officers.
- The item on “Teaching Aids and others” covers the production and procurement of training packages, subscription of on-line reference databases, procurement of training materials, and maintenance charges for the ICAC Cyber Learning Centre, Library System, computer training room, Gymnasium, audio-visual training equipment, etc. It increased significantly in 2007-08 after the ICAC had moved into the ICAC Building in 2007 due to the refurbishment and replenishment exercise in relation to firearms, confrontation management equipment (handcuffs, batons, etc) and physical training equipment, etc. Furthermore, a substantial expenditure was incurred for the procurement of 31 laptop computers in 2010-11 for use by officers under training.
- The above information does not appear to be relevant to the scope of the audit review in Chapter 7 of the Audit Report No. 60.

Item (k): Date on which the Hong Kong - Mainland Liaison Office under the CRD was set up, and the established posts and staff in posts of the Hong Kong - Mainland Liaison Office from 2003-2004 to 2012-2013.

The Hong Kong Mainland Liaison Office of the CRD was set up on 5 February 1997. Its established posts and staff in posts from 2003-04 to 2012-13 are tabulated below.

Date	Established Posts	Strength (Staff in Posts)
1 April 2003	5	5
1 April 2004	5	5
1 April 2005	5	5
1 April 2006	5	5
1 April 2007	5	5
1 April 2008	5	5
1 April 2009	5	5
1 April 2010	8 #	6
1 April 2011	8	7
1 April 2012	8	7
1 April 2013	8	6

An additional 2 Commission Against Corruption Officer (Middle/Lower) and 1 Assistant Commission Against Corruption Officer posts through redeployment within the CRD

Item (I): Information on ICAC being assigned by the Central People's Government to provide assistance to Member States of the United Nations Convention Against Corruption in helping them to effectively implement such Convention.

- The HKSARG was informed by the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the HK Special Administrative Region (OCMFA) on 6 February 2006 that the Central People's Government has ratified the United Nations Convention Against Corruption (UNCAC). The Convention entered into force for China on 12 February 2006 and shall apply to the HKSAR in accordance with the provisions of Article 153 of the Basic Law of the HKSAR. HKSARG was also informed at the same time that the ICAC was designated as the authority to assist other States Parties in developing and implementing specific measures for the prevention of corruption in accordance with the provisions of paragraph 3 of Article 6 of the Convention. (Relevant Depositary Notifications of the United Nations (UN) at the Appendix was downloaded from the UN website <http://treaties.un.org>).



POSTAL ADDRESS—ADRESSE POSTALE UNITED NATIONS, N.Y. 10017
CABLE ADDRESS—ADRESSE TELEGRAPHIQUE UNATIONS NEWYORK

Reference: C.N.51.2006.TREATIES-3 (Depositary Notification)

UNITED NATIONS CONVENTION AGAINST CORRUPTION
NEW YORK, 31 OCTOBER 2003

CHINA: RATIFICATION¹

The Secretary-General of the United Nations, acting in his capacity as depositary, communicates the following:

The above action was effected on 13 January 2006, with:

Notifications (Courtesy Translation) (Original: Chinese)

Reservation:

.....the People's Republic of China shall not be bound by paragraph 2 of Article 66 of the *United Nations Convention against Corruption*.

Notifications:

In accordance with the provisions of paragraph 3 of Article 6 of the Convention, the Ministry of Supervision of the People's Republic of China is designated as the authority to assist other States Parties in developing and implementing specific measures for the prevention of corruption (Address: Jia 2 Guanganmen Nanjie, Xuanwu District, Beijing, China, 100053), while for the Hong Kong Special Administrative Region, such authority is the Independent Commission against Corruption of Hong Kong (SAR) (Address: c/o ICAC Report Center, 10/F Murray Road CAR Park Building, 2 Murray Road, Central, Hong Kong), and for the Macao Special Administrative Region, such authority is the Commission against Corruption of Macao SAR (Address: Alameda Dr. Carlos d'Assumpção, Edif. "Dynasty Plaza", 14^o Andar-NAPE-Macau).

In accordance with the provisions of paragraph 13 of Article 46 of the Convention, the Supreme People's Procuratorate of the People's Republic of China is designated as the central authority which is responsible for receiving requests for mutual legal assistance and other related issues (Address: 147 Beiheyuan Dajie, Dongcheng District, Beijing, China, 100726), while for the Hong Kong Special Administrative Region, such central authority is the Secretary for Justice of the Department of Justice of Hong Kong SAR (47/F High Block, Queensway Government Offices, 66 Queensway, Hong Kong), and for the Macao Special Administrative Region, such central authority is the Office of the Secretary for Administration and Justice of Macao SAR (Address: Sede do Governo da RAEM, Avenida da Praia Grande, Macau).

Attention: Treaty Services of Ministries of Foreign Affairs and of international organizations concerned.
Depositary notifications are made available to the Permanent Missions to the United Nations at the following e-mail address: missions@un.int. Such notifications are also available in the United Nations Treaty Collection on the Internet at <http://untreaty.un.org>.

- 2 -

In accordance with the provisions of paragraph 14 of Article 46 of the Convention, Chinese is the only language acceptable to the People's Republic of China for the written requests for mutual legal assistance, while for the Hong Kong Special Administrative Region, such language is English or Chinese, and for the Macao Special Administrative Region, such language is Chinese or Portuguese.

The Convention will enter into force for China on 12 February 2006 in accordance with its article 68 (2) which reads as follows:

"For each State or regional economic integration organization ratifying, accepting, approving or acceding to this Convention after the deposit of the thirtieth instrument of such action, this Convention shall enter into force on the thirtieth day after the date of deposit by such State or organization of the relevant instrument or on the date this Convention enters into force pursuant to paragraph 1 of this article, whichever is later."

19 January 2006



1. Refer to depositary notification C.N.52.2006.TREATIES-4 of 19 January 2006 (China: Communication in respect of Hong Kong and Macao)

Attention: Treaty Services of Ministries of Foreign Affairs and of international organizations concerned.
Depositary notifications are made available to the Permanent Missions to the United Nations at the following e-mail address: missions@un.int. Such notifications are also available in the United Nations Treaty Collection on the Internet at <http://untreaty.un.org>.

UNITED NATIONS



NATIONS UNIES

POSTAL ADDRESS—ADRESSE POSTALE: UNITED NATIONS, N.Y. 10017
CABLE ADDRESS—ADRESSE TELEGRAPHIQUE: UNATIONS NEWYORK

Reference: C.N.1216.2007.TREATIES-34 (Depositary Notification)

UNITED NATIONS CONVENTION AGAINST CORRUPTION
NEW YORK, 31 OCTOBER 2003

CHINA: NOTIFICATION UNDER ARTICLE 6 (3)¹

The Secretary-General of the United Nations, acting in his capacity as depositary, communicates the following:

The above action was effected on 14 December 2007.

(Courtesy Translation) (Original: Chinese)

1. The authority for the People's Republic of China to assist other States Parties in developing and implementing specific measures for the prevention of corruption in accordance with the provisions of paragraph 3 of Article 6 of the Convention has been changed from the Ministry of Supervision of the People's Republic of China to the National Bureau of Corruption Prevention of the People's Republic of China (Address: General Office of the National Bureau of Corruption Prevention of the People's Republic of China, Jia 2 Guanganmen Nanjie, Xuanwu District, Beijing, China, 100053).

2. The address of the Independent Commission against Corruption of Hong Kong SAR, the authority for the Hong Kong Special Administrative Region of the People's Republic of China to assist other States Parties in developing and implementing specific measures for the prevention of corruption in accordance with the provisions of paragraph 3 of Article 6 of the Convention, has been changed to "c/o ICAC Report Centre, 10/F 303 Java Road, North Point, Hong Kong, China".

4 January 2008

A handwritten signature in black ink, consisting of stylized, overlapping loops.

¹ Refer to depositary notification C.N.51.2006.TREATIES-3 of 19 January 2006 (China: Ratification).

Attention: Treaty Services of Ministries of Foreign Affairs and of international organizations concerned. Depositary notifications are currently issued in both hard copy and electronic format. Depositary notifications are made available to the Permanent Missions to the United Nations at the following e-mail address: missions@un.int. Such notifications are also available in the United Nations Treaty Collection on the Internet at <http://untreaty.un.org>, where interested individuals can subscribe to directly receive depositary notifications by e-mail through a new automated subscription service. Depositary notifications are available for pick-up by the Permanent Missions in Room NL-300.

Item (a): Whether \$12,807 represented the total cost for the trip to Guangzhou; if not, please provide a detail breakdown of the other costs for the trip and to which account(s) such costs were charged.

\$12,807 represented the total cost for the trip charged to the CRD publicity vote of the International Anti-corruption PSA Video Competition and Workshop. The cost included transportation expenditure to-and-fro Hong Kong and Guangzhou.

Item (b): The itinerary of the Guangzhou trip.

Guangdong Provincial People's Procuratorate organised the trip and was responsible for the itinerary and the necessary fundings.

Item (c): Whether \$1,739,120.05 represented the total cost for organising IAACA; if not, please provide a detail breakdown of the other costs for the event and to which account(s) such costs were charged.

It is confirmed that \$1,739,120.05 represented the total cost for organising the IAACA International Anti-corruption Public Service Announcement Video Competition and Workshop (the event) in December 2011.

During the event, the CRD of the ICAC had made a debut screening of a short video entitled “Power of Media” to illustrate the power of media in public education and the use of media in spreading anti-corruption messages and enlisting public support in the battle against corruption.

As the video was part of a planned Audio-Visual Production Project for International Publicity of the CRD in the financial year 2011/2012, the production cost (\$580,000) was charged under the CRD Publicity Vote.

The video is produced for general use. Apart from showing at the event, it has been used in presentations at international conferences, talks and seminars for university students and briefings for guests visiting the ICAC for the explanation of ICAC’s strategy in anti-corruption publicity.

Item (a): Does the United Nations Convention Against Corruption (“the Convention”) ratified by the Central People’s Government of the People’s Republic of China in 2006, apply to Hong Kong.

- Based on Article 153 of the Basic Law of the HKSARG, the application to the Hong Kong Special Administrative Region of international agreements to which the People’s Republic of China is or becomes a party shall be decided by the Central People’s Government (CPG), in accordance with the circumstances and needs of the Region, and after seeking the views of the government of the Region. The Convention ratified by the CPG thus applies to Hong Kong.

Item (b): If the Convention applies to Hong Kong, what is the legal mechanism which enables the Convention to apply to Hong Kong.

➤ Same answer to Item (a).

Item (c): If the Convention applies to Hong Kong, is ICAC designated any special responsibility to ensure the full compliance with the Convention? If yes, who has designated ICAC with such responsibility.

➤ Same answer to Item (a).

Item (d): If the Convention applies to Hong Kong, is it necessary for the Administration to make any legislative amendments to the Independent Commission Against Corruption Ordinance (Cap. 204) or any other ordinances and/or adopt any administrative measures to ensure the full compliance with the Convention? If yes, what are the legislative and/or administrative measures implemented. If not, why not?

- In February 2006, the United Nations Convention Against Corruption (UNCAC) came into force for China and became applicable to the Hong Kong Special Administrative Region at the same time. At that juncture, the Administration has considered that, save for Articles 31, 44, 46 and 57 which require legislative actions for fulfilling the obligations regarding confiscation of proceeds of crime, extradition and mutual legal assistance in criminal matters, all other requirements under UNCAC could be fulfilled through existing legislation and administrative measures.
- Subsequent legislative amendments were made in 2007 to fulfil the obligations under UNCAC, which included :
 - (i) the Organized and Serious Crimes Ordinance (Amendment of Schedule 2) Order 2007 under the Organized and Serious Crime Ordinance (Cap 455);
 - (ii) the Fugitive Offenders (Corruption) Order under the Fugitive Offenders Ordinance (Cap 503); and
 - (iii) the Mutual Legal Assistance in Criminal Matters (Corruption) Order under the Mutual Legal Assistance in Criminal Matters Ordinance (Cap 525) were made in 2007 to fulfil the obligations under UNCAC.

c.c. Director of Administration

Item (a): If the Commissioner, Independent Commission Against Corruption acts to ensure the full compliance with the United Nations Convention Against Corruption, would the Commissioner acts within the scope of the duties of the Commissioner under section 12 of the Independent Commission Against Corruption Ordinance (Cap. 204);

➤ Yes.

Item (b): If the answer to (a) is in the positive, what is the relevant provision(s) of section 12 of Cap. 204 in support of your conclusion.

- Since its inception in 1974 the ICAC has been combating corruption through its “three-pronged” approach of law enforcement, prevention and education. Such a holistic approach against corruption has become the ICAC’s statutory duties established through Section 12 of the ICAC Ordinance.¹ For the effective performance of the ICAC’s statutory duties, the Operations Department, Community Relations Department and Corruption Prevention Department were established to execute the work.
- Through our efforts over nearly four decades we have successfully transformed Hong Kong from a place with prevalent corruption, where corruption was taken for granted and even as a part of life, into a corruption-free city winning world recognition. The building of a corruption-free society rely on the involvement of Hong Kong people, whose support to the ICAC’s law enforcement, prevention and education work has become the basis for our success. Under such circumstances, the achievement of the ICAC is obvious to all both locally and internationally.²
- Nowadays, Hong Kong is also widely recognized as one of the most well-developed cities of the world. With the increasing frequency of international trade and advanced technologies, corruption acts are no longer confined to a single jurisdiction. Very

¹ The full text of Section 12 of the ICAC Ordinance is as follows:
It shall be the duty of the Commissioner, on behalf of the Chief Executive, to-
(a) receive and consider complaints alleging corrupt practices and investigate such of those complaints as he considers practicable; (b) investigate-
(i) any alleged or suspected offence under this Ordinance; (ii) any alleged or suspected offence under the Prevention of Bribery Ordinance (Cap 201); (iii) any alleged or suspected offence under the Elections (Corrupt and Illegal Conduct) Ordinance (Cap 554); (iv) any alleged or suspected offence of blackmail committed by a prescribed officer by or through the misuse of his office; (v) any alleged or suspected conspiracy to commit an offence under the Prevention of Bribery Ordinance (Cap 201); (vi) any alleged or suspected conspiracy to commit an offence under the Elections (Corrupt and Illegal Conduct) Ordinance (Cap 554); and (vii) any alleged or suspected conspiracy (by 2 or more persons including a prescribed officer) to commit an offence of blackmail by or through the misuse of the office of that prescribed officer; (c) investigate any conduct of a prescribed officer which, in the opinion of the Commissioner is connected with or conducive to corrupt practices and to report thereon to the Chief Executive; (d) examine the practices and procedures of Government departments and public bodies, in order to facilitate the discovery of corrupt practices and to secure the revision of methods of work or procedures which, in the opinion of the Commissioner, may be conducive to corrupt practices; (e) instruct, advise and assist any person, on the latter's request, on ways in which corrupt practices may be eliminated by such person; (f) advise heads of Government departments or of public bodies of changes in practices or procedures compatible with the effective discharge of the duties of such departments or public bodies which the Commissioner thinks necessary to reduce the likelihood of the occurrence of corrupt practices; (g) educate the public against the evils of corruption; and (h) enlist and foster public support in combating corruption.

² Hong Kong ranked 12, 12, 13, 12 and 14 respectively from 2008 to 2012 in terms of the Corruption Perception Index of the Transparency International.

often corruption proceeds are laundered or hidden across the border through transfers among different bank accounts held by the offender in different jurisdictions to avoid investigation. The international community generally accepts that apart from a corruption-free government and good governance, a level playing field for businesses is also of prime importance. Therefore, on top of effective law enforcement, institutional prevention and education have become equally important issues.

- The United Nations Convention Against Corruption (UNCAC)³ enacted in October 2003 exactly reflects the determination of the international community to jointly build corruption-free societies and the obligations to be performed. Apart from its Preamble, the UNCAC comprises 71 Articles in 8 Chapters on topics including the following:-

Chapter I	General provisions
Chapter II	Preventive measures
Chapter III	Criminalization and law enforcement
Chapter IV	International cooperation
Chapter V	Asset recovery
Chapter VI	Technical assistance and information exchange
Chapter VII	Mechanisms for implementation
Chapter VIII	Final provisions

- For instance, the obligations on preventive measures in Chapter II are covered by the work of the Corruption Prevention Department and the Community Relations Department in the statutory functions of the ICAC, whereas the Operations Department's duties reflect the requirements on conviction and law enforcement in Chapter III of the UNCAC.
- Apart from the need for reinforced effectiveness through cross-border cooperation on the law enforcement front, the UNCAC mentions about international cooperation in Chapter IV and discusses the manner in which signatory states should offer mutual assistance in technological support and information exchange in Chapter VI. As said above, corruption is a cross-border crime that transcends jurisdictions. For better performance of the statutory functions under Section 12 of the ICAC Ordinance, the ICAC must, in accordance with the contents and principles of the UNCAC, collaborate with other jurisdictions under the principle of mutual assistance. To strengthen such

³ The UNCAC was signed on 10 December 2003 and ratified by China on 27 October 2005. It came into force in China on 12 February 2006. In accordance with Article 153 of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (PRC), the PRC has decided that UNCAC shall apply to HKSAR.

PAC letter dd 31.5.13

efforts, the ICAC has always been playing an active role in the anti-corruption liaison work in both the world and regional contexts. The ICAC has also been actively collaborating with individual anti-corruption law enforcement departments in mutual case assistance, with a view to further compliance with requirements of the UNCAC and a more effective fight against corruption in various regions. Through reviews and exchanges with different jurisdictions, the ICAC can further improve and enhance our effective efforts over the years. It is of utmost importance in the long-term development of the ICAC's work.

Item (d): What information was provided in each of the 34 requests made by Mr Timothy TONG, former Commissioner, ICAC to the Chief Executive to attend duty visits outside Hong Kong.

- Application to leave Hong Kong for official business by the Commissioner, ICAC, is made on a standard form on which the destination, duration and purpose of visit, persons / organisations to meet and contact address / fax and telephone number of the Commissioner while outside Hong Kong are provided. Special remarks will be given where necessary.
- The above information does not appear to be relevant to the scope of the audit review in Chapter 7 of the Audit Report No. 60.

Item (f): whether it is the policy of the ICAC to strengthen its liaison with the Mainland authorities; if so, when such a policy was implemented and in what aspects, and whether there is any document to substantiate such.

The Mutual Case Assistance Scheme was set up between the Guangdong Provincial People's Procuratorate and the ICAC in 1988, under which anti-graft officers are arranged to meet witnesses in corruption cases across the border. Similar arrangements for provinces other than Guangdong have been co-ordinated by the Supreme People's Procuratorate (SPP) since March 2000.

2. On 5 February 1997, the Hong Kong Mainland Liaison Office of the CRD was set up to deal with all non-operational liaison of the ICAC with counterparts on the Mainland and the Macao SAR.

3. The HKSAR Government was informed by the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong Special Administrative Region on 6 February 2006 that the Central People's Government had ratified the United Nations Convention Against Corruption (UNCAC). The Convention entered into force for China on 12 February 2006 and shall apply to the HKSAR in accordance with the provisions of Article 153 of the Basic Law of the HKSAR. The HKSAR Government was also informed at the same time that the ICAC was designated as the authority to assist other States Parties in developing and implementing specific measures for the prevention of corruption in accordance with the provisions of paragraph 3 of Article 6 of the Convention.

4. Because of the application of the Convention, the SPP established the International Association of Anti-Corruption Authorities (IAACA) in 2006 and the Ministry of Supervision (MoS) set up the National Bureau of Corruption Prevention in 2007. Therefore, there is a need for the ICAC to strengthen its contact with the SPP and its system of procuratorates and step up co-operation with the MoS. The contact between the MoS, the CRD and the Corruption Prevention Department has intensified as a result.

5. In December 2009, the Citizens Advisory Committee on Community Relations endorsed a new work strategy to reposition the Mainland liaison work of the CRD in three different directions, namely furtherance and widening of co-operation and exchange with anti-corruption agencies and associated anti-corruption research units on the Mainland; greater co-operation on preventive education; and greater co-operation with the media on the Mainland in promoting a culture of probity.

Item (g): Under which section of the ICAC Ordinance (Cap. 204) that it is one of the duties of the Commissioner, ICAC to liaise with and/or provide assistance to the Mainland authorities on corruption practices;

➤ Same answer to Item (b) of 31 May 2013.

Item (h): What was the justification for hiring a mainland scholar as a consultant for the Centre of Anti-Corruption Studies (CACS)?

- After becoming a state party to the United Nations Convention Against Corruption (UNCAC) in 2005, China designated the Hong Kong ICAC in 2006 to assist other state parties in developing measures for the prevention of corruption. The then Commissioner considered it necessary to hire an expert who was familiar with China policies and laws with international perspectives to provide insights in Mainland's anti-corruption policies and development for effective implementation of anti-corruption initiatives through compliance of the UNCAC, the Centre decided to create the senior consultant post.

Item (i): In respect of (h) above, whether the hiring had done through the usual public recruitment exercise; if not, why not?

- In view of the special requirements of the post concerned, the ICAC commissioned the Association of University Anti-Corruption Research Centres (the Association) to assist in recruiting an expert instead of following the general practice of hiring through public recruitment. The Association is a joint academic organisation with anti-corruption research experts representing anti-corruption research and education centres of over 20 renowned universities in Mainland China.
- According to the ICAC requirements, the Association identified scholars with expertise in anti-corruption studies from universities on the Mainland. Subsequently, three Mainland scholars renowned for anti-corruption studies were recommended to the ICAC for consideration. Having contacted those three scholars, the ICAC eventually hired Professor YUAN Boshun, Associate Dean of the Public Administration Faculty, Hunan University, as Research Consultant for a term of one year.
- See appendix for Professor YUAN's curriculum vitae (with Chinese version only)

袁柏顺简介

袁柏顺，男，政治学理论专业博士（天津师范大学），公共管理博士后（复旦大学），香港法律教育信托基金访问学者（香港大学）、美国威斯康星（麦迪逊）大学访问学者。中国政治学会理事，湖南省青年骨干教师，政治与公共管理学院副教授、副院长，湖南省廉政研究基地、湖南大学廉政研究中心副主任（执行）。主要从事政治学与公共管理学基础理论研究，研究方向为西方政治学理论、廉政与治理理论（包括西方廉政思想史及当代西方廉政理论）。主持国家社科基金项目、中纪委研究项目、教育部监察局项目、湖南省纪委（监察厅）项目、湖南省社科基金项目、省教育厅项目各1项，作为主要成员参与国家社科基金重点与一般项目4项。发表学术论文20余篇，译作多部（篇），参编政治学专业全国统编教材2部。著有《腐败与反腐败：基于西方思想史视角的考察》（博士后报告）、《寻求权威与自由的平衡霍布斯、洛克与近代自由主义的兴起》，合著《治理商业贿赂对策研究》等多部，担任《岳麓廉政研究论丛》、《廉政研究文选》副主编，多篇论文为《人大复印资料》等刊物转载或摘目，获天津市第十届社科学术著作优秀成果二等奖（排名第二）。近年来担任政治学原理、西方廉政思想史等课程教学。

Item (j): What types of work had been carried out/completed by the mainland scholar during his one-year tenure at the CACS?

- He had conducted a number of research projects on the development of the Mainland anti-corruption systems, including anti-corruption policies, the anti-corruption initiatives of the State Council, the functions of the Supreme People's Procuratorate and the Supreme People's Court, major anti-bribery laws and their judicial interpretation. With the relevant research data and findings, he also established a Mainland Anti-Corruption Database for the ICAC for reference internally and by relevant scholars and experts.
- He had also hosted a number of in-house talks covering various anti-corruption topics for staff training purposes. Such topics included:
 1. Co-ordination of Anti-Corruption Agencies on the Mainland
 2. Graft, Bribery, Dereliction of Duty Offences & Statutory Powers to Investigate Corruption Offices in Mainland China
 3. Disciplinary Sanctions Against Corruption and Malpractice in China - Functions and Powers of the Oversight Bodies
 4. Anti-Corruption on the Mainland: Challenge, Opportunity and Trends
- Through presentation in talks, staff of our three functional departments were able to better familiarise themselves with the anti-corruption work in Mainland, which is conducive to the ICAC's formulation of corresponding anti-graft strategy in view of more frequent dealings between China and Hong Kong by members of the public, for example, the issues which SMEs need to pay attention when conducting business in Mainland or the Operations Department may have an enhanced understanding about the restrictions when investigating relevant cases.
- During his tenure, Professor YUAN attended the Corruption Prevention Advisory Committee where he introduced to Members the Mainland anti-corruption organisations, official powers of respective organisations and segregation of duties among them as well as co-ordination among these organisations.

Item (k): What is the reason(s) that the expenditure of the CACS was absorbed by the Administration Branch since its inception until January 2011 and from September 2012 onwards and the Corruption Prevention Department (“CPD”) from January 2011 to 31 August 2012.

- The Centre of Anti-Corruption Studies (CACS) was established under the Administration Branch in April 2009 to facilitate and conduct research and analytical studies on issues pertaining to the development of anti-corruption initiatives locally, regionally and internationally, and to co-ordinate research initiatives under the three-pronged anti-corruption strategy within the Commission. Its expenditure came under the Administration Branch.
- Following the ratification by the Central People's Government (CPG) of the United Nations Convention Against Corruption (UNCAC) in January 2006, the Convention was extended to Hong Kong in February 2006 and the CPG has designated the Hong Kong ICAC as the agency to assist other signatory state parties in developing and implementing corruption prevention measures. One of the chapters of UNCAC focuses on preventive measures, demonstrating that corruption prevention has gained recognition as an emerging global trend and hence CACS was transferred from the Administration Branch to the Corruption Prevention Department (CPD) in January 2011 with an attempt to take advantage of CPD's corruption prevention expertise. The CACS's expenditure thus came under the CPD.
- CPD has on many occasions shared its local corruption prevention experience with overseas anti-corruption counterparts and the like with CACS as the platform. Coupled with the enactment of the UK Bribery Act 2010, with an emphasis on the legal responsibilities of commercial entities on their role in corruption prevention, CPD was repeatedly consulted by local branches of UK companies as well as local companies having business in the UK on the adoption of corresponding corruption prevention measures to meet the requirements of the Bribery Act.
- In August 2012, the Commissioner and the Heads of Departments reviewed the role of the CACS. It was considered that areas like the legal and social changes as well as the core values of Hong Kong people should form the focus of research studies by the CACS, so that the research findings could be taken into consideration by the three departments when they formulated their work initiatives. As such, CACS was transferred back to the Administration Branch in September 2012.

Item (a): whether any review had been undertaken by the Independent Commission Against Corruption (“ICAC”) to amend the ICAC Ordinance (Cap. 204), following China's accession to the United Nations Convention Against Corruption in 2005 and ICAC was designated by China in 2006 to assist other member states to the Convention in developing measures for the prevention of corruption; if not, why not.

- The United Nations Convention Against Corruption (UNCAC) introduces a comprehensive set of standards, measures and rules that States Parties can apply to fight corruption. It calls for preventive measures and the criminalization of various forms of corruption in both public and private sectors. It also introduces the fundamental principle and framework for stronger co-operation between states to prevent corruption. In February 2006, the Convention came into force for China and became applicable to the HKSAR at the same time.
- In addressing Hong Kong's compliance with the UNCAC, a review was then conducted by the relevant bureaux/departments (including the ICAC), through the co-ordination of the Administration, on its application to their respective areas of work. In this regard, relevant Ordinances, including the ICAC Ordinance, were reviewed. Save for Articles 31, 44, 46 and 57 of UNCAC which required legislative amendments for fulfilling the obligations regarding confiscation of proceeds of crime, extradition and mutual legal assistance in criminal matters, all other requirements under the Convention can be fulfilled through existing legislation or administrative measures. Details are set out in the table at Annex A of LC Paper No. CB(2)2465/06-07(01), dated 10 July 2007. This paper, prepared for the Legislative Council Subcommittee on Subsidiary Legislation to Implement the Obligations under the UNCAC, is attached.
- As stated in the preamble of UNCAC, corruption is no longer a local matter but a transnational phenomenon that affects all societies and economies, making it essential for international cooperation to prevent and control it. Pursuant to Article 1, the purposes of the Convention are, *inter alia*, to promote and strengthen measures to prevent and combat corruption more efficiently and effectively; and to promote, facilitate and support international cooperation and technical assistance in the prevention of and fight against corruption, including in asset recovery. The Convention is a global instrument to combat corruption. Its provisions provide a

framework for stronger cooperation between States Parties to prevent and detect corruption and to return the proceeds of crime.

- Article 48 of UNCAC provides that States Parties shall cooperate closely with one another to enhance the effectiveness of law enforcement action to combat corruption offences. This requirement was fulfilled through ICAC's liaison with Interpol and overseas counterparts. The requirement of Article 48 was fulfilled through existing legislation and administrative measures, and no legislative amendment was required. In addition to assistance being provided under the auspices of UNCAC, the ICAC has also been rendering assistance to other jurisdictions under the mutual legal assistance regime.
- Before and after the application of UNCAC to Hong Kong, the ICAC has been developing close relationships with its counterparts in other jurisdictions in order to more effectively carry out all its statutory duties under section 12 of the ICAC Ordinance. Those duties extended beyond law enforcement work into corruption prevention work. There is no prototype to carry out corruption prevention work and the ICAC has benefited from understanding the problems faced in other jurisdictions in combating corruption and how those problems have been overcome. Experience sharing with other jurisdictions is a very important tool in developing a better understanding of the problems we encounter in combating corruption and how we can more effectively deal with them. As corruption became increasingly transnational in nature, it became increasingly necessary for the ICAC to develop relationships with its counterparts in other jurisdictions in order to learn from one another how best to prevent and combat corruption.

**Legislative Council Subcommittee on
Subsidiary Legislation to Implement the Obligations
under the United Nations Convention Against Corruption**

Purpose

This note provides information on how the obligations under the United Nations Convention Against Corruption (UNCAC) have been fulfilled through existing legislation and administrative measures and whether the proposed addition of the offences under sections 4(2), 5(2), 6(2) and 9(1) of the Prevention of Bribery Ordinance (POBO) to Schedule 2 to the Organized and Serious Crimes Ordinance (OSCO) is necessary for achieving the confiscation requirement under the UNCAC.

Implementing the UNCAC in Hong Kong

2. The UNCAC introduces a comprehensive set of standards, measures and rules that States Parties can apply, in order to strengthen the legal and regulatory regimes to fight corruption. It calls for preventive measures and the criminalization of various forms of corruption in both public and private sectors. It also introduces the fundamental principle and framework for stronger co-operation between states to prevent corruption. In February 2006, the Convention came into force for China and became applicable to the HKSAR at the same time.

3. Save for Articles 31, 44, 46 and 57 which require legislative actions for fulfilling the obligations regarding confiscation of proceeds of crime, extradition and mutual legal assistance in criminal matters, all other requirements under the UNCAC can be fulfilled through existing legislation and administrative measures. Details are set out in the table at **Annex A**.

Annex A

Proposed addition to Schedule 2 to the OSCO

4. At the Subcommittee meeting on 12 June 2007, Members asked whether the proposed addition of the offences on "*soliciting or accepting bribes*" under sections 4(2), 5(2), 6(2) and 9(1) of the POBO to Schedule 2 to the OSCO was necessary for achieving the confiscation requirements under UNCAC.

5. Pursuant to Article 31 of the UNCAC, States Parties are required, to the greatest possible extent under their domestic legal systems, to adopt measures for the identification, tracing, freezing, seizure and the eventual confiscation of proceeds derived from bribery.

6. Under our domestic legal framework, provisions for the freezing, seizure and confiscation of proceeds of crimes are provided for under the OSCO. The HKSARG can apply to the court to exercise the above powers to deal with proceeds derived from offences listed in Schedule 2 to the OSCO. However, only offences on "*offering*" bribes as defined under sections 4(1), 5(1), 6(1) and 9(2) of the POBO are included in Schedule 2 to the OSCO, but not the offences on "*soliciting or accepting*" bribes as defined under sections 4(2), 5(2), 6(2) and 9(1) of the POBO (extract of Schedule 2 to OSCO is at **Annex B** and the relevant sections of POBO at **Annex C**).

Annex B

Annex C

7. At present, section 12 of the POBO stipulates that a person who is guilty of a bribery offence can be ordered to return the amount or value of advantage received by him. However, the Order under section 12 of the POBO is a civil order and is enforceable by the principal of the corrupt agent, not necessarily by HKSAR Government. Hence, section 12 of the POBO does not provide the same tool for the confiscation of proceeds as that provided for under the OSCO framework (extract of section 12 of POBO is at **Annex D**).

Annex D

8. The proposed legislative amendment will allow HK to better achieve the confiscation requirement of the UNCAC. Instead of using the civil order provided under section 12 of POBO, the HKSAR Government can apply to the court for "Restraint Orders", "Charging Orders" and "Confiscation Orders" under the OSCO for the freezing, seizure and confiscation of proceeds or property derived from "*soliciting or accepting*" bribes.

Administration Wing
Chief Secretary for Administration's Office
10 July 2007

How the obligations under the United Nations Convention Against Corruption (UNCAC) have been fulfilled through the existing legislation and administrative measures in Hong Kong

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
Chapter I – General Provisions		
1-4	This section outlines the aim of the Convention, defines terms employed throughout the text, states the scope of application and reiterates the principle of protection of sovereignty of States Parties.	The definitions provided under the Convention can be covered by our domestic law.
Chapter II – Preventive Measures		
<i>A. Preventive anti-corruption policies and practices</i>		
5	States parties are required to develop and implement or maintain effective anti-corruption policies that encourage the participation of society, reflect the rule of law and promote sound and transparent administration of public affairs, and to collaborate with each other and relevant international and regional bodies for the pursuit of the above goals.	The Independent Commission Against Corruption (“ICAC”) is an independent public organ established under the ICAC Ordinance (Cap. 204). Reporting directly to the CE, the ICAC adopts a three-pronged approach of investigation, prevention and education to fight corruption in both the public and private sectors.
6	States parties are required to have an anti-corruption body or bodies in charge of preventive measures and policies and to grant that body independence to ensure that it can do its job unimpeded by undue influences and provide it with adequate resources and training.	
10	States parties are required to take such measures as may be necessary to enhance transparency in its public administration, including with regard to its organization, functioning and decision-making processes, where appropriate.	Government will consult the public and relevant organizations when it formulates and reviews major policies. To ensure reasonable access to government information, an administrative

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
13	States Parties are required to take appropriate measures to promote the participation of civil society, non-governmental organizations and community-based organizations in anti-corruption activities and to make efforts to increase public awareness of the threats, causes and consequences of corruption.	<p>Code on Access to Information applies to all government bureaux and departments, which are committed to making information available to the public. The Code provides for a set of rules to meet public expectation of greater government transparency. It sets out the types of government information to which the public has access and lists categories of exemptions to ensure appropriate protection of confidential and sensitive information held by the Government and information involving personal privacy and commercial sensitivity.</p> <p>The Community Relations Department of the ICAC has been conducting programmes to enlist public support in combating corruption.</p>
<i>B. Transparency measure and system in the public sector</i>		
7 – 9 and 11	<p>States Parties are required to take corruption prevention measures in the public sector in relation to -</p> <ul style="list-style-type: none"> • Recruitment, hiring, promotion and retirement of civil servants • Codes of conduct for public officials • Public procurement and management of public finances • The judiciary and prosecution services 	<p>Civil Service Regulations (“CSRs”) and service-wide circulars provide guidelines and safeguards on the appointment, promotion, and code of conduct and discipline of civil servants. The dismissal, suspension and discipline of public servants and officers are also subject to the Public Service (Administration) Ordinance (“PS(AO)”) which is an order made by the CE. The Prevention of Bribery Ordinance (Cap. 201) (“POBO”) provides comprehensive control in respect of bribery offences in the public sector. The conduct and discipline regimes of disciplined services staff are enshrined in the respective disciplined services legislation. The Code for Principal Officials Under the Accountability System has stipulated the basic principles and code of conduct which Principal Officials should follow in the performance of their duties.</p> <p>The Audit Ordinance (Cap. 122), the Public Finance Ordinance (Cap. 2), the World Trade Organization Agreement on Government Procurement and the internal regulations and guidelines on procurement procedures have provided measures for ensuring a fair, competitive, accountable and transparent public procurement process and the proper control and management of public finance. The Government publishes its budget annually and the budget is subject to the approval of the Legislative Council. Furthermore, the Government publishes its financial results regularly to meet the International Monetary Fund’s Special Data Dissemination Standards.</p>

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
		<p>Judges and Judicial officers are subject to Article 89 of the Basic Law, the POBO and the Judicial Officers (Tenure of Office) Ordinance (Cap. 433). The Judiciary has also published a Guide to Judicial Conduct.</p> <p>For public prosecutors, they are subject to the POBO and the CSRs. The independence of the prosecution is safeguarded under Article 63 of the Basic Law.</p> <p>The Corruption Prevention Department of the ICAC has a statutory duty to advise Government departments and public bodies of corruption prevention measures and examines their practices and procedures to secure the revision of work methods which may be conducive to corrupt practices.</p>
<i>C. Private Sector</i>		
12	<p>States Parties shall take measures to prevent corruption involving the private sector, enhance accounting and auditing standards in the private sector and, where appropriate, provide effective, proportionate and dissuasive civil, administrative or criminal penalties for failure to comply with such measures. Measures may include promoting cooperation between law enforcement agencies and relevant private entities, promoting transparency among private entities, preventing conflict of interest by imposing restrictions, as appropriate and for a reasonable time, on the professional activities of former public officials or on the employment of public officials by the private sector after their resignation or retirement, etc.</p>	<p>The requirements can be achieved through the programmes of the Corruption Prevention Department and Community Relations Department of the ICAC. All along, the HKSARG has been making concerted efforts to enhance the corporate governance regime of HK, thereby promoting transparency among private entities.</p> <p>In terms of legislative measures, the Professional Accountants Ordinance (Cap. 50) was amended in 2004 to enhance the independence of, and lay participation in, the regulatory function of the Hong Kong Institute of Certified Public Accountants ("HKICPA").</p> <p>Legislation was also enacted in 2006 to establish a new statutory body, the Financial Reporting Council ("FRC"), tasked with investigating accounting and auditing irregularities of listed companies. The FRC will become fully operational on 16 July 2007.</p> <p>The Government is also in the course of rewriting the Companies Ordinance with a view to modernising our company law to enhance Hong Kong's competitiveness and attractiveness as an international business and financial centre through, among other things, strengthening corporate</p>

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
		<p>governance.</p> <p>With due recognition for the HKICPA's efforts, Hong Kong became the first jurisdiction in the Asia-Pacific region to achieve full convergence with International Financial Reporting Standards and adopt the best international practice in the areas of auditing and accounting ethics.</p> <p>On post-service employments of civil servants, controls are provided under the Pensions Ordinance (Cap. 89), the Pension Benefits Ordinance (Cap. 99), the CSRs and the CSB Circulars. Principal Officials under the Accountability System are required to follow the relevant post-office employment control requirements as stipulated in the Code for Principal Officials Under the Accountability System.</p>
<i>D. Prevention of Money Laundering</i>		
14	<p>States Parties shall institute a regulatory and supervisory regime for bank and non-bank financial institutions in order to deter and detect all forms of money laundering.</p>	<p>Government departments and financial regulators which are responsible for anti-money laundering have the ability to cooperate and exchange information at both the national and international levels. A Financial Intelligence Unit have been set up and jointly operated by the Police and the Customs and Excise Department.</p> <p>The financial regulators in Hong Kong, namely, the Hong Kong Monetary Authority ("HKMA"), the Insurance Authority and the Securities and Futures Commission ("SFC") have all issued guidelines on prevention of money laundering to those industries under their respective supervision. These guidelines are updated regularly in line with the latest international standards and legislative changes. The guidelines are enhanced and updated from time to time.</p> <p>Hong Kong participates actively in international and regional initiatives aiming at combating money laundering. Hong Kong has been an active member of the Financial Action Task Force on Money Laundering ("FATF"), the international anti-money laundering standard setter since 1990 and a founding member of the Asia Pacific Group on Money Laundering ("APG"). We are in the process of implementing the revised Forty Recommendations published by FATF in June 2003 as well as the Nine Special Recommendations on Terrorist Financing. Legislative</p>

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
		amendments will be needed to implement some of the Recommendations.
Chapter III – Criminalization and law enforcement		
A. Criminalization		
15 and 16	States Parties shall adopt such legislative and other measures as may be necessary to establish as a criminal offence, when committed intentionally, the promise, offering or giving, to a public official or foreign official, and the solicitation or acceptance by a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties.	The requirements under these articles are fulfilled under the POBO. Under section 4 of the Ordinance, any person who offers bribe to a public servant, and any public servant who solicits or accepts bribes will commit an offence. Any person who offers bribes to a foreign public official in Hong Kong, and any foreign public official in Hong Kong who solicits or accepts bribes will commit an offence under section 9 of the Ordinance. If the offence happens in other jurisdiction, the HKSARG will consider extradition of the foreign public official in question.
17	States Parties shall adopt such legislative and other measures as may be necessary to establish as a criminal offences, when committed intentionally, the embezzlement, misappropriation or diversion by a public official for his or her benefit, of any property, funds, securities or any item of value entrusted to a public official by virtue of his or her position.	It is an offence under section 9 of the Theft Ordinance (Cap. 210) to steal property. The Theft Ordinance contains a range of other offences which can also be used where there has been embezzle or misappropriate properties. Public officials are also subject to the common law offence of misconduct in public office.
18-22	Trading in influence, abuse of functions, illicit enrichment, and bribery and embezzlement of property in the private sector.	The requirements under these Articles are optional but Hong Kong is able to satisfy most of them through the offence of misconduct in public office (Article 19); section 10 of the POBO (Article 20); section 9 of the POBO (Article 21) and the Theft Ordinance (Article 22). The provisions of the POBO may also cover the conduct in Article 18.
23	States Parties shall adopt, in accordance with fundamental principles of its domestic law, such legislative and other measures as may be necessary to establish the conversion or transfer of proceeds of crime and the concealment or disguise of the true nature, source, location, disposition, movement or ownership of proceeds of crime as criminal offences.	The requirement is fulfilled under sections 25 and 25A of the Organized and Serious Crimes Ordinance (Cap. 455) (“OSCO”).

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
24	Concealment	Although the requirement under this Article is optional, the obligation is fulfilled by virtue of sections 25 and 25A of OSCO.
25	<p>Each State Party shall adopt such legislative and other measures as may be necessary to establish as criminal offences –</p> <ul style="list-style-type: none"> the use of physical force, threats or intimidation or the promise, offering or giving of an undue advantage to induce false testimony or to interfere in the giving of testimony or the production of evidence in proceedings in relation to the commission of the offences covered by the Convention; and the use of physical force, threats or intimidation to interfere with the exercise of official duties by a justice or law enforcement official in relation to the commission of offences covered by the Convention. 	The requirement is fulfilled under sections 13A and 13B of ICACO and section 23 of the Summary Offences Ordinance (Cap. 228) which provide that a person would be guilty of an offence if he/she resists or obstructs ICAC/public officer in the performance of his duty. There is also the common law offence of perverting the course of justice.
26	Each State Party shall adopt such measures as may be necessary, consistent with its legal principles, to establish the liability of legal persons for participation in the offences established in accordance with the Convention.	The requirement is fulfilled under section 3 of the Interpretation and General Clauses Ordinance (Cap. 1) which provides that “person” include any public body and any body of persons, corporate or unincorporate. Legal persons are therefore subject to criminal liability under HK Laws.
27	Each State Party shall adopt such legislative and other measures as may be necessary to establish as a criminal offence, in accordance with its domestic law, participation in any capacity such as accomplice, assistance or instigator in an offence established in accordance with the Convention.	The requirement is fulfilled under section 89 of Criminal Procedure Ordinance (Cap. 221) (“CPO”) which provides that any person who aids, abets, counsels or procures the commission by another person of any offence shall be guilty of the like offence. Sections 159G-K of Crimes Ordinance (Cap. 200) provides that a person will be liable for an offence if he attempts to commit an offence and sections 159A-F of the same ordinance which provides that a person will be liable for an offence of conspiracy if he agrees with another to commit an offence.
B. Law enforcement		
28	States Parties are required to ensure that the knowledge, intent and purpose required of an offence established in accordance with the Convention may be inferred from objective factual circumstances.	It is allowed under common law that proof of any element of a criminal offence may be inferred.

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
29	States Parties shall, where appropriate, establish under its domestic law a long statute of limitations period in which to commence proceedings for any offence established in accordance with the Convention and suspend them or establish longer ones for alleged offenders evading the administration of justice.	Save for section 3 which requires a prosecution to be instituted within 2 years from the time the offence is committed, there is no limitation period for the bribery offences under the POBO.
30	States Parties shall make the commission of an offence established in accordance with the Convention liable to sanctions that take into account the gravity of that offence, maintain a balance between any immunities or jurisdictional privileges accorded to its officials for the performance of their functions and the possibility of effectively investigating, prosecuting and adjudicating offences established under the convention, ensure that conditions imposed in connection with decisions on release pending trial and appeal take into consideration the need to ensure the defendants' presence at criminal proceedings.	Under existing law, public officials do not enjoy any immunity. The POBO and the CPO have provided a detailed bail regime. In addition, sections 33 and 33A of the POBO, the PS(A)O and the CSRs have provisions to suspend or remove a civil servant or public servant from duty.
31	Freezing, seizure and confiscation	An order under the OSCO has been prepared to better fulfill the confiscation requirements under this Article. It is being scrutinized by the Subcommittee on Subsidiary Legislation to Implement the Obligations under the UNCAC.
32	States Parties shall take appropriate measures in accordance with its domestic legal system and within its means to provide effective protection for witnesses, experts who give testimony and victims (insofar they are witnesses).	The Witness Protection Ordinance (Cap. 564) provides for the establishment of a programme for the protection of certain witnesses and persons associated with witnesses. Similar protection is also given under the POBO and CPO.
33	Protection of reporting persons	The requirement under this Article is optional. However, the obligation under this Article is fulfilled by virtue of 30A of POBO which specifically provides that the informers should be protected and their identities should not be disclosed.
34	Each State Party shall take measures, in accordance with the fundamental principals of its domestic law, to address consequences of corruption.	The obligation is fulfilled by virtue of section 33A of POBO under which the court may order that the convicted person be temporarily or permanently prohibited from taking or continuing employment as the director or manager of a company or from practising a profession or

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
		removed from a partnership.
35	States Parties shall take such measures as may be necessary, in accordance with principles of its domestic law, to ensure that entities or persons who have suffered damage as a result of an act of corruption have the right to initiate legal proceedings against those responsible for that damage in order to obtain compensation.	Under section 12 of POBO, a principal is entitled to recover from his/her corrupt agent the bribe received by that agent, and any proceeds flowing from it. The principal also has a right of action against the person who bribed the agent to recover any loss sustained as a result of the corruption.
36	States Parties shall, in accordance with the fundamental principles of its legal system, ensure the existence of a body or bodies or persons specialized in combating corruption through law enforcement.	The ICAC is an independent public organ established under the ICACO to fight corruption.
37	States Parties shall take appropriate measures to encourage persons who participate or who have participated in commission of an offence established in the Convention to supply information for investigative and evidentiary purposes and to provide factual, specific help contributing to depriving offenders of the proceeds of crime. It also requires States Parties to extend the protections to persons providing substantial cooperation in the investigation or prosecution of a corruption offence.	<p>The common law principle of sentencing developed by courts allows substantial sentencing discounts for assistance to the prosecution and the ICAC. This includes the use of the Sivan procedure to protect the confidentiality of that assistance.</p> <p>Convicted accomplices who assisted the prosecution and the ICAC can make petitions to the Chief Executive for reduction in sentence.</p> <p>Protection to the person giving assistance is provided under the Witness Protection Ordinance. ICAC also takes measures to help an informant settle back into civilian life with, if necessary, assistance.</p>
38 and 39	<p>States Parties shall take such measures as may be necessary to encourage cooperation between –</p> <ul style="list-style-type: none"> • the public authorities and public officials; • the authorities responsible for investigating and prosecuting criminal offences; and • the national investigating and prosecuting authorities and entities of the private sector. 	<p>Under section 16 of POBO, ICAC officers may apply to any public servant for assistance in the exercise of his powers or the discharge of his duties. CSB circulars and the programmes of the Corruption Prevention Department of the ICAC have also provided such guidelines.</p> <p>Cooperation between the ICAC and private sector is established through the programmes of the ICAC Corruption Prevention Department and the Community Relations Department.</p>

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
40	Each State Party shall ensure that there are appropriate mechanisms available within its domestic legal system to overcome obstacle that may arise out of the application of bank secrecy laws.	<p>Under sections 13 and 14(1) of POBO, the ICAC can apply to Courts for an Order to obtain necessary information.</p> <p>The HKMA is provided with a series of powers under the Banking Ordinance (Cap.155) ("BO") to supervise Authorized Institutes ("AIs"). Under section 55, the HKMA is empowered to conduct examinations of AIs. Section 56(1) has made it clear that, in an examination of an AI, the HKMA examiners have the power to access the AI's books and accounts and such other information and facilities which may be required to conduct the examination. Under section 63(2), the HKMA is empowered to require AIs to submit information which the HKMA may reasonably require for performing its functions. Failure to comply with section 56(1) and section 63(2) in providing the necessary information is a criminal offence under the BO.</p>
41	Criminal Record	<p>The requirement under this Article is optional. Questions as to previous convictions can be asked of a defendant who testifies in his trial. However the defendant can only be asked such questions in the circumstances described in section 54(1)(f) of the Criminal Procedure Ordinance (Cap. 221). Besides, the prior good character of every convicted person is always relevant to his sentencing. The fact that a convicted person has a prior conviction in another jurisdiction is relevant to his character and a court could therefore take it into account, subject to it being properly proven or admitted by the convicted person.</p>
42	Each State Party shall adopt such measures as may be necessary to establish its jurisdiction over the offence which is actually committed in its territory or on board a vessel that is flying the flag of that State Party or an aircraft that is registered under the laws of that State Party.	<p>The requirement is satisfied by section 23B of the Crimes Ordinance in respect of vessels and section 3 of the Aviation Security Ordinance (Cap. 494) in respect of aircraft.</p> <p>The Criminal Jurisdiction Ordinance (Cap. 461) extends the criminal jurisdiction of certain offences which are mainly fraud offences. Such offences are UNCAC offences insofar as they are contemplated by Articles 17 and 22.</p>

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
Chapter IV – International Cooperation		
43	States Parties shall cooperate in criminal matters in accordance with articles 44 to 50 of the Convention (relating to extradition, mutual legal assistance, the transfer of criminal proceedings and law enforcement, including joint investigations and special investigative techniques).	The requirements are fulfilled under Part VIII of the Evidence Ordinance (Cap. 8), the Fugitive Offenders Ordinance (Cap. 503) (“FOO”) and the Mutual Legal Assistance in Criminal Matters Ordinance (Cap. 525) (“MLAO”).
<i>A. Extradition and Mutual Legal Assistance (“MLA”)</i>		
44	Extradition	An Order under the FOO has been prepared to implement the extradition requirements. It is being scrutinized by the Subcommittee on Subsidiary Legislation to Implement the Obligations under the UNCAC.
46	Mutual Legal Assistance	An Order under the MLAO has been prepared to implement the MLA requirements. It is being scrutinized by the Subcommittee on Subsidiary Legislation to Implement the Obligations under the UNCAC.
<i>B. Other forms of cooperation</i>		
45 and 47	Transfer of Sentenced Persons and Criminal Proceedings	The requirements under these Articles are optional. The requirements are nevertheless fulfilled by virtue of the Transfer of Sentenced Persons Ordinance (“TSP”) (Cap. 513) and TSP agreements signed with other jurisdictions.
48	States Parties shall cooperate closely with one another to enhance the effectiveness of law enforcement action to combat the corruption offences. More specifically, they shall take measures to enhance and, where necessary, to establish channels of communication between their competent authorities, agencies and services in order to facilitate the secure and rapid exchange of information, to cooperate with other States Parties in conducting inquiries concerning the identity, whereabouts and activities of persons suspected of involvement in such offences, etc.	In addition to the measures as stated in Article 43, the ICAC has routine liaison with Interpol and is maintaining regular liaison with various overseas anti-corruption agencies. The ICAC has also hosted regional and international seminars/conferences on anti-corruption issues e.g. the Third ICAC Symposium held in May, 2006 with the main theme “Corporate Corruption, Integrity and Governance”.
49	Joint investigations	The requirement under this Article is optional. However, the ICAC is willing to consider intelligence sharing and cooperative investigation with different jurisdictions through liaison in appropriate cases.

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
50	Each State Party shall take such measures as may be necessary, to allow for the appropriate use by its competent authorities of controlled delivery and other special investigative techniques, such as electronic or other forms of surveillance and undercover operations, within its territory, provided that this is not in contrary to the basic principles of their respective domestic legal system.	Part III of POBO has provided ICAC special powers of investigations.
Chapter V – Asset Recovery		
51	General Provision	See Articles 52-59 below.
52	Each State Party shall take such measures as may be necessary, in accordance with their domestic law, to require financial institutions within its jurisdiction, to verify the identity of customers, to take reasonable steps to determine the identity of beneficial owners of funds deposited into high-value accounts and to conduct enhanced scrutiny of accounts sought or maintained by or on behalf of individuals who are, or have been, entrusted with prominent public functions and their family members and close associates.	<p>The Securities and Futures Ordinance (“SFO”)(Cap. 571) provides a legal regime for the licensing, supervision of business conduct and sanctioning of persons operating in the securities and futures industries. Its subsidiary legislations require intermediaries and their associated entities to maintain adequate accounting, trading and other records . Further, the SFC has published a guidance note under section 399 of the SFO entitled “Prevention of Money Laundering and Terrorist Financing Guidance Note” to require an intermediary and their representatives to take specified steps to introduce and implement procedures to discourage and identify any money laundering activities. In addition, the Code of Conduct published pursuant to section 399 of the SFO requires licensed or registered persons to establish the true and full identity of their clients.</p> <p>The HKMA sets out the AML/CFT requirements applicable to AIs in two supervisory guidelines. They provide that AIs should obtain satisfactory evidence of the identity and legal existence of persons applying to do business with the institution. Under the guidelines, AIs should conduct customer due diligence (“CDD”) measures including (a) identifying the direct customer; (b) verifying the customer’s identity using reliable, independent source documents, data or information; (c) identifying beneficial ownership and control; (d) verifying the identity of the beneficial owner of the customer and/or the person on whose behalf a transaction is being conducted; and (e) conducting on-going due diligence and scrutiny. In addition, specific requirements are set out to require AIs to conduct enhanced CDD measures in relation to individuals holding important public positions as well as persons or companies clearly related</p>

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
		<p>to them (e.g. families, close associates etc). In the guidelines, such individuals and associated entities are termed as politically exposed persons (PEP). The enhanced CDD measures include:</p> <ul style="list-style-type: none"> (i) AIs should gather sufficient information from a new customer, and check publicly available information to establish whether or not the customer is a PEP; (ii) AIs should ascertain the source of funds before accepting a PEP as customer; and (iii) the decision to open an account for a PEP should be taken at a senior management level. <p>The Insurance Companies Ordinance (Cap. 41) ("ICO") also requires insurers and insurance brokers to keep proper book of account. The Guidance Note on Prevention of Money Laundering and Terrorist Financing promulgated by the Insurance Authority has taken into account the revised Forty Recommendations and nine Special Recommendations issued by the FATF and can thereby meet the requirements set out in Article 52(1). For Article 52(2), the Insurance Authority has from time to time issued circulars to insurance institutions informing them the latest list of suspected terrorists and Non-Cooperative Countries and Terrorists announced by the FATF. For Article 52(3), insurance institutions are required to keep records for a minimum period of 6 years by the Guidance Note on Prevention of Money Laundering and Terrorist Financing. In addition, the ICO also requires insurers and insurance brokers to keep proper books of account.</p>
53	States Parties shall, in accordance with its domestic law, take such measures as may be necessary to permit another State Party to initiate civil action in its courts to establish title to or ownership of property acquired through the commission of an corruption offence.	Although a foreign state is immune from the jurisdiction of the Hong Kong courts, such immunity can be waived. A foreign state may sue in HK and if it does so it will be deemed to have submitted to the jurisdiction. The submission to adjudication in any particular proceedings is usually also considered to extend to any appeal.

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
54 and 55	States Parties shall establish procedures for international cooperation in confiscation matters. For instance, States Parties must permit their authorities to give effect to an order of confiscation issued by a court of another State Party, or permit their authorities to order the confiscation of such property of foreign origin by adjudication of money-laundering or other offences within their jurisdiction or by other procedures under domestic law. Upon a request by another State Party with jurisdiction over a corruption offence, States Parties must take measures to identify, trace and freeze or seize proceeds of crime, property, equipment for confiscation by the requesting State or by themselves.	<p>Hong Kong generally complies with the requirements by virtue of the provisions in Part VI of the MLAO.</p> <p>The confiscation measures are provided under the Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405), the OSCO and MLAO.</p> <p>Hong Kong can prosecute cases of money laundering and order confiscation of property of foreign origin, including cases involving the death, flight or absence of the offender.</p>
56 and 58	States Parties shall endeavour to enable themselves to forward information on proceeds of corruption offences to another State Party without prior request, when it considers that such disclosure might assist the receiving State Party in investigations, prosecutions or judicial proceedings. To that end, State Parties shall consider establishing a financial intelligence unit to be responsible for receiving, analyzing and disseminating reports of suspicious financial transactions.	A Joint Financial Intelligence Unit has been set up and operated by the Police and the Customs and Excise Department.
57	Return and disposal of assets	An Order under MLA Ordinance has been prepared to enable Hong Kong to return confiscated property, when acting on the request made by another State Party of UNCAC.
59	Bilateral and Multilateral agreements and arrangements	The requirement under this Article is optional. Hong Kong's network of bilateral extradition and mutual legal assistance agreements has been expanding to improve international cooperation against criminal activities.

Article(s)	Description of the Article / Requirement(s) under the Article	Legislation / Administrative Measures
Chapter VI – Technical Assistance and Information Exchange		
60-62	This section includes provisions on training and technical assistance, material and human resources, research, and information sharing.	<p>The ICAC is compliant by virtue of local and overseas training/attachment programmes, attendance in international conferences/seminars, etc. which facilitate sharing of experiences with anti-corruption agencies in other jurisdictions.</p> <p>Report Centre of the ICAC is the designated contact point for providing international assistance in accordance with Article 6(3) of the Convention. DoJ is the designated contact point on matters relating to mutual legal assistance and international law.</p>
Chapter VII – Mechanisms for Implementation		
63-64	This section includes provisions on the establishment of a Conference of the State Parties to the Convention and a Secretariat for the Conference.	The 1 st Conference of State Parties was held in Jordan in December 2006. The 2 nd Conference of State Parties will be held in Indonesia in January/February 2008.
Chapter VIII – Final Provisions		
65- 71	This section includes provisions on the implementation of the Convention, the settlement of disputes, the signature, ratification, acceptance, approval and accession of the Convention, the date of which the Convention shall enter into force after the date of ratification, how amendments to the Convention shall be proposed, denunciation, the depository and the language of the Convention.	This matter is being dealt with by the State Parties concerned.

Administration Wing
Chief Secretary for Administration's Office
10 July 2007

Chapter:	455	ORGANIZED AND SERIOUS CRIMES ORDINANCE	Gazette Number	Version Date
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Schedule:	2	OTHER SPECIFIED OFFENCES	L.N. 145 of 2002	01/01/2003
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[sections 2, 8 & 31]
(Replaced 26 of 2002 s. 3)

Common law offences

1. manslaughter
2. conspiracy to defraud

Statutory offences

	Offence	Description*
3.	Import and Export Ordinance (Cap 60) section 14 section 14A section 18A section 35A	alteration of vessel, aircraft or vehicle for the purpose of smuggling construction, etc., of vessels for the purpose of smuggling assisting, etc., in export of unmanifested cargo assisting, etc., in carriage of prohibited, etc., articles
4.	Immigration Ordinance (Cap 115) section 37DA(1)	assisting unauthorized entrant to remain
5.	Dangerous Drugs Ordinance (Cap 134) section 5(1) section 9(1), (2) and (3) section 35(1) section 37(1)	supplying or procuring a dangerous drug to or for unauthorized persons offences relating to cannabis plant or opium poppy keeping or managing a divan for the taking of dangerous drugs permitting premises to be used for unlawful trafficking, manufacturing or storage of dangerous drugs
6.	Gambling Ordinance (Cap 148) section 14 section 15(1)	providing money for unlawful gambling or for an unlawful lottery permitting premises to be used as gambling establishment
7.	Registration of Persons Ordinance (Cap 177) section 7A	possession of forged identity cards
8.	Crimes Ordinance (Cap 200)	

section 72	copying a false instrument
section 73	using a false instrument
section 74	using a copy of a false instrument
section 76	making or possessing equipment for making a false instrument
section 99(1)	passing, etc. counterfeit notes and coins
section 101	making or custody or control of counterfeiting materials and implements
9. Prevention of Bribery Ordinance (Cap 201)	
section 4(1)	bribery of public servant
section 5(1)	bribery for giving assistance, etc. in regard to contracts
section 6(1)	bribery for procuring withdrawal of tenders
section 9(2)	bribery of agent
10. Theft Ordinance (Cap 210)	
section 12(1)	aggravated burglary
section 18A	obtaining services by deception
11. Offences against the Person Ordinance (Cap 212)	
section 19	wounding or inflicting grievous bodily harm
12. Criminal Procedure Ordinance (Cap 221)	
section 90(1)	doing an act with intent to impede apprehension or prosecution of offender
(Enacted 1994)	

Note:* The short description of offences in this Schedule is for ease of reference only.

Chapter:	201	Title:	PREVENTION OF BRIBERY ORDINANCE	Gazette Number:	14 of 2003
Section:	4	Heading:	Bribery	Version Date:	09/05/2003

(1) Any person who, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, offers any advantage to a public servant as an inducement to or reward for or otherwise on account of that public servant's- (Amended 28 of 1980 s. 3)

- (a) performing or abstaining from performing, or having performed or abstained from performing, any act in his capacity as a public servant;
- (b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by that public servant or by any other public servant in his or that other public servant's capacity as a public servant; or
- (c) assisting, favouring, hindering or delaying, or having assisted, favoured, hindered or delayed, any person in the transaction of any business with a public body,

shall be guilty of an offence.

(2) Any public servant who, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his- (Amended 28 of 1980 s. 3)

- (a) performing or abstaining from performing, or having performed or abstained from performing, any act in his capacity as a public servant;
- (b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by himself or by any other public servant in his or that other public servant's capacity as a public servant; or
- (c) assisting, favouring, hindering or delaying, or having assisted, favoured, hindered or delayed, any person in the transaction of any business with a public body,

shall be guilty of an offence.

Chapter: 201	Title:	PREVENTION OF BRIBERY ORDINANCE	Gazette Number:
Section: 5	Heading:	Bribery for giving assistance, etc. in regard to contracts	Version Date: 30/06/1997

(1) Any person who, without lawful authority or reasonable excuse, offers an advantage to a public servant as an inducement to or reward for or otherwise on account of such public servant's giving assistance or using influence in, or having given assistance or used influence in-

(a) the promotion, execution, or procuring of-

(i) any contract with a public body for the performance of any work, the providing of any service, the doing of any thing or the supplying of any article, material or substance, or

(ii) any subcontract to perform any work, provide any service, do any thing or supply any article, material or substance required to be performed, provided, done or supplied under any contract with a public body; or

(b) the payment of the price, consideration or other moneys stipulated or otherwise provided for in any such contract or subcontract as aforesaid,

shall be guilty of an offence.

(2) Any public servant 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 giving assistance or using influence in, or having given assistance or used influence in-

(a) the promotion, execution or procuring of, or

(b) the payment of the price, consideration or other moneys stipulated or otherwise provided for in,

any such contract or subcontract as is referred to in subsection (1) shall be guilty of an offence.

Chapter: 201	Title:	PREVENTION OF BRIBERY ORDINANCE	Gazette Number:
Section: 6	Heading:	Bribery for procuring withdrawal of tenders	Version Date: 30/06/1997

(1) Any person who, without lawful authority or reasonable excuse, offers any advantage to any other person as an inducement to or a reward for or otherwise on account of the withdrawal of a tender, or the refraining from the making of a tender, for any contract with a public body for the performance of any work, the providing of any service, the doing of any thing or the supplying of any article, material or substance, shall be guilty of an offence.

(2) Any person who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or a reward for or otherwise on account of the withdrawal of a tender, or the refraining from the making of a tender, for such a contract as is referred to in subsection (1), shall be guilty of an offence.

Chapter:	201	Title:	PREVENTION OF BRIBERY ORDINANCE	Gazette Number:
Section:	9	Heading:	Corrupt transactions with agents	Version Date: 30/06/1997

(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.

Chapter: 201	Title: PREVENTION OF BRIBERY ORDINANCE	Gazette Number: 25 of 1998; 1 of 2003
Section: 12	Heading: Penalty for offences	Version Date: 01/07/1997

Remarks:

Adaptation amendments retroactively made - see 25 of 1998 s. 2; 1 of 2003 s. 3

(1) Any person guilty of an offence under this Part, other than an offence under section 3, shall be liable-

(a) on conviction on indictment-

- (i) for an offence under section 10, to a fine of \$1000000 and to imprisonment for 10 years;
- (ii) for an offence under section 5 or 6, to a fine of \$500000 and to imprisonment for 10 years; and
- (iii) for any other offence under this Part, to a fine of \$500000 and to imprisonment for 7 years; and (Replaced 50 of 1987 s. 3)

(b) on summary conviction-

- (i) for an offence under section 10, to a fine of \$500000 and to imprisonment for 3 years; and
- (ii) for any other offence under this Part, to a fine of \$100000 and to imprisonment for 3 years, (Replaced 50 of 1987 s. 3)

and shall be ordered to pay to such person or public body and in such manner as the court directs, the amount or value of any advantage received by him, or such part thereof as the court may specify. (Amended 28 of 1980 s. 5)

(2) Any person guilty of an offence under section 3 shall be liable on conviction to a fine of \$100000 and to imprisonment for 1 year, and shall be ordered to pay to the Government in such manner as the court directs the amount or value of the advantage received by him or such part thereof as the court may specify. (Amended 9 of 1974 s. 4; 28 of 1980 s. 5; 1 of 2003 s. 3)

(3) In addition to any penalty imposed under subsection (1), the court may order a person convicted of an offence under section 10(1)(b) to pay to the Government- (Amended 1 of 2003 s. 3)

- (a) a sum not exceeding the amount of the pecuniary resources; or
- (b) a sum not exceeding the value of the property, the acquisition of which by him was not explained to the satisfaction of the court. (Added 9 of 1974 s.

4)

(4) An order under subsection (3) may be enforced in the same manner as a judgment of the High Court in its civil jurisdiction. (Added 9 of 1974 s. 4. Amended 25 of 1998 s. 2)

(5) An order may be made under subsection (3) in respect of an offence under section 10(1)(b) where the facts that gave rise to that offence arose before 15 February 1974. (Added 61 of 1980 s. 2)

Item (b): Papers presented to the Citizens Advisory Committee on Community Relations for endorsing the changing work strategy of the CRD in the past 10 years, including repositioning the Mainland liaison work and district work.

The papers presented to the Citizens Advisory Committee on Community Relations for endorsing the changing work strategy of the CRD below from 2003-04 to 2012-13 are attached at **Appendices A to H**.

Title of Paper (Paper Number)	Appendix
Strategies on Ethics Trainings for Professionals (CACCR 4/2003)	A
Moral Education and Probity Promotion Work for the Youth (CACCR 7/2005)	B
Review on Business Ethics Promotion Programme for Listed Companies (CACCR 10/2005) (<i>Note: Annexes 1 and 2 to the paper have been removed as the companies mentioned therein did not give consent to disclose their names.</i>)	C
Enlisting Community Support to Reinforce a Clean Elections Culture (CACCR 7/2007)	D
Ethics Management Promotion Programme for Small and Medium Enterprises (CACCR 10/2007)	E
Strengthening Value Education for the Younger Generation – The ICAC’s Strategy (CACCR 11/2008)	F
New Trends, New Thoughts – Rethinking the Strategies on Moral Education for Youth (CACCR 7/2009)	G
Mainland Liaison Work of the ICAC – Review and The Way Forward (CACCR 11/2009)	H

Strategies on Ethics Trainings for Professionals

Purpose

Ethical standard of professionals is one of the factors in determining the success of anti-corruption work in society. The effectiveness of anti-corruption work can be greatly enhanced if professionals in Hong Kong work closely together with the Independent Commission Against Corruption (ICAC) on the fronts of law enforcement, prevention and education. In fact, professional bodies have all along been good partners of the ICAC for implementing corruption prevention work and promulgating professional ethics. This document aims to review the recent situation of Hong Kong and to analyse the partnership between the two parties and its effectiveness so as to explore the strategies and methods of the Community Relations Department in assisting the professionals to uphold their ethical standards.

Background

2. Professional talents are important assets of Hong Kong which, together with the advanced infrastructure, rigorous legal system and flexible financial system, etc, contributed to favourable business environment. In face of the challenges of globalisation and the rise of a knowledge-based economy, it is imperative for Hong Kong to reposition itself amidst the economic transformation. Professionals play a pivotal role in this crucial transitional period.

3. Principles of professionalism, such as fairness, justice, objectivity, integrity, social responsibility, safeguarding public interests, etc., are the cornerstones of stable social development. Professionals contribute to different aspects of society, such as economic development, rule of law,

infrastructure, etc. However, if the integrity or conduct of professionals is called into question and fails to meet public expectations, a confidence crisis will ensue and the reputation of Hong Kong as a world-class city will also be undermined.

4. Unfortunately, the recent spate of corporate scandals around the world, including those revealed in the United States and Hong Kong, exposed the greediness and selfishness of human beings. They also demonstrated the failure of professionals in resisting the temptation of money. The most significant insight of these incidents is no matter how mature a market is and how stringent the rules and regulations are, personal integrity is of paramount importance.

5. Hence, apart from technical knowledge and skills education, it is essential to step up the training on ethics and conduct for professionals. Under the new challenges brought by globalisation and the knowledge-driven economy, different professions have come to the agreement that continuing professional development and ethics training are important in uplifting professional standard.

Challenges and crises faced by Hong Kong professionals

6. Hong Kong suffered an economic downturn after the Asian financial turmoil which dealt an unprecedented blow to Hong Kong people. The burst of the economic bubble brought confidence crisis and financial loss. A lot of people in the middle class, including professionals, suddenly found themselves in financial difficulties, including investment loss, 'negative assets', or were even made redundant for the first time.

7. In face of adversity, some chose to cope with difficulties in a positive and pragmatic manner while some others chose to 'make quick money' by resorting to bribery and breaking the law. ICAC investigations revealed that corruption have become increasingly complex, transnational and computerised. A lot of criminals even made use of their professional

knowledge to commit crimes. Since the financial crisis, senior executives or professionals made up more than 30 percent of the people prosecuted by the ICAC in the private sector. Cases exposing the delinquent and unruly behaviours of the professionals included assistance offered by solicitors and accountants to employers and clients in taking advantage of loopholes in the law, issuance of false sick leave certificates to patients by doctors to conceal absence from duty, ‘short piling’ in construction works, etc. The behaviours of these corrupt elements have already aroused public concerns over the conduct and integrity of professionals.

Promoting professional ethics

8. Recently, the ICAC has strengthened communication with various professional bodies to find out the cause of the problems and actively plan to enhance professional ethics through education. While the professional bodies consider that they have well established codes of conduct and disciplinary mechanisms to cope with irregularities, a number of areas still remain to be improved, especially the vigilance and handling skills of the professionals against ‘ethical dilemmas’. Our key observations include:

- Ignorance – While having no corrupt intent, professionals can yet easily fall into conflict of interest situations inadvertently and have low vigilance against potential integrity crisis.
- Poor handling skills – While very familiar with code of practice or rules, professionals may lack the necessary skills in handling financial management. The intense competition has also made professional work become more commercialised.

- Negligence of moral education – Trainings provided by professional bodies emphasise on technical knowledge and skills and tend to overlook the importance of moral education. They generally consider that ethics training is not only mundane but also not conducive to enhancing their competitiveness.
- Lack of resources – Professional bodies may not be able to allocate resources or have the expertise to make moral education courses interesting and practical. Due to various reasons, some of the professional bodies have hesitation in incorporating moral education into the mandatory curriculum.

Role of the ICAC

9. In fact, some values upheld by professionals, for example, fairness, justice, integrity, etc., are in line with the visions of the ICAC. We firmly believe that building partnerships with professional bodies can effectively combat and prevent corruption in that professionals would be more willing to reject and report corruption, or they would encourage informed parties to report illegal activities and corrupt practices.

10. On the education front, the participation of professional bodies enables the ICAC to provide the public with value-added services. For example, with the assistance of the Hong Kong Society of Accountants, the Community Relations Department offered professional corruption prevention advice to owners' corporations in financial management. The Hong Kong Ethics Development Centre has recently joined forces with various information technology professional bodies to publish a practical guide for integrity management which serves as a useful reference for company executives who are facing with management problems in an increasingly computerised working environment.

11. Regarding the difficulties faced by professional bodies in promoting ethics training as mentioned above, the ICAC has the edge to make up for the inadequacy. The Community Relations Department can offer assistance as follows:

- Based on past cases and complaints handled by the ICAC, we can point out the integrity risks in concrete terms faced by professionals.
- The ICAC has developed a thinking model which encompassed the major elements of law, regulations and self values to guide professionals to make the right choice in ethical dilemmas [see **Appendix 1** for a summary of the thinking model].
- Experienced staff of the Community Relations Department will assist professional bodies in conducting seminars and promotional activities so as to make the content more interesting and practical.
- The ICAC has experience in producing multi-media training materials which can help professional bodies in launching online or e-learning courses as contrast to the traditional mode of learning which is limited by time and space.

Training strategies on professional ethics

12. To cater for the characteristics and requirements of individual professions, we will deploy the following strategies in a flexible manner so as to provide appropriate services:

- Establish a core programme – To give effect to professional bodies' recognition of the importance of ethics training, we propose that the programme concerned should be included as part of the requirement for attaining professional qualification and licence renewal; or that ethics training should be included in the continuing professional development courses for professionals. Regarding certain trades which are moving towards professionalism, we will enlist the support of the regulatory bodies concerned to include ICAC talks into the core programme for attaining professional qualifications.
- Strengthen partnership – Partnering with professional bodies to promote ethics training programme for professionals can greatly enhance the effectiveness. The participation of professional bodies will not only enhance recognition of the training programme, but also assist us in designing 'tailor-made' training materials and activities so that information more relevant to the market pulse and professional needs can be provided.
- Gainful deployment of electronic technology – Apart from conventional classroom teaching methods, we can also provide appropriate courses on the internet or by means of electronic training packages to facilitate learning by professionals.
- Enhance tertiary education – Ethical value training should best start early. Hence, the ICAC should also assist tertiary education institutions to provide pre-vocational ethics training for undergraduates of relevant departments.

- Review professional codes – Besides enhancing education, the ICAC may also provide advice in formulating or reviewing ethical guidelines for professional bodies so as to encourage them to take positive actions against illegal behaviours and irregularities, and enhance transparency to strengthen the confidence of the public in the profession.

Progress

13. In the past few years, the Community Relations Department has adopted the aforesaid strategies to provide ethics training for professionals of different sectors in various ways, such as organising thematic seminars, producing practical guides and online training packages, enlisting and encouraging professional bodies to incorporate ICAC talks as part of the requirements for attaining professional qualifications or including the talks as one of the continuing professional development courses, assisting professional bodies to review the professional codes of conduct, etc. We also note that the Government has stepped up the regulation of practitioners and encourage professional development in a number of pillar industries of the Hong Kong economy. The ICAC has also implemented appropriate preventive education programmes to tie in with these developments with positive results. Details are listed in **Appendix 2**.

Way forward

14. In view of the positive outcome of the cooperation with professional bodies in various aspects in the past, the Community Relations Department will further implement the aforesaid strategies and intensify our efforts. With more and more professions developing towards professionalism and being put under respective regulatory frameworks, e.g. company directors, the logistics industry, etc., we will be able to broaden our current liaison network, form more partnerships and seek more cooperation opportunities. Besides, to implement the strategy of nurturing a new generation who will embrace integrity, we will reinforce our support for professional ethics education in tertiary education institutions, and

make good use of information technology to achieve the target in a more cost-effective manner.

Consultation

15. Members are welcomed to give their views on the paper.

* * * *

Community Relations Department, ICAC
June 2003

Appendix 1

Ethical Decision Making Model

<First Step> Analysis of the Issue

- The facts and the ethical issues involved
- The position of each stakeholder
- Find out alternatives to the issue

<Second Step> Evaluation of the Alternatives

Compare and evaluate possible consequences of each alternative with reference to the following standards:

- Legal requirements
- Company, professional and trade-related codes of conduct
- Self values

<Third Step> Sunshine Test

- Am I willing to discuss the issue openly?
- Can I disclose my decision without misgivings to others?

Professional Ethics Training and Relevant Work Conducted by the ICAC
(as at end of May 2003)

Professional Sector/Bodies		Year	Format	Description
1	Accountants / Hong Kong Institute of Certified Public Accountants #	From 1995 1997 August 2002	Continuing Professional Development (CPD) seminars Practical guide Ethics Committee	<ul style="list-style-type: none">● Organised at least once a year. So far eight joint seminars were held, reaching about 1,300 members.● Hong Kong Ethics Development Centre (the Centre) of the ICAC and the Institute jointly published “Ethics in Management – A Practical Guide for Professional Accountants”.● Executive Director of the Centre represented the ICAC to become member of the Ethics Committee.
2	Engineers / The Hong Kong Institution of Engineers	From 1997	CPD seminars	<ul style="list-style-type: none">● The Centre organised a three-hour seminar in every quarter for the Institution; since 2002, the seminars were held at bi-monthly intervals. So far 27 seminars were held, reaching about 900 members.

Besides, the ICAC had jointly organised forums with the CPA Australia (HK branch) and the ACCA (HK branch).

~~RESTRICTED (ADMINISTRATION)~~ 內部文件 (行政)

		1998, 1999 and 2001	Territory-wide thematic seminars	<ul style="list-style-type: none"> ● Jointly with the Institution, the ICAC organised three seminars, the latter two with participation of the Hong Kong Institute of Surveyors, the Hong Kong Institute of Architects and related construction contractors associations.
		2000	Practical guide	<ul style="list-style-type: none"> ● The Centre and the Institute jointly compiled “Ethics in Practice – A Practical Guide for Professional Engineers”.
		2003	E-learning package (CD-ROM)	<ul style="list-style-type: none"> ● The Centre and the Institute jointly produced an e-learning package on professional ethics. CPD points were awarded for completion of the test in the CD-ROM.
		2003/4	CPD course accreditation	<ul style="list-style-type: none"> ● The Institute planned to include the ICAC ethics training course as a mandatory CPD module.
3	Surveyors / The Hong Kong Institute of Surveyors	From 1999	CPD workshops / seminars	<ul style="list-style-type: none"> ● Organised on an annual basis, so far five workshops and seminars were held, reaching over 400 members.

~~RESTRICTED (ADMINISTRATION) 内部文件 (行政)~~

		1999 and 2001	Territory-wide thematic seminars	<ul style="list-style-type: none"> ● The ICAC organised thematic seminars with the Institute, the Hong Kong Institution of Engineers and the Hong Kong Institute of Architects, etc.
		2003	<p>Online learning programme</p> <p>Members' qualifying examination</p> <p>CPD courses</p>	<ul style="list-style-type: none"> ● The Centre and the Institute jointly produced an online ethics training package for members' browsing on the website of the Institute. Members having completed the test in the course were awarded CPD points. ● To become a professional member, undergraduates are required to take up this internet course and pass in the test. ● The ICAC talks would become an annual function of the Institute.
4	Architects / The Hong Kong Institute of Architects	1999 and 2001 2002	<p>Territory-wide thematic seminars</p> <p>CPD seminar</p>	<ul style="list-style-type: none"> ● The ICAC organised thematic seminars with the Institute, the Hong Kong Institution of Surveyors and the Hong Kong Institution of Engineers, etc. ● The Centre hosted a seminar reaching about 50 members.

~~RESTRICTED (ADMINISTRATION)~~ 內部文件 (行政)

		2003	Online learning programme CPD course	<ul style="list-style-type: none"> ● The Centre and the Institute jointly produced an online ethics training package for members' browsing on the website of the Institute. Members having completed the test in the course were awarded CPD points. ● The ICAC talk became an annual function of the Institute.
5	Doctors / The Hong Kong Medical Association	2002	Practical guide (with CD version)	<ul style="list-style-type: none"> ● The ICAC and the Association jointly published "Integrity in Practice – A Practical Guide for Medical Practitioners on Corruption Prevention". A total of 12,000 CDs and 6,000 books were distributed.
6	Lawyers	From 1987 From 2000 2002	Visits to the ICAC Talks Seminars	<ul style="list-style-type: none"> ● Talks and visits to the ICAC have been arranged for PCLL students by HKU annually. ● Upon request of four law firms, talks were arranged by the ICAC for lawyers and trainee solicitors. Some of the talks were awarded CPD points by the Law Society of Hong Kong. ● Upon request of HKU, seminars were organised for LLM lecturers and students.

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7	Securities, futures and the investment sector	1998	Large scale conference	<ul style="list-style-type: none"> ● The ICAC and various organisations in the sector co-organised a conference to kick off the programme on ethics promotion. A total of 250 leaders in the sector were reached.
		2000	Practical guide	<ul style="list-style-type: none"> ● The ICAC and ten major organisations in the sector jointly published the “Ethics in Practice – A Practical Guide for Financial Practitioners”.
		From 2000	Continuing Professional Development (CPD) talks	<ul style="list-style-type: none"> ● Upon request of individual companies, talks were conducted for financial practitioners, reaching over 5,000 people so far.
		2002	Training package	<ul style="list-style-type: none"> ● Launched the “Ethical Crossroads – Training Package for Frontline Employees in the Securities and Futures Industry (Cantonese / English / Putonghua CD-ROM versions)."
8	Insurance	From 2002	CPD seminars	<ul style="list-style-type: none"> ● The corruption prevention course provided by the ICAC was officially listed as a core module in the continuing professional training programme for insurance practitioners.

~~RESTRICTED (ADMINISTRATION)~~ 内部文件 (行政)

				<ul style="list-style-type: none"> ● In 2002, the ICAC organised five seminars for members of various professional bodies. Liaison was made with individual insurance firms to organise trainings for insurance agents, reaching over 18,000 people in the sector.
9	Property management	From 1998	Talks	<ul style="list-style-type: none"> ● The ICAC conducted a number of talks for the certificate/diploma courses of the professional associations of the sector reaching about 300 people in the sector.
10	Estate agents	From 1998	Talks	<ul style="list-style-type: none"> ● The ICAC conducted a number of talks for the certificate/diploma courses of the professional associations of the sector reaching about 300 people in the sector.
11	Tourism (local tourist guides)	July 2002 to late 2004 March 2003	Course on licencing Large-scale conference	<ul style="list-style-type: none"> ● The ICAC organised training talks for 8,000 local tourist guides in two years. ● The ICAC and tourism-related bodies joined hands to organise a large-scale conference to launch a two-year ethics promotion programme.
		From 2003 to 2005	Seminars, training package, practical guide	<ul style="list-style-type: none"> ● Organised seminars for practitioners of travel agencies, airlines, hotels and retailers, and launched training package and the practical guide.

Moral Education and Probity Promotion Work for the Youth

Purpose

This paper provides a brief update on the work of the Independent Commission Against Corruption (ICAC) on the moral education and probity promotion work for the youth, examines the changes and challenges encountered, and proposes corresponding work strategies and focuses. Members are invited to give their views on this paper.

The Importance of Moral Education for Youth

2. Young People with good character and personal values can help uphold a culture of fairness and justice in the society. It is therefore of great importance to promote moral education among the young people by delivering the probity message and influence them imperceptibly. Many scholars¹ engaged in moral education studies in recent years have pointed out that moral education should focus on improving the young people's ability of making moral judgments so that they could make the right decisions in ethical dilemmas. Over the years, the education sector has adopted to an education policy that gives equal emphases on the five dimensions of education. This policy has laid a good foundation of moral education for the young people, warranting the continuity of a clean society.

Work Objectives

3. The ICAC's moral education and probity promotion work for the youth aims at instilling positive values (such as honesty and fairness) and fostering good character and personal ethics in the young people, and heightening their awareness of corruption prevention, with the ultimate

¹ Scholars, such as Lawrence Kohlberg, John Wilson and Richard Stanley Peters, etc.

goal of making them honest and law-abiding citizens.

4. The ICAC submitted two papers, namely, the “ICAC’s Work Strategies on Youth” and the “Rationales and practices of the ICAC’s moral education for the youth”, to the CACCR in 1998 and 2001 respectively to study and analyze the then situations, propose work strategies in response to them and invite views from the Members. In the years afterwards, the ICAC has implemented various work directions endorsed or recommended by the Members.

A Brief Introduction on Our Work

5. At present, the ICAC’s moral education and probity promotion work for the young people is of threefold:

- i) Education through face-to-face contact -- For example, corruption prevention talks are organized for and interactive dramas are introduced to secondary schools; moral education resources are recommended to prospective teachers and seminars are organized for serving teachers; parenting activities are organized to improve the parents’ understanding of the importance of moral education for their children. This education mode through face-to-face contact allows the most effective two-way communication and quick adjustment to our work according to the targets’ response.
- ii) Production of moral education packages and organization of promotional activities for the packages -- For example, Gee-Dor-Dor cartoon series and education packages are produced for primary schools and kindergartens, school-based activities entitled “ICAC Week”, the “Video Clips Project for Secondary Students”, the Outstanding Moral Education Project Awards, and the “Ethics for Professionals” Resource Portfolios and seminars for students of tertiary education

institutions are offered; the “ICAC Periodical” on moral education for teachers and the “Family-based Booklets” are produced for secondary students and their parents, and contents about the ICAC in textbooks on subjects of Social Studies and Government & Public Administration are examined. We also regularly encourage teachers to widely use various teaching packages in the promotion of anti-corruption education; and

- iii) Mass media and websites -- TV drama series entitled the “ICAC Investigators”, video advertisements, radio and TV spot series, the ICAC main website, the “Teensland” website for the youth, the “Moral Education Web” for teachers, and the “Gee-Dor-Dor Channel” are produced; the “E-Reading Student Participation Programme” is organized; web-based professional ethics resource portfolios tailor made for various disciplines with case studies are provided with a view to educating students of tertiary education institutions on how to resist the temptation of corruption at work. Moral education is promoted through the effective use of the great penetrating power of the mass media and internet, coupled with the making of contacts with the “general public” and specific targets in the community.

6. In addition, the ICAC is fully aware that the collaboration of the powers and networks of different partners will bring the best results to the promotion of moral education for the young people. In view of this, we jointly organize the “Corporate Governance for the New Generation” with the Commission on Youth, Committee on the Promotion of Civic Education and others; promote moral education among children jointly with the Education City, Small Campus, Roadshow, Radio and Television Hong Kong and McDonalds, etc.; jointly develop moral education packages and conduct pilot teaching with teachers at secondary/primary schools and kindergartens; jointly produce the “3D Gee-Dor-Dor Animation Series” with the School of Creative Media of City University of

Hong Kong; jointly produce the oral history project entitled the “History of fighting corruption” with the Hong Kong Baptist University to let the young generation know the evils of corruption; jointly organize corruption prevention activities with other governmental departments, non-governmental organizations and various industrial and business organizations. It can be said that the partnership approach has been an inseparable part of the ICAC’s moral education and probity promotion work for the youth over the years.

Examination of the Changes and Challenges Encountered

7. Ever-changing social environment have brought challenges to the ICAC’s planning on future moral education and probity promotion work for the young people. To summarize, we have the following observations:

- i) The “social culture” factor -- For instance, the social culture in recent years has changed. Materialism and consumerism as a way of life is common and pecuniary temptations are on the rise; with divorce and re-marriage getting more and more common, various family problems have brought greater challenges to the education for the young generation, particularly in the fostering of positive values in them so that they will be able to tell right from wrong and stick to principles, etc. How the ICAC could continue to effectively promote moral education to the youth in a more and more complicated social culture is a question that needs to be studied continuously;
- ii) The “school and teacher” factor -- In view of the many education reforms in recent years, schools and teachers likewise have to take up multiple tasks, e.g., helping students to prepare for various open examinations, school-based management, curriculum reforms, use of mother tongue as the medium of instruction, language proficiency assessments for teachers and external assessments, etc.. All these have

imposed stricter administrative requirements on schools and greater workload and pressure on teachers. Under such an environment, the ICAC must seek ways to assist schools and teachers so that they will continue to join hands with us in the promotion of moral education under such enormous work pressure;

- iii) The “youth’s narrow experience” factor -- Since the younger generation has not experienced the days when corruption was rampant and it is more difficult for them to understand the evils of corruption and its far-reaching impact on the society. Results of the ICAC Annual Surveys in recent years also show that the younger generation has greater tolerance to corruption in contrast to other age groups. Although it is inappropriate to deduce the cause solely from the survey results, they reflect that moral education for the younger generation is an area for concern. On the whole, the younger generation does not readily accept anti-corruption messages as the grown-ups do. As to how the ICAC could create a new look for the educational message of “evils of corruption”, making it more interesting and attractive and evoking the same feelings in the young generation, we must take these into consideration in planning our work strategies;
- iv) The “competition from other organisations” factor – In recent years, other governmental departments (e.g., the Education and Manpower Bureau, Environmental Protection Department and Narcotics Division, etc.), public bodies (e.g., the Office of the Privacy Commissioner for Personal Data, Mandatory Provident Fund Schemes Authority, Equal Opportunities Commission, etc.), advisory organizations or community organizations (Committee on the Promotion of Civic Education, Commission on Youth, anti-gambling groups, environmental protection groups, social service groups, etc.) have also produced similar teaching packages and websites for

students to promote their messages within limited classroom time. As to how the ICAC can ensure that its moral education packages, websites and video productions could grasp the pulse of the education sector, meet the needs of schools and be selected for use, we must conduct a thorough analysis in planning our work strategies, which must be well-targeted; and

- v) The “changing forms of corruption” factor -- As the elder generation might have personally experienced the evils of corruption, they have an instinctive hatred for corruption. Since the inception of the ICAC, the society has become cleaner than the past. Overt corruption is now extinct. The crimes of corruption have become more hidden and appear in different forms. As the young generation has fewer chances to deal with corruption, they may be less careful when faced with temptations and may fall into the traps of corruption. Therefore, it becomes even more important to help the young people learn the changing forms of corruption and build up positive values.

Work Strategies and Focuses in Response

8. In view of the changes and challenges, the ICAC has reviewed its moral education and probity promotion work for the young people so as to ensure that, apart from continuing its present effective work, it could respond to the changes in the society and the problems faced by the schools. Regarding its future moral education for young people, the ICAC has adjusted its work strategies and set new work focuses:

- i) Continuation of direct education approach -- The direct education approach adopted by the ICAC over the years has been effective and should be continued. In view of the needs of students in secondary schools, we will continue to promote the probity messages in schools by different ways including:

teaching the students on the anti-corruption laws through talks; introducing interactive dramas to more secondary schools by increasing the number of shows. To support the moral education efforts of teachers, we plan to organize “Integrity Link Seminars” for teachers on a regular basis, beginning from this year, so as to provide a regular platform for teachers to exchange views on ethical issues of current concern. Not only will it reinforce our partnership networks with schools and teachers, but also provide an alternative channel for teachers’ training.

- ii) Expansion of the integrity training for students of tertiary education institutions -- Young people are the masters of our future. Students of tertiary education institutions are the future leaders of the society. We believe that it is of utmost importance that students of tertiary education institutions are educated on personal and professional ethics, corporate governance and other positive values before they enter the commercial world, so as to improve their ability to resist temptations. Over the past few years, we have already embarked on our partnership programmes with individual departments of tertiary education institutions. In the few years to come, the Community Relations Department (CRD) will continue to expand the strategies on providing ethics training to students of tertiary education institutions by encouraging the institutions to include ethics training in their professional courses; we will join hands with the Hong Kong Ethics Development Centre and Hong Kong Institute of Directors in promoting the inclusion of corporate governance and directors’ business ethics as mandatory subjects in all business administration courses. CRD also plans to organize another large-scale youth summit and workshops for the tertiary education institutions in the year 2006/2007 which aim at discussing business ethic issues with the young leaders;

iii) Expansion of website and video production work – Internet development is becoming mature. The penetration of computers in families speeds up due to price drop. The more common broadband internet connection also facilitates the spreading of video productions. Internet has become a part of the curricular and extracurricular lives of primary and secondary school students. In the few years to come, CRD will continue its policy on expanding the use of websites and video production for youth education. Emphases will be put on the following:

- To obtain views from citizens through surveys for reference in revamping the “ICAC main website” and improving its contents so as to promote the integrity message more effectively;
- To create a new look for the existing moral education packages for distribution to the teachers through the “Moral Education Web”, and at the same time step up advertising and promotional activities to attract more teachers to use the packages;
- The major purpose of the “Teensland” website for the youth is to raise the youth’s awareness on integrity through relaxed online games, comics and sharing by young idols. CRD will increase the interactive elements of the website to make it more attractive to the young people;
- With internet becoming part of the curricular and extracurricular lives of primary students, the ICAC will expand its electronic platform. It proposes to set up a website for primary students in order to cultivate positive values in them through the new media and increase the means of penetration; and

- School TV stations are becoming more common, and many of them are networked for resource sharing. Other media like the “Hong Kong Joint School Online TV Network” evolved from the Quality Education Fund are also giving a push. The ICAC will step up its contacts with these partners to organize student activities or network live broadcasts, etc. With the aid of these joint school networks, we could directly deliver moral messages to the users at home.

- iv) Seizing the opportunities arising from the reform of secondary education system to produce education packages -- To ensure that schools, teachers, parents and young people will attach importance to the ICAC’s education packages under a packed curriculum, the ICAC must grasp the pulse of education development and meet the needs of schools in the production of its moral education packages. To this end, the ICAC will first produce a “teaching package with video for the liberal studies” that could fit into the liberal studies subject proposed in the secondary education reform under the “3-3-4” education system, so as to further expand and reinforce moral education in secondary schools. The ICAC has preliminarily invited people from the education sector to establish a working committee, which will assist in the production of moral education packages for the teachers’ use in liberal studies. The ICAC also plans, from the year 2006/2007 onwards, to roll out moral education productions connected with the liberal studies subject and extend the targets of moral education activities to junior secondary students, with a view to meeting the needs of both senior and junior secondary students in the curriculum reform of schools.

9. Apart from the above work strategies and focuses, the ICAC will continue to adhere to the following fundamental principles in all its work:

- i) Partnership approach for integrity building -- The ICAC will continue to join hands with different sectors in performing its work. Apart from partnering with more schools in integrity building, it will continue to join hands with the concerned governmental departments and youth organisations, and will work closely with different sectors in the society to promote moral education through community activities in the 18 districts; and
- ii) Increase of efficiency by better division of labour -- For better utilization of resources, the ICAC could adopt a more efficient division of labour: Programme Coordination (Youth) could concentrate on the moral education for secondary and tertiary students, whereas the Education and Mass Communication Office will focus on the moral education at primary schools and kindergartens, production of moral education packages, internet and digital video productions, and development of partnerships with schools for moral education, etc.

Conclusion

10. The continuous changes in social culture and school environment have brought challenges to the ICAC's planning on future moral education and probity promotion work for the young people. In view of the interactive changes in the factors concerning the students, teachers, liberal studies reform, society and internet, ICAC is able to respond quickly, continuously adjust its work strategies and set new work focuses. We believe that our efforts could surely win the support of our work partners in different sectors and they will continue to work closely with us for fostering positive values in the younger generation.

Invitation for Views

11. We invite views from Members on the work strategies and highlights mentioned in this paper.

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Community Relations Department
Independent Commission Against Corruption
October 2005

**Review on
Business Ethics Promotion Programme for Listed Companies**

Purpose

This Paper aims to report to Members of the Committee on the results of the Business Ethics Promotion Programme for Listed Companies (the Programme) and evaluate its effectiveness.

Background

2. Ten years ago, there were about 600 listed companies in Hong Kong. Nowadays, the number of listed companies has risen to over 1,100. Not only do they nearly double in number, their classification has also become more complicated. The Hong Kong financial market is increasingly diversified following the introduction of the Growth Enterprise Market (GEM) in 1999 and the listing of Mainland state-owned and private enterprises as Red Chips and H-shares in Hong Kong.

3. In recent years, corruption and commercial crime cases involving senior executives of listed companies emerged from time to time making corporate governance of listed companies a major public concern. To tackle corruption problems in the sector, the ICAC has been cracking down the corrupt resolutely in accordance with the law. On the preventive education front, the CRD focused its resources on reaching out to all listed companies in Hong Kong through the Programme to encourage senior management of listed companies to reduce corruption risks by enhancing control systems and integrity management so as to protect investors' interest and maintain the reputation of Hong Kong as an international financial market.

Programme objectives

4. According to Hong Kong Exchanges and Clearing Limited (HKEx), as at the end of October 2005, there were 1,138 listed companies in Hong Kong, 934 of which were listed on the Main Board (82%) and 204 on GEM (18%). A total of 205 companies were listed as Red Chips and H-shares, amounting to about 18% of the total number of listed companies¹. The two-year Programme, which commenced in November 2003 and ended at the end of October this year, had three objectives:

- (a) to enhance alertness of the senior management of listed companies against corruption risks. Given the sophistication of corruption crimes, the management should gain knowledge of corruption loopholes and put preventive measures and controls in place accordingly;
- (b) to provide tailor-made preventive education services to individual listed companies. The CRD aimed to provide suitable services to the senior management and staff at all levels with reference to the scale, business nature and needs of the listed companies; and
- (c) to look into the operation and concerns of the listed companies through the liaison with them. Such experience would help the CRD develop more effective preventive services.

Implementation strategies

5. In view of the different roles played by the management, frontline staff and professionals in corruption prevention, various types of services were provided as follows (please refer to **Annex 1** for a summary of the services/activities):

¹ HKEx did not announce an official list of Mainland private enterprises listed in Hong Kong, except for the total number of about 110. In addition to the 205 companies listed as Red Chips and H-shares, Mainland funded companies accounted for about 28% of the total number of listed companies.

- (a) Board members or senior executives -- Through eight seminars, the CRD exchanged experience in corruption prevention with 380 senior executives from 115 listed companies and enlisted their support for the anti-corruption work. We have obtained assistance from the regulators (HKEx, Securities and Futures Commission [SFC]) and professional bodies (such as the Hong Kong Institute of Directors, the Hong Kong Chinese Enterprises Association and the Hong Kong Institute of Chartered Secretaries) in organising the seminars. The seminars covered corruption cases involving listed companies and the corresponding preventive messages, regulatory updates and experience sharing on corporate governance. In addition, individual companies have also arranged ICAC seminars for their board members or senior executives for sharing experience in corruption prevention.
- (b) Middle management -- The CRD reached out to middle managers through visits to individual listed companies and talks on practical issues, including the provisions of the Prevention of Bribery Ordinance, corruption loopholes and preventive measures, in particular ways of handling conflicts of interest.
- (c) Frontline staff -- Since some large-scale listed companies have diversified business and a large staff size, the CRD, in addition to organising talks, also assisted them in conducting internal “Integrity Promotion Programmes” to reinforce probity messages among frontline staff members. The programmes aimed to disseminate anti-corruption messages to staff at all levels in a lively way (such as quizzes, feature articles, competitions, exhibitions, etc) through existing internal communication channels (such as intranet and corporate newsletters).
- (d) Professionals – Professionals’ participation in the listing process is indispensable. With their expertise and objective judgement, professionals play the monitoring role to ensure that listed companies abide by laws and regulations. Through various continuing professional development programmes, the CRD encouraged professionals, from a corruption prevention angle, to

uphold a high standard of professional integrity and show zero tolerance to illegal behaviours and malpractices to ensure stability of the Hong Kong financial market. The partnering professional bodies included the Hong Kong Institute of Certified Public Accountants (HKICPA), the Hong Kong Institute of Financial Analysts and Professional Commentators, the Institute of Financial Planners of Hong Kong, the Hong Kong Institute of Chartered Secretaries, the Hong Kong Institute of Directors, etc. In addition, the CRD also joined the Ethics Committee of the HKICPA upon invitation some years ago to provide assistance in reviewing the code of ethics for professional accountants from a corruption prevention perspective.

6. All listed companies contacted successfully by the CRD were given a copy of an Information Kit for Business Organisations entitled *Business Ethics - Your Way to Success*. The Information Kit, which served as a practical reference for managers and promoted ICAC services, highlighted common corruption loopholes through cases pertaining to different scopes of work, provided effective preventive measures and also explained the relevant legal requirements.

Review of programme

Effectiveness

7. Among the 1,138 listed companies, the CRD did not approach 84 companies mainly because they had no correspondence address in Hong Kong or because they were recently listed and their information had not yet been provided to the ICAC by HKEx. The CRD sent out marketing letters to the remaining 1,054 listed companies. As at the end of October this year, about 70% of them (i.e. 740 companies) were successfully reached. A total of 269 companies declined ICAC services or were unapproachable; whereas visits to the other 45 companies were still being arranged. The responses of the listed companies to ICAC services are summarised as follows:

- (a) **Adopting corruption prevention services** -- among the 740 companies successfully reached by the CRD, 78% of them (575 companies) have adopted or are actively considering adopting the ICAC's corruption prevention services: formulating/revising corporate codes of conduct, arranging corruption prevention talks, or adopting advisory services of the Corruption Prevention Department. Please refer to **Annex 2** for the list of prominent companies using the corruption prevention services. Among them, the Main Board listed companies were more positive than the GEM listed companies in adopting ICAC services (53% of the Main Board companies reached have adopted ICAC services whereas only 37% of the said GEM companies have done so).

- (b) **Reaching members of the board of directors** -- among the companies successfully reached, the CRD was able to approach the board members of 40% of them (289 companies) including 35 listed company chairmen. Besides, company secretaries acted as a useful link to deliver the ICAC's messages to the board. For example, there were cases where company secretaries arranged meetings between the ICAC and board directors who worked in the Mainland when the latter were on duty trips in Hong Kong, or passed ICAC information to board members who were abroad.

- (c) **Effectiveness of preventive talks** -- Under the Programme, the CRD conducted 850 talks for listed companies, reaching about 27,000 managers and frontline/junior staff members. Among the participants, 80% of them considered the talks effective and 95% considered that the talks enhanced their understanding of the anti-corruption laws.

Difficulties

8. The CRD encountered some difficulties when implementing the Programme. For instance, very few companies made active response to our marketing letters and the CRD had to follow up many times before visits could be successfully arranged. It was also difficult for the CRD to identify the suitable person in charge for promoting our services, thus affecting the work progress. This can be attributed to frequent restructuring exercises of listed companies such as acquisitions/mergers, high turnover of management, complex company structure, unavailability of the chairmen or senior management because of tight working schedule or frequent business trips.

9. A total of 269 companies, i.e. 26% of the total number of listed companies the CRD had tried to approach, were finally not reached. Half of them (48%) did not respond to the ICAC's marketing letters, nor did we have other ways to reach them. The reasons cited by the remaining companies which declined ICAC services included: ICAC services were not required for the time being (for example, the company would undergo a restructuring exercise or small size) (26%), or too busy to arrange visits (20%). Among these companies, the proportion of GEM listed companies was higher than those listed on the Main Board (the percentages of companies not yet reached were: Main Board 22%, GEM 32%, H-shares/Red Chips 22%).

10. Among the 740 companies successfully reached by the CRD, 182 of them did not formulate codes of conduct. The main reasons cited by these companies included: small company size (in most cases small staff size in Hong Kong offices) (34%) or busy operations (19%). Some companies engaging in cross-boundary business wished to draw up codes of conduct with reference to laws in the Mainland. In this case, the ICAC was unable to provide relevant services as such requests fell beyond the purview of the ICAC. As many companies had a complex structure and were occupied by daily operations, they had to spend a longer time to formulate codes of conduct. In addition, as it was not mandatory for listed companies to formulate codes of conduct and managers of the internal audit or compliance departments tended to focus more on dealing with regulators on the basic legal requirements on corporate governance, the companies

tended not to give priority to the issue of formulating codes of conduct. Moreover, some multinational corporations also considered that they had already put in place good systems and did not need assistance from the ICAC.

Concerns of listed companies

11. According to the liaison between the CRD and listed companies, the management had a greater concern for the following issues:

- (a) **Increasing requirements of the ability of senior management regarding corporate governance** -- A series of international corporate scandals had made corporate governance an issue of concern. Some recent corruption and commercial crimes concerning listed companies in Hong Kong also involved the senior management. The management of listed companies were rather concerned about the repercussions caused by the black sheep and acknowledged that high moral and ethical standard of board members was a core requirement for good governance. They welcomed regulators and law enforcement agencies (such as the ICAC) to put greater efforts in enhancing transparency and explaining the relevant laws to them, in particular how to deal with “grey area” (such as conflict of interest) issues.
- (b) **Challenges brought by cross-boundary business** -- Given the closer economic ties between the Mainland and Hong Kong and the expansion of Hong Kong companies in the Mainland, the legal, regulatory and cultural differences of the two places brought challenges to business management. A total of 48 listed companies have requested the CRD to conduct preventive education talks for their staff in the Mainland. Some of the companies requested that the sample code of conduct should cover the laws in the Mainland. However, due to limitations on our purview and resources, the CRD could not provide such assistance to these companies.

- (c) **Managing staff conduct** -- Some listed companies have business operations in Hong Kong, the Mainland and other places. Given the differences in legal requirements, experienced managers would agree that no single monitoring system was perfect and it was the quality of staff members that mattered. It would be the best line of defence against illegal and irregular acts if middle managers could pay more attention to staff conduct and management and establish a sound corporate culture. One of the key factors for preventing corruption in cross-boundary operation was therefore to enhance managers' skills in managing frontline staff.
- (d) **Corruption in procurement** -- Most of the enterprises paid close attention to procurement. Since the capital and turnover of listed companies were usually large, the sums involved in their procurement and outsourcing contracts were relatively substantial. This might provide a breeding ground for corruption. Most of the companies had proper control over procurement matters concerning their core business activities, but they sometimes overlooked the corruption risks arising from supporting activities such as packaging, freight transport and canteen operations.

The way forward

12. In conclusion, based on the experience gained from the Programme, listed companies took a positive attitude towards the Commission's liaison with them. Though some of the companies have not adopted ICAC services at this stage, communication channels have been opened up, and we have better understood the operation of listed companies, which will be useful for formulating our work strategies.

13. Looking ahead, apart from the on-going follow-up tasks of the Programme, the CRD will, through the network of regulators and professional bodies, approach the listed companies which have not been visited. In addition, we will sustain our contact with HKEx and approach newly listed companies after receiving the relevant information from

HKEx.

14. The following strategic efforts will also be made:

- (a) **Establishing partnership with regulators** -- In collaboration with regulators, corruption prevention services will continue to be provided to listed companies and professionals working on listing matters. Being the major regulators, SFC and HKEx will amend and draw up rules and ordinances from time to time to regulate market activities. The CRD will pay close attention to the development and provide suitable services to listed companies.
- (b) **Directors' training** -- Corporate governance relies heavily on the quality of the senior management. Upon invitation of the Hong Kong Institute of Directors, the CRD has delivered lectures in its regular professional diploma programmes. The lectures use corruption cases to emphasise that integrity is the key to the success of enterprises. The CRD plans to step up the training for directors by developing an ethics training module from an anti-corruption perspective. We will also explore possibilities of collaboration with professional bodies, especially the Hong Kong Institute of Directors, to reach more company directors through their networks.
- (c) **Strengthening ethics training for professionals** -- Professionals like sponsors, accountants, auditors, financial analysts and company secretaries play a significant monitoring role in corporate governance. Through continuous collaboration with relevant professional bodies, the CRD can reinforce professionals' ethical standard, due diligence and knowledge of legal requirements. The CRD will continue to arrange seminars and continuing professional development programmes to encourage professionals to report corruption and other illegal and irregular acts. To enhance the effectiveness, case studies based on ICAC cases will be compiled for use in training courses.

- (d) **Improving skills of middle managers / supervisors in handling staff conduct** -- To improve skills in managing staff integrity, we will produce a toolkit on managing staff integrity for the financial sector in 2006 as a pilot test. The toolkit will highlight that ethical staff management is crucial to corruption prevention and that negligence on the part of the management will lead to staff misbehaviour. The toolkit, which will include practical management tips and training packages, aims to remind the managerial staff to stay vigilant in personnel administration and to assist companies in consolidating company integrity culture.
- (e) **Strengthening liaison with Mainland enterprises in Hong Kong** -- For the H-share and Red Chip companies of which the management seldom station in Hong Kong, we will continue approaching them through chambers of commerce, such as the Hong Kong Chinese Enterprises Association. Besides, the CRD's Hong Kong Mainland Liaison Office and the Liaison Office of the Central People's Government in the HKSAR are discussing on organising ICAC seminars for the management of Mainland enterprises which are currently listed or plan to get listed in Hong Kong so as to familiarise them with Prevention of Bribery Ordinance as well as ways to prevent corruption and improve corporate governance.
- (f) **Reinforce publicity of the Corruption Prevention Kit on Cross-Boundary Business** -- In light of the growing cross-boundary business between Hong Kong and the Mainland, the CRD will continue to closely monitor the corruption problems. For example, the ICAC will produce a publication on the best practices in procurement. In addition, the CRD has published the *Corruption Prevention Kit on Cross-Boundary Business* for companies with cross-boundary operation. The publication will be promoted to relevant companies and encourage them to use our corruption prevention services.

- (g) **Making use of the network between the Hong Kong Ethics Development Centre (HKEDC) and chambers of commerce / professional bodies** -- For executives who often work in the Mainland or outside Hong Kong, we will keep them posted on the information about integrity management through the HKEDC website.
- (h) **Stepping up collaboration with business schools of universities** -- Noting that many students in business administration programmes in universities (such as EMBA) are incumbent corporate executives, the CRD will actively approach more business executives through these courses. On the other hand, tertiary students are future leaders of society. It is important to educate them the concept of corporate governance during their studies, so that they have a high ethical standard to resist unlawful monetary temptations after they start their career in future. In order to keep society free from corruption, we have always put our work focus on fostering the ethical standard of the new generation and we plan to organise a large-scale youth integrity summit for tertiary institutions next year.

15. It is not uncommon for public organisations and large enterprises in some western countries, such as the United States of America, to designate Ethics Officers to handle matters on staff conduct. Some sizable organisations in Hong Kong have established an audit or compliance department to ensure compliance with legal requirements. However, there is often no specific team overseeing staff ethical conduct which is not governed by laws. In most cases, the issue is only a small part of duties of the human resources department, suggesting that organisations have inadequate concern for staff conduct. In fact, enhancing corporate integrity culture has gradually been considered by society as an important element of good corporate governance. Recently, there are views in the community calling for the creation of the post of Ethics Officer in organisations so as to escalate the issue of managing staff integrity to the corporate policy level. The CRD will discuss such proposal with the organisations concerned.

Advice sought

16. Members are welcome to give their views on the Paper.

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Community Relations Department
Independent Commission Against Corruption
November 2005

Enlisting Community Support to Reinforce a Clean Elections Culture

Purpose

This paper aims to review how the ICAC ensures honesty and fairness at all levels of elections in HKSAR through education and publicity efforts and also make recommendations on how to, on the basis of existing work, consolidate community efforts for further enhancement of the clean elections culture in Hong Kong. Members' views are sought on the contents of this paper.

Developments in HK's political system and public elections

2. Since Hong Kong's reunification in 1997, the HKSAR Government has been committed to taking forward the democratic development of Hong Kong according to the Basic Law, allowing more room for political participation to strengthen the public involvement in the electoral system. Apart from enacting laws governing the Chief Executive (CE) Election and Village Representative Elections, the HKSAR Government has also increased the number of seats in various Councils. For example, in accordance with the Basic Law, in the third-term Legislative Council (LegCo) Election, those six seats previously elected by the Election Committee were changed to be elected through Geographical Constituencies (GC), thereby increasing the number of GC seats in the 2004 LegCo Election from 24 to 30. As regards District Councils (DCs), the number of seats was increased from 390 in 1999 to 405 in 2007.

3. On the other hand, the Commission on Strategic Development set up by the CE in late 2005 has played an active role in studying the future constitutional development of Hong Kong, including how to attain the ultimate aim of selecting the CE and all the members of LegCo by universal suffrage in

the light of the actual situation in Hong Kong and in accordance with the principle of gradual and orderly progress as mentioned in Articles 45 and 68 of the Basic Law.

4. In July 2007, the HKSAR Government published the Green Paper on Constitutional Development for discussion during a three-month public consultation by putting forth a package of proposals about the models, roadmap and timetable regarding universal suffrage to elect the CE and form the LegCo.

5. With the evolving political system, more and more opportunities are available for public involvement in running for elections at all levels. Information from the Registration and Electoral Office (REO) shows that as compared to 1999, there was an increase in the number of people either as candidates or voters taking part in the 2003 DC Elections. The number of registered voters in Hong Kong has reached 3.29 million, accounting for about half of the local population.

6. While Hong Kong's constitutional system is undergoing further development, members of the public are becoming more concerned with the electoral methods at all levels. To ensure integrity and fairness in elections, the Government has enacted the Elections (Corrupt and Illegal Conduct) Ordinance (ECICO) to regulate corrupt and illegal conduct in public elections. The ICAC is vested with the responsibility to enforce the ECICO for upholding clean public elections in Hong Kong.

Role of the ICAC in public elections

7. In performing this vital task, the ICAC has put into practice our philosophy in anti-corruption work by adopting a “three-pronged approach”, i.e. through law enforcement, prevention and education, to effectively achieve its goals. Since the reunification, the Operations Department has been strictly acting in accordance with the ECICO. A specialised unit was set up to

investigate election-related corruption complaints, keeping close liaison with departments concerned such as the Police and the REO for the exchange of information on illegal practices involving elections and taking swift follow-up actions.

8. The Corruption Prevention Department (CPD) provides appropriate corruption prevention advice on the formulation of electoral procedures. For example, in 2004 when the Government began to set up a financial assistance scheme for LegCo candidates and candidates for the DC Election in this year to encourage more members of the community to run for the elections, the CPD recommended concrete measures for preventing the risks of corruption in subsidy application procedures under such scheme.

9. According to the characteristics and scale of each public election, the Community Relations Department (CRD) designs, promotes and organizes appropriate educational and publicity activities for those involved in elections, including candidates, election helpers and voters, to remind them of the need to abide by the relevant laws and regulations. The work carried out for upholding of clean elections includes:

- Production of relevant reference materials regarding each public election for distribution through the REO to each candidate and election agent, with a view to helping them understand the provisions of the ECICO and the possible pitfalls in the course of election to avoid any corrupt and illegal conduct.
- Sending representatives to take part in briefing sessions organized by the Electoral Affairs Commission for candidates of each public election to explain the ECICO to the participants.
- Setting up a 24-hour election hotline for answering enquiries raised by candidates in relation to the ECICO and the educational and publicity services provided by the ICAC for each public election.

- Production of “Guidelines for Electors” leaflets to remind voters of the legislative requirements over voting.
- Organizing publicity activities to call for public support to clean elections through the electronic and text media, including TV and radio APIs, posters, websites and press releases, and staging exhibitions.

Integrity of public elections in Hong Kong

10. Public elections at all levels have been generally clean since Hong Kong’s reunification with China. Overseas delegates (e.g. those from the European Parliament or the US Department of State) engaged in monitoring elections in Hong Kong also commended Hong Kong for its orderly, clean and fair elections.

11. Upon review of the LegCo and DC Elections held after the reunification, it is found that despite some complaints concerning corrupt conduct in the Elections received by the ICAC, the cases were mostly isolated ones. The majority (75%) of the complaints received were related to relatively minor illegal conduct, such as non-compliance of the requirements in election returns, publishing false statements of facts about the candidates, making false claims of support in election advertisements and publishing non-compliant election advertisements. It shows that members of the public in Hong Kong are generally vigilant against corrupt conduct in elections, but might not fully understand the legislative intent of illegal conduct to ensure honest, clean and fair elections.

Enlisting community support to boost awareness on clean elections

12. Due to Hong Kong’s constitutional development and some other factors, there has been a recent upward trend on the number of public elections (including by-elections) held every year. Since 2005, 12 or more public

elections were held annually. Although different districts and sectors were involved in each election, election itself has been taken as a part of daily life of the public. To manifest the culture of honesty, fairness and law-abiding in election activities, we should convince the community to acknowledge the ideology and behavioural model of clean elections, and also urge them to put it into practice. To achieve this long-term goal, sustained promotion and involvement by all sectors of the society are indispensable.

13. Apart from carrying out educational and publicity work for each public election, the ICAC has been establishing a close liaison with relevant departments/organizations and widely spreading clean elections messages to different sectors through relevant channels. As a result of years of hard work, a culture of clean elections has generally been built in the local community.

14. To further enhance the established awareness on clean elections, we consider that on top of the usual educational and publicity activities for each public election, a proactive strategy may be adopted in line with major elections to enlist community resources and efforts to inculcate relevant messages into district activities. By sustained contact and continuous promotion, it is aimed to make clean elections a behavioural model and distinct culture esteemed by the Hong Kong public widely.

A. 2007 DC Election – community involvement in practice

15. With special regard to the DC Election this November, we have put the above strategy into practice. First of all, all CRD Regional Offices have worked hand in hand with DCs and/or District Offices concerned to organize talks in the 18 districts of Hong Kong to explain the spirit and provisions of the ECICO for prospective DC Election candidates. The CRD has also taken the initiative to liaise with various political parties/organizations to introduce the services of the ICAC in providing ECICO briefings. As of date, 28 talks were arranged for the districts/organizations concerned.

16. On the other hand, in view of the third-term DC Election to be held in late 2007, the Regional Offices have also encouraged the involvement of DCs and district organizations of 18 districts as organizers, co-organizers or assisting organizations in 215 district activities under the theme of “Support Clean Elections”. These included roving exhibitions, competitions, parades, district newsletter publicity, online games and fun days, etc. As a result of our liaison efforts, the CRD has successfully motivated over 1,300 district organizations and schools to promote and/or participate in the above activities. Taking each district organization as an individual core for promoting “clean elections”, the strategy concerned has created an impact that greatly increased the visibility of the “Support Clean Elections” concept and also facilitated dissemination of the concept into various sectors through the networks of each organization. In the future, the concept may even be incorporated into activities such as talks and tea gatherings held by the CRD for district organizations/schools to enhance such effects.

B. Cultivating integrity values among young people

17. To cultivate the awareness on clean elections into personal values manifested in public elections and all forms of elections in daily life, we consider that youths should be the right target group to start with. Some years ago the CRD designed teaching packages for primary/secondary school students and inculcated the value of “Support Clean Elections” to students through the “ICAC Week” organized by schools. However, as the ICAC Week was just an extracurricular module and not a compulsory curriculum, not all students could have access to the topic. With the education reforms newly launched by the HKSAR, the Government has decided to implement the new academic structure of “3+3+4” in senior secondary education in 2009. Under the new curriculum, Liberal Studies will become a core subject together with Chinese Language and English Language for Form 4 to 6 students. The module on “Society and Culture” in the subject will cover issues such as the participation of Hong Kong citizens in social and political affairs and the exercising of voting rights, etc. We therefore recommend that teaching aids may be designed for this module to provoke thoughts among students on their

civic responsibility when taking part in election activities, thereby inculcating in them the notion of supporting clean elections.

Conclusion

18. It is an important mission of the ICAC as the anti-corruption agency in Hong Kong to take forward anti-corruption work for fostering a corruption-free culture in all sectors of the community, including public services, commercial trades and public elections. As far as election is concerned, the educational and publicity work launched by the ICAC for each public election in the past has in general assisted in building a clean election culture in the community. However, other than the publicity and educational work pertaining to public elections, we consider that proactive efforts should be made to form alliances with district organizations to incorporate the “Support Clean Elections” message into various community activities and regular curricula of young people so that public awareness of the concept can be enhanced gradually. These are for long-term and sustained reinforcement of the “Support Clean Elections” values so that this principle can be internalised by citizens and practised in public elections as well as non-public ones, such as elections of Owners’ Corporations, professional bodies or student unions in schools.

Advice sought

19. Members are invited to put forth their views on this paper.

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Community Relations Department
Independent Commission Against Corruption
September 2007

Ethics Management Promotion Programme for
Small and Medium Enterprises

Purpose

This paper aims to analyse from the corruption prevention perspective challenges faced by small and medium enterprises (SMEs) in Hong Kong¹ and the support they need to implement ethical management so as to facilitate the Community Relations Department (CRD) to outline the corruption prevention strategies and the corresponding service programmes for SMEs.

Background

2. SMEs are the economic lifeline of Hong Kong. At present, there are more than 270,000 SMEs in Hong Kong which accounts for 98% of Hong Kong's industrial and commercial organisations. The number of employees in these SMEs reaches 1.2 million, which is about half of the total employment population. SMEs are also the major backbone of cross-boundary business in Guangdong and Hong Kong. The two places have integrated into a new economic entity, particularly the Pearl River Delta (PRD) which is an international manufacturing, trading and service centre. About 80,000 Hong Kong SMEs are currently operating in the PRD, employing some 11 million employees. Apart from that, the number of Chinese enterprises running business in Hong Kong has already exceeded 2,000, while an increasing number of private SMEs are starting their business in Hong Kong.

¹ According to the Trade and Industry Department, small and medium enterprises are defined as manufacturing enterprises with fewer than 100 employees in Hong Kong; or non-manufacturing enterprises with fewer than 50 employees in Hong Kong.

3. There is an international consensus about the importance of transnational cooperation and strengthening corporate ethics governance to prevent corruption and related malpractices. This year, Asia-Pacific Economic Cooperation (APEC) held a Leaders' Meeting and a Ministerial Meeting in Sydney, Australia, at which representatives from APEC Economies (including the Chief Executive of the Hong Kong Special Administrative Region) together made an anti-corruption declaration, pledging to fight corruption and promote good governance of public and private organisations in order to boost business ethics. Being a member of APEC Anti-Corruption and Transparency Experts' Task Force, the Independent Commission Against Corruption (ICAC) of Hong Kong, in addition to promoting corporate governance to large enterprises including listed companies and financial organisations, will also join the international mainstream in promoting ethical management to SMEs with a view to enhancing Hong Kong's business competitiveness.

Needs of SMEs

4. The CRD has consulted a number of major chambers of commerce in order to better understand the characteristics of SMEs and their concerns regarding corruption prevention management. After consolidating the opinions of the industries and research findings, it is found that the development of SMEs has their own characteristics which are influenced by external and internal factors. External factors include the growing global economic integration, in particular the economic integration of the Mainland and Hong Kong which drives cross-boundary development of the SMEs. Internal factors concern SMEs' ability to achieve corporate governance. Below is a summary of the strengths and weaknesses of SMEs as well as the opportunities and challenges that they encounter:

Strengths

- In general, SMEs are run by sole proprietors or jointly by like-minded partners who are actively engaged in the business operations and mutually trust each other. Moreover, SMEs can respond to market needs quickly with their flexibility, acute sensitivity and high adaptability. The streamlined structure enables them to better control costs and the operations.

Weaknesses

- Due to limited resources and in order to reduce costs, business operators may easily ignore management effectiveness and thus fail to control risks effectively. There is usually a lack of clear working procedures in the company's operation or that the procedures may vary according to different people or situations. Since there is a lack of system and supervision, trust is easily abused resulting in higher corruption risks.

Opportunities and Challenges

- Following the opening of Mainland China market, more and more Hong Kong and Chinese SMEs operate cross-boundary business. However, SMEs may come across many challenges while business opportunities emerge.
- In order to lower costs and open up new markets, SMEs usually move their operational bases to other places. Business operators thus face the challenge of monitoring operations of the company remotely. The experience and integrity of the personnel being appointed to work in these offices have therefore become crucial.

- In addition to cultural differences, rules and regulations governing business operations also vary in different places. It is a huge challenge for cross-boundary business operators to do business according to the law and implement good corporate governance in foreign places.
- When facing intense market competition, SMEs are often asked to offer bribes and pressured to secure business through bribery. Such practices encourage corruption and destroy fair competition.

Ethics Management Promotion Programme for SMEs

5. To cater for the need of SMEs, the ICAC will implement a two-year Ethics Management Promotion Programme in early 2008. The main objectives of the programme are as follows:

- To raise the awareness of SMEs of the importance of abiding by the laws and to strengthen the capability of SME operators in implementing ethical management in order to avoid contravening the laws inadvertently. Taking demand of the SME sector into consideration, the ICAC will give priority to issues about cross-boundary business.
- To remind the managerial staff of SMEs that it is important to establish an ethical brand for the company and that corruption is a high-risk crime. The loss of the company would outweigh the gains should business be secured by corruption.

- To enhance the capability of SMEs to manage the conduct of their staff, to encourage and offer assistance to the management staff to formulate company code of conduct and organise training for staff, and to map out control systems to prevent corruption.

Strategies to be Deployed

6. In view of the wide variety of industries and the vast number of people involved in SMEs, it is necessary to provide them with suitable and user-friendly corruption prevention services through different channels. The strategies used include:

Offering corruption prevention services through partnership

- In order to enhance the effectiveness of the Programme, the CRD will work closely with related trade associations, professional bodies and government departments/public organisations from planning to implementing and promoting the programmes to contact SMEs extensively and secure better recognition of the Programme.
- Through the network of large commercial and public organisations, the ICAC will organise talks for suppliers and contractors who are SMEs to introduce to them the anti-corruption laws and common corruption pitfalls that they might encounter. The talks aim to strengthen their awareness of the “don’t bribe” message and remind them that they should have zero tolerance of corruption, and should report corruption should they be asked for bribes.

Promoting corruption prevention message through multimedia

- To strengthen the promotion of ethical management awareness widely through different media, including producing anti-corruption materials, organising seminars, publishing educational booklets and making use of the internet and newspapers.

Offering priority services to cross-boundary business operators

- With regard to the issues concerning cross-boundary business operators' knowledge of anti-corruption laws in Mainland China and Hong Kong, the ICAC needs to seek cooperation from corresponding Mainland departments to provide information on Mainland's anti-corruption laws and on how to operate business there to Hong Kong businesses to help them observe the laws when doing business. In view of the frequent business exchanges between Guangdong and Hong Kong, and that the majority of the Hong Kong SMEs are in Guangdong province, our working partners are thus mainly from the Guangdong province. In fact, the ICAC and the Guangdong Provincial People's Procuratorate have on two occasions joined hands to produce legal guides for business operators in the two places in the 1990s. It is now opportune for the two organisations to work together again to produce corruption prevention guide for SMEs.

Formulating appropriate preventive education programmes for staff of different ranks

- In order to attain self-improvement and self-monitoring by putting corporate governance into practice, management and staff must work hand in hand to establish goodwill and an integrity culture for the company. Hence, the ICAC will provide corruption prevention services to the management and frontline staff of SMEs to enhance their awareness of ethical management and compliance with the law.

Details of the Programme

7. The CRD will organise various corruption prevention education activities targeted at management staff as well as frontline and junior staff. Details of the Programme are briefly described as follows.

Management staff

8. Corporate management team's awareness of corruption prevention is of paramount importance. They must be the role models for staff at different levels and help staff understand the company policy. Hence, the corruption prevention education for management staff will mainly focus on reminding them not to offer bribes amid fierce competition in the course of business dealings so as to prevent the company from breaching the laws. Besides, they must be proactive in implementing control measures and manage their subordinates properly to prevent corruption and acceptance of bribes by the unscrupulous, thus impairing the company's interests.

9. In view of the significant number of SMEs and the numerous industries involved, it may not be feasible for the ICAC to contact individual company management staff directly. In this connection, the CRD is collaborating with the Guangdong Provincial People's Procuratorate in jointly producing the "A Guide to the Prevention of Corruption for SME Entrepreneurs Investing in Hong Kong and Guangdong" as a reference for SME management staff operating business in Hong Kong and the Mainland. The CRD, through 18 chambers of commerce, has widely sought views from SMEs and cross-boundary businessmen to look into their concerns. After consolidating the opinions of various sectors, the Guide is divided into four parts:

- Explain concisely the concept, legislative basis and spirit of the anti-corruption laws of Hong Kong and the Mainland. Case studies

are used to facilitate readers to better understand the key points of the related laws.

- Assist cross-boundary businessmen to assess whether or not their companies can effectively control corruption risks and to learn about the procedures of applying for licenses from relevant government departments. Provide support to SMEs on how to enter into contracts with their business partners by ethical business practices and how to resolve commercial disputes through legal means.
- Use case studies to illustrate the internal management problems faced by SMEs and provide Best Practice Modules for reference.
- Introduce the anti-graft work in Hong Kong and Guangdong, contact information of Hong Kong and Guangdong Provincial Government as well as the relevant support services organisations, and “frequently-asked questions” and the corresponding answers.

10. Apart from publishing corruption prevention guide, the ICAC will also organise thematic workshops for SMEs of different trades through the partnership with the trade associations concerned to raise cross-boundary business operators’ awareness of corruption risks and encourage them to adopt ethical management measures. The ICAC will also take the initiative to contact sizable SMEs in key industries. Priorities will be given to trading, import and export, and those in the manufacturing sector like toys, textile, clocks and watches, and electronics industries. Tailor-made corruption prevention services will be provided, including the formulation of code of conduct, the arrangement of staff trainings and the promotion of the corruption prevention guide to SMEs engaged in cross-boundary business. The Advisory Services Group of the Corruption Prevention Department will also provide corruption prevention advice on system control to individual companies upon request.

Frontline and junior staff

11. With regard to frontline and junior staff, the major areas of work will be to increase their knowledge of the anti-corruption laws so as to safeguard their company against the evils of corruption. Emphasis will be placed on the fact that corruption is a high risk crime and they should never defy the law. The ICAC will distribute corruption prevention booklets to staff of SMEs during talks and through the network of related trade associations in order to enhance their understanding of the Prevention of Bribery Ordinance and the importance of carrying out their duties with integrity.

Promotion and Publicity

12. In response to APEC's call for enhancing corporate governance, and in order to implement the "United Nations Convention Against Corruption" which came into effect in the Mainland and Hong Kong early last year, the ICAC will organise a joint seminar with the Guangdong Provincial People's Procuratorate and related trade associations in Hong Kong in early 2008 to launch the "A Guide to the Prevention of Corruption for SME Entrepreneurs Investing in Hong Kong and Guangdong". In the event, contents of the Guide and practices for good corporate governance and ethical management will be introduced to SMEs.

13. The ICAC will make good use of the networks of the Trade and Industry Department and the Hong Kong Trade Development Council to widely publicise to SMEs the keys to enhancing corporate governance. The corruption prevention messages will also be disseminated through the websites of the Hong Kong Ethics Development Centre and related trade associations, as well as the newsletters of these trade associations. We will also liaise with the press to publish special features or feature articles on ethical management in SMEs.

Views Sought

14. Members are welcome to give their views on the paper.

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Community Relations Department
Independent Commission Against Corruption
November 2007

Strengthening Value Education for the Younger Generation
— the ICAC's Strategy

Objective

This document outlines the ICAC's on-going efforts on youth moral and preventive education and assesses the challenges and opportunities ahead. It also proposes future work strategies and focuses for Members' deliberation.

Current Strategies / Work Review

2. ICAC has been striving to foster positive values among the younger generation as one of its major work objectives. A paper on *Youth Moral Education and Preventive Education Work* was submitted to the Citizens Advisory Committee on Community Relations in 2005 with the following work strategies and focuses:

- a) Promoting moral education in schools – to enhance the awareness of students on the evils of corruption, such as by increasing the number of interactive drama performances to reach out to more secondary schools;
- b) Developing integrity training for tertiary students – to encourage the inclusion of corruption prevention modules in professional courses of tertiary institutions and organise large-scale youth summits and workshops;
- c) Promoting moral education through websites – to launch a new website for primary students and re-organise the moral education teaching materials in the ICAC Moral Education Web for teachers' easy reference;

- d) Producing teaching materials in step with education reforms – to complement the development of Liberal Studies curriculum by producing related materials to facilitate teaching of moral education in secondary schools; and
- e) Establishing Partnering Network for joint initiatives on preventive education – cooperate with different sectors, establish partnership with more schools and make a concerted effort with related government departments and youth bodies in the launching of moral education endeavours.

3. The above initiatives have been implemented in the subsequent years, including the inauguration of the website for primary school pupils in 2007. Please refer to Appendix I for moral education productions and activities of the ICAC over the last three years and Appendix II for statistics on visitors to the *ICAC Moral Education, Teensland and Kidsland websites*.

Challenges and Opportunities

4. New challenges and opportunities emerge in our moral and preventive education efforts for youth alongside changes in social environment, evolvement of values and attitudes of youngsters, development of education policies and advancement of information technology and the new media. Here are some observations :

a) Changes in social environment

A growing gap between rich and poor and the recent volatility in the financial markets inevitably would have an impact on youth's perception of wealth and living. They might waver and stray¹ in face of corrupt temptation. The need to strengthen integrity education and help young people establish a correct attitude towards money is ever more pressing.

b) The values and attitudes of youth

- i) According to findings of ICAC's annual surveys, public tolerance towards corruption in the civil service and business sector remained low but the average score given

¹ Reference from Youth Opinion Polls Series No. 159 on "How do youth perceive earning fast buck?" conducted by the Hong Kong Federation of Youth Group (2007).

by people in the age group 15-24 was higher than other age groups² (meaning their tolerance towards corruption was higher). The findings matched studies conducted by the Hong Kong Federation of Youth Groups on Youth Trends in Hong Kong (2004-06)³.

- ii) According to findings of a focus group study on public perception and tolerance towards corruption conducted by the CRD in July 2008, secondary students by comparison were less concerned about the problem of corruption and were foggy about the evils of corruption. On the other hand, tertiary students' sense of law compliance was relatively weak and their vigilance on conflicts of interests was not high.

c) Development of education policies

- i) Current reform in school curriculum strongly advocates integrating moral and civic education into different learning areas and providing a comprehensive yet balanced curriculum for students. For instance, through "Other Learning Experience", students would obtain exposure to moral and civic education as well as athletic/artistic skills⁴. The ICAC will capitalize on the curriculum reform when producing moral education teaching packages for teachers and students.
- ii) As for tertiary education, the four-year academic system will provide greater learning capacity for students. Tertiary institutions are planning to strengthen their General Education provision to broaden students' learning landscape. The ICAC will continue to seek co-operation with tertiary institutions with a view to intensifying moral training for tertiary students.

² Using a 0 to 10 rating scale (with 0 representing total rejection and 10 total tolerance), the scores registered by the age group 15-24 in 2006, 2007 and 2008 were 1.7, 1.4 and 1.4 respectively, whereas those registered by other age groups were between 0.9-1.1, 0.7-0.8 and 0.7-0.8 respectively.

³ According to survey findings on the change in perception in the rule of law, although youth's awareness of law compliance remained high (97.0%), 48.7% of the respondents still regarded corruption as a common practice in the business community.

⁴ "Advance to the new academic system – a people-based approach" by Dr K K CHAN, Principal Assistant Secretary of the Education Bureau (2008.9.4)

d) Application of information technology and the new media

The advent of information technology has made the internet and the new media an integral part of the teaching process. While the ICAC strives to optimize the potential of the new platform to furthering moral education, we need to take heed of resources and positioning consideration in designing contents and activities that appeal to young people.

Future work strategies and major initiatives

5. Whilst continuing with proven work strategies, the ICAC seeks to formulate future initiatives on youth moral and integrity education in the light of the above development trends.

a) To promote moral education in tandem with education reform

- i) To complement the new curriculum, the ICAC will organise participation programmes for students (e.g. programmes to recruit student ambassadors) to expand their learning experience and intensify the effectiveness of moral and civic education.
- ii) ICAC's work and anti-corruption messages have already been included into the formal curriculum of primary and secondary schools at present. 【Both the Economics & Public Affairs Subject of F.2 and F.3 and General Studies subject for senior primary school contain an introduction of ICAC's work and anti-corruption messages. The new senior secondary's Liberal Studies subject also contains elements about the rule of law and the quality of life.】 However, the contemporary trend in curriculum development is to reduce reliance on textbooks⁵. Teachers are encouraged to develop and share learning materials and to make more use of other learning and teaching resources such as the Internet and everyday authentic materials. The ICAC will continue to develop quality moral education teaching material in line with the relevant content of Liberal Studies and "Personal, Social and Humanities Education" subjects for teachers and schools.

⁵ "A Parental Guide on Textbook Matters" issued by the Education Bureau in 2008.

- iii) CRD will closely monitor and will complement the progress of the development of electronic books and electronic learning resources in the production of teaching materials, as mentioned in CE's policy address in 2008.

b) To include integrity as a moral training focus in schools

- i) Assistant Director/Community Relations met with the Principal Assistant Secretary (Curriculum Development) of Education Bureau in March 2007 and proposed adding "integrity" into the five priority values. The proposal was accepted by the Education Bureau and was included in the revised Moral and Civic Education Curriculum Framework in 2008⁶.
- ii) Integrity, fairness and law compliance have always been the core of ICAC's moral education teaching packages. With integrity included into the moral education curriculum framework, the ICAC is able to compile and introduce teaching material in this area systematically to schools. More efforts have been put into the design of education material based on social issues and student's live experience, and help teachers promote moral education at moral education classes, weekly meetings and class teacher's classes.

c) To strengthen ethics training for tertiary students

- i) Continuous professional training: CRD has always maintained close relationships with tertiary institutions by organizing ICAC talks for students from different faculties. In recent years, we have also produced corruption prevention material jointly with individual faculties (e.g. the Architecture Faculty) for inclusion into their undergraduate programmes and also assisted in the teaching of these subjects. The ICAC will develop similar collaboration programmes with other professional faculties to enhance integrity and professional ethics among tertiary students. Also, in consultation with professional bodies, we will explore the possibility of

⁶ In the curriculum reform launched in 2001, "Moral and Civic Education" was listed as one of the four Key Tasks to be taught and suggested that schools should primarily inculcate the five values and attitudes, namely "Perseverance", "Respect for others", "Responsibility", "National identity" and "Commitment" into youngsters. The revised Moral and Civic Education Curriculum Framework in 2008 include the two priority values namely "Caring for others" and "Integrity"

incorporating elements of corruption prevention and professional ethics into their CPD courses or qualifying examinations.

- ii) The ICAC will expand in earnest the ICAC Ambassador programme jointly organised with tertiary institutions to enhance the awareness of tertiary students on the evils of corruption through participation. They will be encouraged to organise and plan on-campus activities to promote positive values such as “integrity” and “probity”, thereby developing their leadership ability⁷. The ICAC will continue to expand collaboration with tertiary institutions in this aspect.

d) To maximise the use of information technology in promoting moral education

- i) With the youth website, children website and moral education website now serving different targets, ICAC will continue reviewing the effectiveness and positioning of these websites and enhance the integration and sharing of existing on-line resources.
- ii) The ICAC will further explore ways to strengthening the interactive elements of the websites and establishing learning communities in consultation with schools and academics on the latest trend in youth culture and tastes.
- iii) The increasing popularity of Campus TV stations has provided a new learning platform for students⁸. In 2007, the ICAC, as a pilot scheme, invited primary schools to shoot and provide moral education videos to broadcast at campus TV stations and ICAC’s children website. The ICAC will continue to seek wider collaboration with schools in this aspect.

⁷ The ICAC and the City University of Hong Kong first launched the programme in 2007

⁸ Roughly, about 40% of the primary and secondary schools (totaling some 400 schools) in Hong Kong have set up Campus TV stations.

e) To actively expand partnership to achieve co-operation and co-ordination

Working partners have always played an important role in ICAC's youth work. The ICAC will continue to consolidate and expand our partnership approach in the future. We will :

- i) step up co-operation with the Education Bureau, including :
 - liaising with the Education Bureau in co-opting ICAC representatives to sit on relevant curriculum development advisory committees/working groups to advise on incorporating integrity messages into the moral education curriculum;
 - organising activities jointly with the Education Bureau and inviting schools to produce sample material for teaching on the themes of probity and integrity, with the relevant resources to be uploaded on the websites of Education Bureau and the ICAC for reference of teachers;
- ii) enlist stronger support from headmasters and teachers, e.g. invite more schools to join the Moral Education Network Teacher Scheme and encourage registered teachers to share their teaching resources and participate in the production of teaching packages (CRD has introduced the scheme since 2005. At present, about 1,000 teachers are members to the Scheme⁹ and the number of subscribers to the Moral Education Web stands at over 10,000);
- iii) co-ordinate parents' participation in promoting values education, e.g. organize parenting activities to promote ICAC's work and values jointly with the Committee on Home-School Co-operation; and
- iv) co-operate with youth bodies which share the same values on joint moral education activities, such as the launch of a Charter for Youth Integrity.

⁹ At present, there are more than 500 primary teachers and 400 secondary teachers in the ICAC's Moral Education Network Teacher Scheme

Implementation of the Plan

6. With due consideration to resources commitment, the ICAC will implement the above initiatives in phases in accordance with a short-term, medium-and-long-term work strategy:

a) Short-term strategy (2009–2011)

In spite of a diversity of moral education activities provided for youngsters, the ICAC will treat integrity and moral education work for youth with top priority in the coming year. Taking stock of on-going activities, we plan to launch a series of specific moral training projects for youngsters. We will :

- i) organize a seminar on youth moral education and a “youth summit” for young leaders on integrity and ethics. We plan to invite the participation of academics, educators and youth bodies in the seminar with a view to deliberating on the values and attitudes of youth and raising the society’s concerns over the issue of integrity and ethics. The summit is aimed to promote the culture of ethical leadership among youngsters through exchanges between tertiary students from Hong Kong, Mainland and Macao, and through workshops and case studies competitions etc.;
- ii) produce moral education materials and organize activities which correspond to the development of the “3-3-4 academic structure”, e.g. to compile serialized moral education teaching packages pivoted on integrity and promoted to schools, as well as to help train moral education teachers; to pilot-run the ICAC Ambassador programme in secondary schools; to use the mobile exhibition vehicle as a focal point in encouraging the conduct of anti-corruption events, such as the ICAC Week, in secondary and primary schools; and
- iii) devise a strategic plan to utilize the use of website/learning media in promoting moral education, e.g. joint projects with Campus TVs.

b) Medium-term and long-term strategies (2011–2013)

We will take stock of the efficacy of the programmes and initiatives launched in the previous period and to formulate

suitable strategies to enable us to improve with changing times.
We aim to: -

- i) produce teaching materials to complement the development of electronic books and electronic learning resources;
- ii) actively strengthen collaboration with strategic partners in the promotion of moral education (e.g. to encourage parents' participation and co-operate with youth groups in promulgating a "Charter for Youth Integrity"); and
- iii) explore and incorporate corruption prevention and professional ethics elements in the examinations and CPD programmes of professional faculties in tertiary institutions.

Conclusion

7. This paper examines the youth moral education work conducted by the ICAC in recent years as well as opportunities and challenges that lie ahead. When formulating work strategies, the ICAC will proactively respond to the changing social atmosphere, evolving education reform as well as the teaching and learning needs of teachers and students. We will draw up work priorities and secure support from work partners of different sectors in fostering integrity in youth.

Advice sought

8. Members are welcomed to give their views.

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Community Relations Department
ICAC
December 2008

Major ICAC Moral Education Teaching Packages and Activities
(2006 – 2008)

Project	Brief Description	Partners
<u>Moral Educational Teaching Packages and Activities for Kindergartens/Primary Schools</u> 1. ‘Gee-dor-dor Detective – Ten Strange Cases’ Moral Education Cartoon (2006)	The Gee-dor-dor cartoon series consisting of 10 episodes of 2 minutes each were broadcast on TVB Jade Channel in 2006 summer and re-ran at December. They were broadcast on tvbQ web channel for children in October.	
2. ‘Gee-dor-dor Detective – Ten Strange Cases’ Moral Education Teaching Materials for Primary School (2006)	Targeted at junior primary students, the teaching materials were designed for classroom discussions and extension activities. They were distributed to around 700 primary schools.	Lion Clubs International District 303 – Hong Kong & Macau
3. ‘Gee-dor-dor Detective – Ten Strange Cases’ Moral Education Teaching Materials for Kindergarten (2006)	Targeted at middle and upper kindergarten pupils, the teaching materials were distributed to around 900 kindergartens and child care centres.	
4. Gee-dor-dor Musical Competition (2007)	Targeted at kindergarten pupils, the competition was participated by 57 schools. The preliminary round of competition was held in different districts and the final competition was attended by over 800 parents and pupils.	

Project	Brief Description	Partners
5. Launch of 'Kidsland' Children Website (2007)	At the request of parents and teachers, the website was launched in January 2007. Nearly 500,000 visits were recorded for the first year with the average browsing time about 10 minutes. There are now 10,000 people subscribing the website.	
6. "Superkid" Project (2007)	To enhance the visibility of 'Kidsland', this programme enabled primary school pupils to develop positive values through participation, learning and practice. 92 primary schools had signed up. The programme was conducted in three phases, including web games, various training activities and creativity competition.	<ul style="list-style-type: none"> • HKed City • RTHK • Union of Heads of Aided Primary Schools of Hong Kong • Subsidized Primary Schools Council • Playright Children's Play Association • The Boys' & Girls' Clubs Association • Sing Tao Jih Pao
7. 'Hong Kong is My Home Town' Gee-dor-dor Cartoon (2008)	The Gee-dor-dor cartoon series consisting of 10 episodes of 2 minutes and 15 seconds each would be broadcast on TVB Jade Channel for two consecutive weeks from mid December 2008.	
8. 'Hong Kong is My Home Town' Gee-dor-dor Moral Education Teaching Package (2009)	The 'Gee-dor-dor Outstanding Teaching Plan' Collaboration Programme was conducted jointly with the Hong Kong Institute of Education (HKIEd). The HKIEd students were invited to design teaching plans basing on the themes and contents of the cartoon series. The teaching package would be distributed to all primary schools, kindergartens and child care centres in the territory in early 2009.	<ul style="list-style-type: none"> • Hong Kong Institute of Education

Project	Brief Description	Partners
9. General Studies Moral Education Teaching Package for Primary Schools (2009)	Targeted at senior primary students, the package consisted of five modules in which themes like self-discipline, law compliance, love & care, integrity and fairness were chosen as the focus of the teaching package. The teaching package would be distributed to all primary schools in early 2009.	<ul style="list-style-type: none"> • Education Bureau
<u>Moral Educational Teaching Packages and Activities for Secondary Schools</u> 1. Senior Secondary Liberal Studies Teaching Package (2006)	To tie in with the reform of senior secondary curriculum, the teaching package was produced for secondary school teachers in teaching liberal studies subjects. The teaching package consisting of a 25-minute film and a teaching guide would be distributed to around 500 secondary schools.	<ul style="list-style-type: none"> • HKed City • Education Bureau • RTHK • Sing Tao Jih Pao
2. 'Food for Thought' Moral Education Teaching Package (2007)	Suitable articles from the 'Collection of Renowned Writers and Celebrities' Contribution' were selected for production of the 'Food for Thought' teaching package – a supplement to the Chinese Language syllabus for senior secondary students and intended as a teaching tool for moral education.	
3. 'Fuller Life in a Corrupt-Free Society' Moral Education Teaching Package for Junior Secondary Schools (2007)	Targeted at junior secondary students, the teaching package with themes such as 'Clean Society' and 'Towards a Fuller Life' were distributed to around 500 secondary schools.	

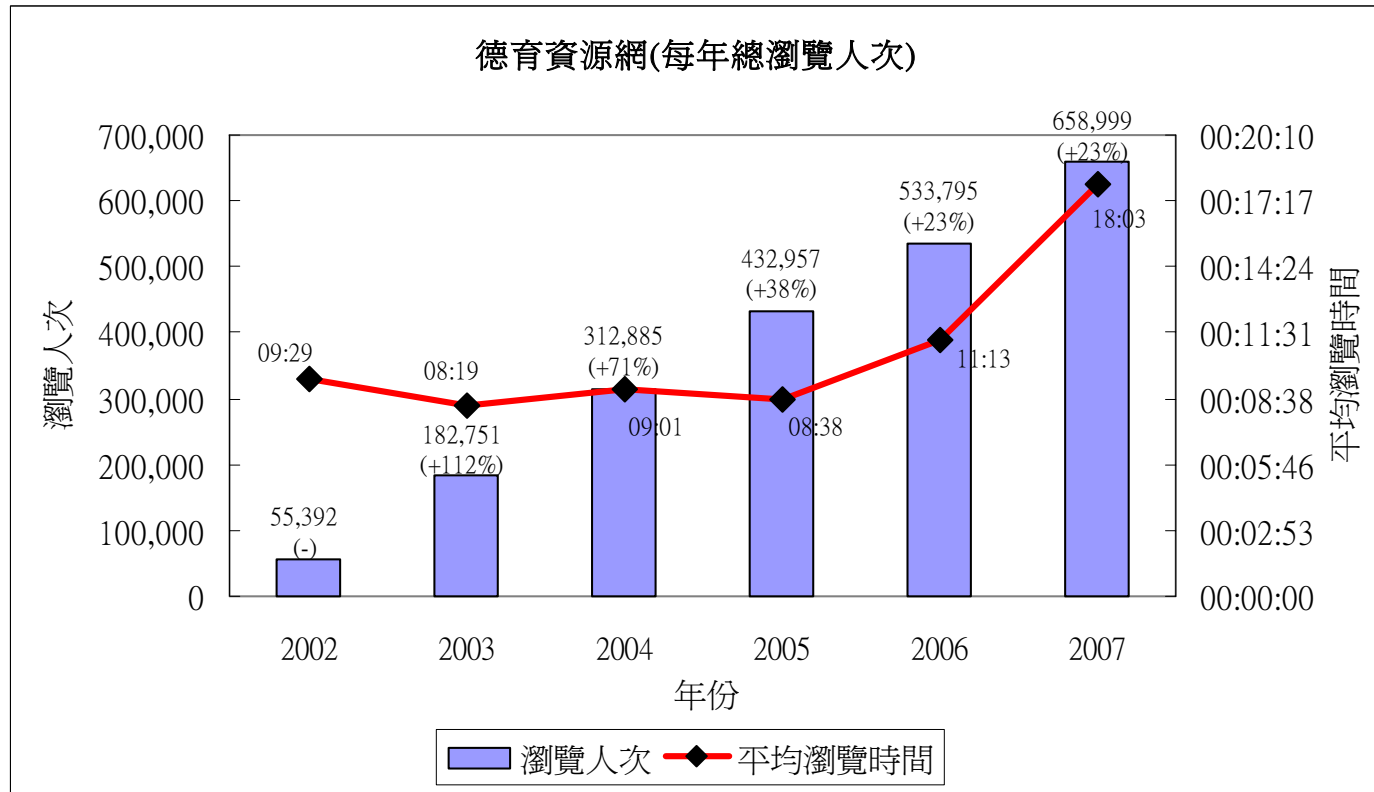
Project	Brief Description	Partners
4. 'Fuller Life in a Corrupt-Free Society' Junior Secondary School Project-Based Reports Competition (2007)	As an extension of the 'Fuller Life in a Corrupt-Free Society' Junior Secondary School Teaching Package, the competition was participated by 32 schools and 57 reports were received. Adjudication work had completed and 12 winning entries were chosen.	<ul style="list-style-type: none"> • Ming Pao
5. Documentary Booklet on Territory-wide Competition on Project-based Reports' (2008)	Outstanding entries of the competition on project-based reports were compiled as teaching materials complemented with a teaching guide and distributed to around 500 secondary schools.	
6. 'Wealth and Living' Video Competition (2008)	Targeted at secondary schools students, the competition was participated by over 70 teams from 48 secondary schools. Winning entries would be included in a teaching package to be distributed to all secondary schools in early 2009.	<ul style="list-style-type: none"> • Hang Seng Bank • Hong Kong Subsidized Secondary Schools Council • Hong Kong Association of Heads of Secondary Schools • Hong Kong Academy for Performing Arts • Education Bureau • ATV
7. Interactive Drama Performances for Secondary Schools (2006-2008)	Interactive dramas targeting at F.3/F.4 students aimed to drive home the evils of corruption caused to the individuals and society as well as the main points of anti-bribery law. CRD reached a total of 35,070 secondary students through interactive dramas in 06/07 and 40,150 secondary students in 07/08.	<ul style="list-style-type: none"> • Commission on Youth (07/08 Year) • Committee on the Promotion of Civic Education (07/08 Year)

Project	Brief Description	Partners
<p><u>Moral Education and Activities for Universities</u></p> <p>1. ICAC Talks for Universities (2006-2008)</p>	<p>CRD has been organizing ICAC talks on anti-corruption laws, code of ethics, ways to deal with ethical dilemmas, etc for universities to remind university students of the corruption pitfalls which they might encounter in different working environment and to inculcate probity awareness. CRD reached a total of 10,145 university students through talks in 06/07 and 11,680 university students in 07/08.</p>	
<p>2. 'Ethical Leadership for the New Generation' Training Programme (2006-2007)</p>	<p>CRD organized the programme to equip students in tertiary education institutions with the knowledge and skills to become ethical leaders through their participation in workshops, a case study competition and a youth summit. The programme reached 800 local tertiary students and 750 university students from Mainland, Macau and overseas.</p>	<ul style="list-style-type: none"> • Commission on Youth • Committee on the Promotion of Civic Education • Hong Kong Institute of Certified Public Accountants • Hong Kong Institute of Chartered Secretaries • Hong Kong Institute of Directors • Hong Kong United Youth Association
<p>3. 'ICAC Ambassador Programme' (2006-2008)</p>	<p>CRD and the City University of Hong Kong (CityU) co-organized an 'ICAC Ambassador Programme' with a view to mobilizing CityU students to organise multi-faceted activities on the campus (e.g. workshop, film session, case study competition and exhibition) to promote clean and probity messages. 30 ICAC ambassadors were recruited to hold activities in</p>	<ul style="list-style-type: none"> • City University of Hong Kong

Project	Brief Description	Partners
	the campus in 07/08, reaching a total of 650 CityU students approximately. In 08/09, a total of 41 ICAC ambassadors organized a wide range of preventive activities on the campus in February 09.	

2.1 ICAC Moral Education Web

Targeted at teachers, the ICAC Moral Education Web (<http://www.icac.org.hk/me>) provides teaching materials/information for use by teachers in the promotion of moral education. The Web has currently 10,996 subscribers.

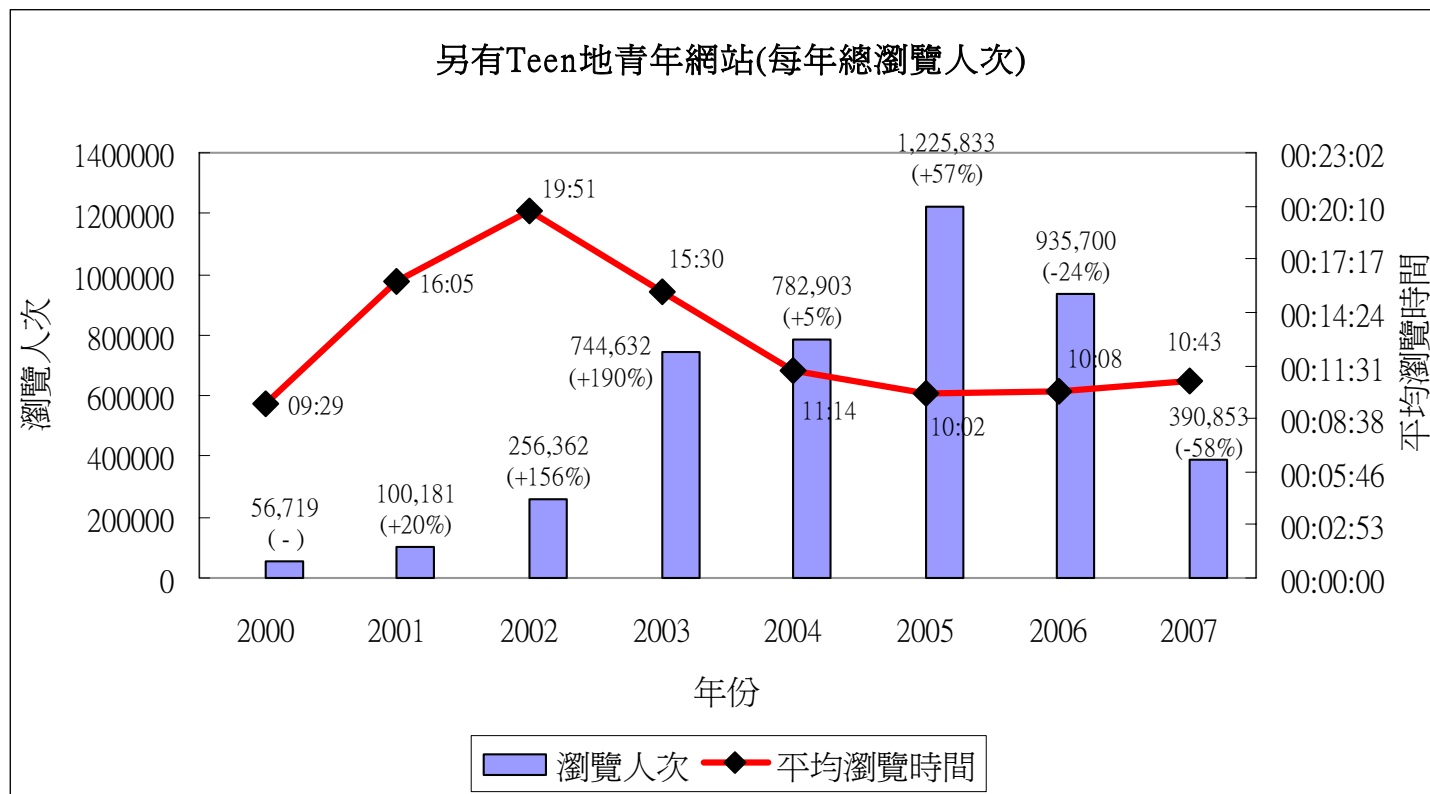


The rate of increase for year 2003 was calculated on the basis of the average number of days in year 2002, as the website came into operation in May 2002,

德育資源網(每年總瀏覽人次) ICAC Moral Education Web (Annual Total Number of Visitors) / 瀏覽人次 Number of Visitors /
 平均瀏覽時間 Average Browsing Time / 年份 Year

2.2 “Teensland” Youth Web

The “Teensland” website (www.teensland.icac.hk) provides an online platform to share with youngsters the positive values of life. The Web has currently 12,772 subscribers.

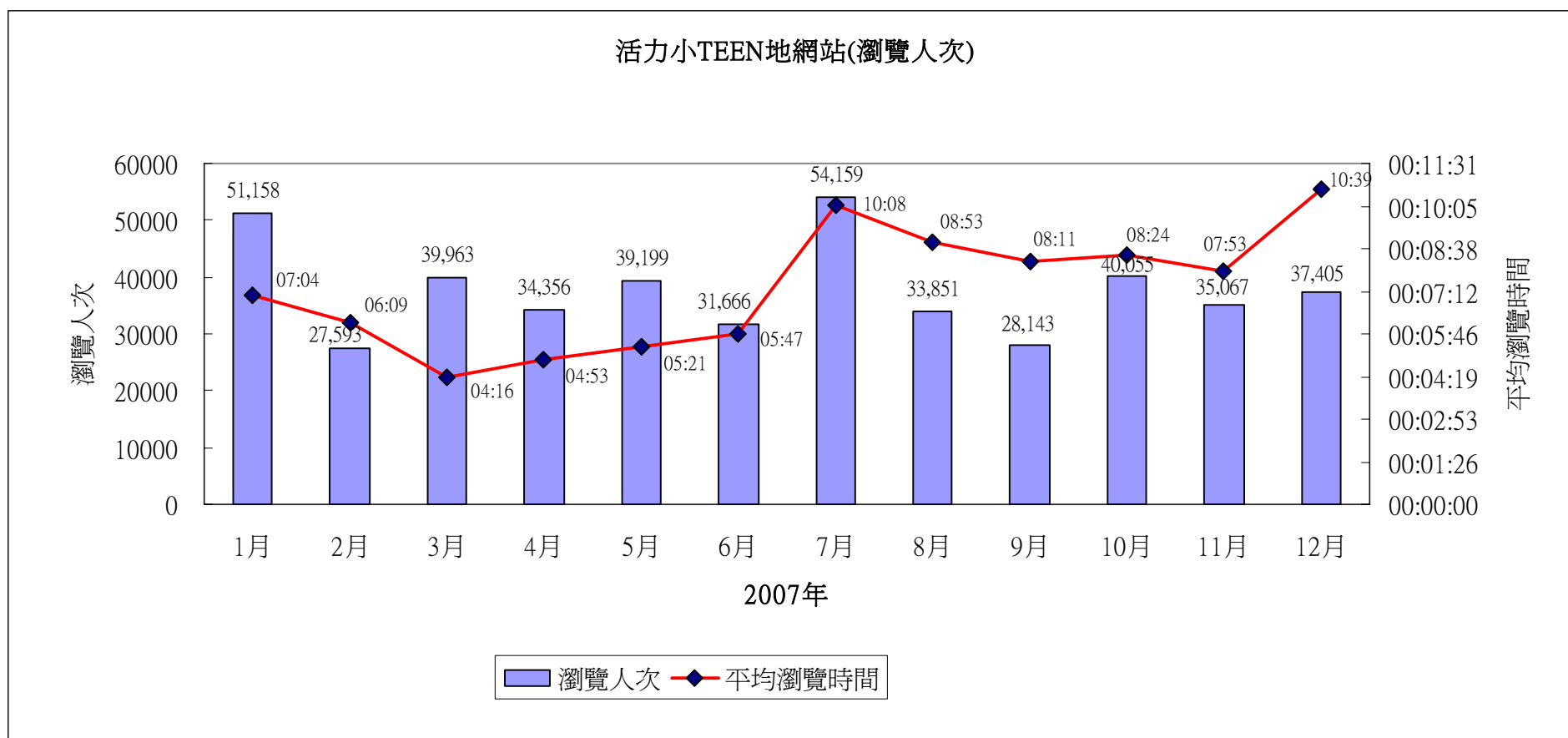


The rate of increase for year 2001 was calculated on the basis of the average number of days in year 2000, as the website came into operation in April 2000,

「另有Teen地」青年網站(每年總瀏覽人次) “Teensland” Youth Web (Annual Total Number of Visitors) / 瀏覽人次 Number of Visitors / 平均瀏覽時間 Average Browsing Time / 年份 Year

2.3 “Kidsland” Children Web

Launched in early 2007, the “Kidsland” Children Web (www.kidsland.icac.hk) aims to inculcate anti-corruption awareness and positive values into children through interactive and interesting contents. The Web has currently about 10,000 subscribers.



「活力小 Teen 地」兒童網站(瀏覽人次) “Kidsland” Children Web (Number of Visitors) / 瀏覽人次 Number of Visitors / 平均
瀏覽時間 Average Browsing Time / 年份 Year

**New Trends, New Thoughts – Rethinking the Strategies on
Moral Education for Youth**

Objectives

Youth education on anti-corruption is an important work objective of the ICAC. The CACCR paper, submitted in 2008, reviewed the work strategies on youth moral education. Short-term, medium-term and long-term objectives were also formulated in consultation with committee members.

2. The promotion of anti-corruption education cannot be effective unless we keep our finger on the pulse of the community, understand the developmental needs, behaviour and attitudes of young people, and remain innovative all the time. This paper, based upon the 2008 paper, will further explore the latest developmental trends of the society and young people in Hong Kong, study their implications on the formulation of strategies on anti-corruption education and then map out a future plan in consultation with committee members.

New social trends (The macro environment)

3. *Impact of the financial tsunami.* The global financial tsunami not only gave rise to a severe economic crisis in Hong Kong, but also challenged the core values of the society. Traditional values like “social responsibility”, “trust” and “hard work” were damaged, which also urged young people to reflect about the harm of greed and what damages it would bring in disregarding the interests of others.¹ Considering the impact of the financial tsunami, it is necessary to reinforce beliefs like “integrity” and “probity” among young people, so as to uphold the core values of the Hong Kong society.

4. *The trend of integration between Hong Kong and China.* The Hong Kong society is increasingly connected with the Mainland. In particular, the

¹ The Hong Kong Federation of Youth Groups, *Youth Opinion Polls No. 183*, “The Effects of the Financial Tsunami on Young People’s Views towards Money and Career” (17 March 2009)

cooperation with the Pearl River Delta region will bring about integration and development in economic, social and other aspects.² To facilitate young people to seize the opportunity of future development, we have to strengthen their recognition as well as enhance their knowledge of the characteristics and advantages of Hong Kong. These include the “soft powers of the Hong Kong brand”, such as *integrity, judicial independence, and a free and clean society*.³

5. ***Education Service Hub.*** In recent years, the number of mainland students studying in Hong Kong is on the rise, and vice versa. The Task Force on Economic Challenges has lately pointed out that Hong Kong has potentiality to attract students in the Pearl River Delta to pursue studies at secondary and higher education programmes in Hong Kong. It has also suggested that measures should be taken to make it easier for more mainland students to further their studies in Hong Kong, and that assistance should be rendered to existing educational institutions to set up affiliated institutions in Shenzhen or Pearl River Delta.⁴ The promotion of anti-corruption education, in the long run, requires strategic considerations with focus on this developmental trend.

New trend of education and youth development

6. ***New Academic Structure and Learning Needs of Youngsters.*** The “3-3-4” academic structure, which was implemented in the 2009/10 academic year, stresses the holistic development of students. For secondary school programmes, the new “Other Learning Experiences” curriculum component helps strengthening the cultivation of moral and civic values of students. The four-year curriculum for tertiary education also provides students with a broader learning platform and puts equal weights on the teaching of professional

² The speech of Chief Secretary for Administration entitled *Equipping Youths and Grasping the Opportunity* in the first Hong Kong Youth Leader Forum (23 May 2009)

³ Transcript of remarks by the Chief Executive at a media session after a meeting of the Task Force on Economic Challenges (22 June 2009) – “To the outside world, Hong Kong embodies professionalism, integrity, judicial independence, efficiency, a free and clean society and free flow of information. This brand name, embodying the host of “soft powers”, can be leveraged to draw customers from around the globe.”

⁴ Summary of the Focus Group Discussions on the Six Economic Areas identified by the Task Force on Economic Challenges (22 June 2009)

knowledge and value education.⁵ The ICAC may step up cooperation with educational institutions, promoting anti-corruption education in line with the requirements of the new academic structure.

7. ***Participation in Internet Community.*** In recent years, the use of internet is getting increasingly popular in Hong Kong. According to the survey results of “Information Technology Usage and Penetration” conducted by the Statistics Department in 2008,⁶ households with internet registration constituted 70.9% (1.6 million) of all households in Hong Kong whereas the percentage of persons aged 15–24 who had used internet 12 months before the survey was 98.8%. Internet has become an essential channel for young people to express themselves, connect with others and receive information.⁷ Therefore, using internet effectively as a platform to spread integrity and ethics messages to young people has become a necessary means.

8. ***Young People’s Values and Attitudes.*** According to an annual survey conducted by the ICAC in 2008, in terms of people’s tolerance towards corruption, persons aged 15–24 scored higher average points than the other age groups did.⁸ The results of a telephone survey conducted in 2009 also showed that people of younger age groups had lesser degree of recognition of the ICAC core values (such as integrity, compliance with laws, fairness and justice, etc.).⁹ This is probably due to the fact that young people, being green and inexperienced, are foggy about the evils of corruption. In order to instil positive values and

⁵ For example, in planning the 3-3-4 academic structure and teachers’ training programmes, The Hong Kong Institute of Education clearly states that developing students’ *character and moral responsibility* as one of the essential learning outcomes. The University of Hong Kong has developed a Common Core Curriculum programme to provide students with more diversified learning experiences in responding to the four-year academic structure.

⁶ The survey was conducted between July and September 2008. 10,022 households were interviewed. The responding rate was 75%.

⁷ The Hong Kong Federation of Youth Groups, *Youth Opinion Polls No. 175*, “The Digital Networking of Youth in Hong Kong” (19 December 2008)

⁸ On a scale from 0 to 10 points (0 representing totally intolerant; 10 points representing totally tolerant), the points scored by persons of 15–24 age group in 2006, 2007 and 2008 were 1.7, 1.4 and 1.4 respectively; while the points scored by persons of other age groups were in the range of 0.9–1.1, 0.7–0.8 and 0.7–0.8 respectively.

⁹ Taking “integrity” as an example, persons from the 15-24 age group scored 2.95 while persons of the other age groups scored 2.98–3.10 (4 points representing the highest degree of recognition, 1 point representing the lowest degree of recognition).

attitudes in young people, we need to give more thoughts on the life experiences that they encounter.

Review on Current Work Strategies

9. Under the premise of strengthening and developing partnership, the 2008 consultation paper put forward work strategies in the following aspects:

- a) promoting moral education in tandem with education reform;
- b) enhancing integrity training for tertiary students; and
- c) optimizing the use of information technology in promoting moral education.

10. The above work strategies were brought to effect one by one in the past year. Their implementation is briefly reported as follows:

- a) ***Promoting moral education in tandem with education reform.*** In view of the introduction of the New Senior Secondary Curriculum, an ICAC Ambassador Programme for senior secondary students was launched, allowing students to act as ambassadors for the ICAC and to organise probity activities in their schools disseminating messages about the evils of corruption and the anti-graft work of the ICAC to their fellow students. On the other hand, a teaching package on Liberal Studies was produced. Episodes of the drama “ICAC Investigators 2009” and the documentary on ICAC produced by Phoenix Television were incorporated in the package. School touring performance of an interactive drama was organised to disseminate integrity-related messages to secondary students.¹⁰ In addition, representatives of the ICAC joined the relevant Ad Hoc Committees on Curriculum Guide of the Curriculum Development Institute in 2009,¹¹ giving

¹⁰ The scheme targets at Form 3 / Form 4 students. In the academic year of 08/09, Community Relations Department approached a total of 52,000 secondary students from 290 secondary schools through the interactive play. As at early September 2009, over 280 secondary schools have already made a booking with the interactive play for this academic year.

¹¹ Including the Ad Hoc Committees on the curriculum revision of “General Studies” for primary schools and the newly introduced “Life and Society” for junior secondary forms.

their views on the inclusion of anti-corruption elements, such as fostering a probity culture in the society, into the relevant curricula of primary and secondary schools. The ICAC is also going to hold a Moral Education Seminar to raise the society's concern on the subject of youth moral and ethical development.

- b) ***Enhancing integrity training for tertiary students.*** In addition to providing anti-corruption talks in universities on a regular basis, the ICAC also jointly organised an ICAC Ambassador Programme with the City University of Hong Kong and encouraged universities to adopt professional integrity training as a required component in relevant curriculum. The ICAC has also organised training programmes targeting on tertiary students from time to time. For instance, tertiary students from Hong Kong, the Mainland and overseas will be invited to participate in a training and exchange programme on a “youth integrity project” this year.
- c) ***Optimizing the use of information technology in promoting moral education.*** Plans were drawn up on promoting the moral education website. Attempts were made to establish a more extensive contact with youngsters via online media (Facebook, Youtube). Issues of youngsters' concern related to anti-corruption education were uploaded to the website on a regular basis to forge stronger ties with the youth.

The Future Strategic Direction

11. On the whole, the work objectives proposed in the document of 2008 have been implemented gradually and the projects have made some achievements. In view of the above analysis, when deciding the direction of probity education for youth, the ICAC will place special emphasis on the followings, including: ***proactively embracing creativity of the youth; organising cross-boundary probity programmes; encouraging participation of tertiary education institutions; as well as reinforcing online and offline contacts.***

a) To Embrace Creativity of the Youth

- Young people are not only the target but also the stakeholder of integrity education programmes. By consolidating the efforts of young people and encouraging youth participation in ICAC education programmes, we can engage them to promote positive values to their peers from their own perspectives which would make the programmes more easily recognised and readily accepted.
- Feasible plans include establishing an association which comprises core members who have taken part in the school ambassador programmes, and inviting tertiary and senior secondary school students to join, so as to give assistance to the ICAC in planning and promoting probity education programmes.
- To invite tertiary students in the creative media / design faculty to participate in mass media and new media publicity programmes of the ICAC, so as to tap their ideas and creativity with a view to facilitating the dissemination of anti-corruption messages.
- To run a “reporter trainees” programme for primary and secondary school students. Participation in reporting anti-corruption messages through the internet or campus TV can strengthen students’ analytical skills and cultivate positive values in them.

b) Cross-boundary anti-corruption activity

- Integration between the Mainland and Hong Kong brings about economic and educational development. Exchanges between the two places and organization of cross-boundary anti-corruption activities can broaden the cultural vision of the youth and enable them to have a better understanding of the characteristics and advantages of the anti-corruption achievements in Hong Kong.
- Community Relations Department has worked closely with its Guangdong counterpart in organising an “Anti-corruption TV Advertisement Competition in Guangdong, Hong Kong and

Macao” this year. The project aims to intensify the exchange of views and tap creativity of the youth from the regions to promote anti-corruption messages.

- In the future, it is recommended to strengthen the cooperation with the relevant departments on the Mainland by organising cross-boundary educational activities and so on.

c) Intensify the participation of tertiary education institutions

- It is a major work target of the ICAC to expand the integrity training for tertiary students. As mentioned above, the ICAC regularly organises different kinds of integrity and anti-corruption activities for tertiary students, including exchange programmes for mainland and overseas tertiary students.
- In view of the development of the 4-year university curriculum, the ICAC will keep in close contact with tertiary education institutions to discuss the incorporation of anti-corruption and ethical elements into professional courses. The ICAC will strengthen its cooperation with offices of student affairs for the purpose of organizing integrity training activities and providing opportunities of ICAC internship for degree students of tertiary education institutions.

d) Strengthening online and offline links

- The youth and kid websites will be revamped to enhance efficiency and the sharing of resources between websites.
- The link with youngsters will be strengthened through internet and new media. Integrity promotion activities, such as competitions on web page or online game design related to the ICAC’s youth website, will be tailor-made for young people based on their interest and life experience.

- An online membership system may be established. Young people/students will be invited to become members with a view to increasing the interaction and sharing of anti-corruption messages among them. The online membership system may be extended to schools and parents. It is hoped that the establishment of the networking social group will facilitate the sharing of resources and provide a platform for teachers and parents to join in the promotion of moral education to young people.
- Creative ideas from the youth may be incorporated to explore more effective ways to make use of the internet as an advertising means (Yahoo, Google, Discussion.com) to build up a probity culture.

Considerations on implementation of the plans

12. The above are the reflections on the direction of the ICAC's youth education work and the preliminary suggestions. For the implementation of the plans, the Commission enjoys some advantages but it also has its limitations.

13. ***Inclination of the Organization.*** In spreading the integrity messages and promoting the anti-corruption education, the ICAC has its unique mission and has gained its reputation in this aspect. However, it is unavoidable that the Commission's moral education teaching packages and website resources also face keen market competitions. For example, in terms of the allocation of resources, the ICAC website can hardly compete with commercial youth websites. The ICAC should, therefore, further define its market position and the weight of the resources to be allocated for this purpose.

14. ***Continuity of the Plans.*** The ICAC understands the importance of continuity in the anti-corruption education. Long-term plans for anti-corruption education are suggested in this document, which include the establishment of a membership system to provide a platform for all stakeholders to contribute towards the anti-corruption education. However, these plans require a large number of resources and manpower. The Commission will actively develop the cooperation with its strategic partners for the continuity of the plans.

Conclusion

15. This paper reviews the trends on the latest development of the Hong Kong society and youths, and proposes recommendations. Building on the existing foundation, the Commission will continue strengthening the collaboration with strategic partners in promoting probity education. We shall take into the views of members and proactively develop new initiatives with consideration of the resources.

Invitation for views

16. We invite views from Members on this paper.

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Community Relations Department
Independent Commission Against Corruption
September 2009

CACCR Paper 11/2009

Mainland Liaison Work of the
Independent Commission Against Corruption –
Review and The Way Forward

Introduction

Back in the 1980's, the Independent Commission Against Corruption of Hong Kong (ICAC) commenced liaison and cooperation with the anti-corruption authorities in Mainland China. After the handover, there had been more interaction between Hong Kong and the Mainland. Since the reform and opening-up policy was adopted, the political, societal, economic, cultural and technological fields in the Mainland had undergone rapid development. Hence, we need to review ICAC's Mainland liaison work and, in response to the latest developments, make a study on our positioning and future strategy. This paper aims to make a preliminary study on the topic and seek Members' opinions.

Prerequisites

2. We need to look into two prerequisites in determining the direction of ICAC's Mainland liaison work. One is the latest development of anti-corruption work in Mainland China while the other the relationship between Hong Kong and the Mainland.

Latest Development of Anti-corruption Work in Mainland China

3. The booming economic development of China gives rise to more corruption problems. Hence, the Central Government has been revising its work direction, continually strengthening its anti-corruption work which is taken to higher levels. The significant measures implemented in recent years include :

- The “2008-2012 Work Plan for Establishing and Improving the System of Punishing and Preventing Corruption” promulgated in 2008 ;
- The establishment of the National Bureau of Corruption Prevention of China in 2007 ;
- The “United Nations Convention Against Corruption” enacted and implemented in the Mainland in 2006 ;
- “The Implementation Outline for Establishing and Improving a Corruption Punishment and Prevention System that Emphasizes Education, Institution and Supervision” introduced in 2005 ; and
- The policy of “combating corruption in an integrated way, addressing both its symptoms and root causes, and double-barrelled strategy of corruption punishment and prevention, with emphasis on the latter” introduced in 2004.

4. Before and after the Fourth Plenary Session of the 17th CPC Central Committee held in September this year, it was raised that anti-corruption work in the Mainland would have significant impact on the effectiveness of government governance; and corruption cases investigated had also involved officials of higher levels¹. Regarding specific policies, the implementation of the Officials Property Declaration System by the Central Government has been put on the agenda. Overall, anti-corruption work has become unprecedentedly important in the Mainland.

5. Regarding the anti-corruption strategies, the Central Government has shifted from the “vigorous combat” approach at the early stage to the “double-barrelled strategy of corruption punishment and prevention”. In

¹ Major corruption cases investigated in recent years involved officials of Ministries and Commissions under the State Council, local administrative heads, senior officials of the NPC, CPPCC and the Court System, senior executives of financial and state-owned enterprises, and even senior officials of the Discipline Inspection System, including CHEN Liangyu, a member of the Central Politburo, and HUANG Songyou, the Vice-President of the Supreme People’s Court, etc.

light of this, opportunities for exchanges between the ICAC and the Mainland authorities concerning corruption prevention and anti-corruption education are broadened.

Speedy Economic Integration

6. With the rapid economic development of China, there has been continual economic integration between Hong Kong and the Mainland²; at the same time, the number of Mainland Chinese enterprises which raise capital or set up branches in Hong Kong is also continuously increasing³.

7. The National Development and Reform Commission announced the “Outline of the Plan for the Reform and Development of the Pearl River Delta” (the Outline) in January 2009, foreseeing further economic integration between Hong Kong and the Pearl River Delta region. The Chief Executive in his policy address delivered in 2009 also suggested Hong Kong to make good use of the framework and platform provided by the Outline so as to develop the six industries which Hong Kong enjoys clear advantages⁴. As a matter of fact, in view of the inseparable advantages enjoyed by Hong Kong and the Mainland, the common achievements of the anti-graft work would also benefit citizens in both places as well as cross-boundary businessmen.

Present Positioning of ICAC’s Mainland Liaison Work

8. Established in 1996, ICAC’s Hong Kong Mainland Liaison Office (hereinafter referred to as “MLO”) under the Community Relations Department is responsible for coordinating non-investigative Mainland liaison work. Before the handover, MLO’s work generally was relatively

² According to the information from the Ministry of Commerce, the accumulated amount of investment by Hong Kong people in Mainland China was US\$380.3 billion which accounted for 41% of the total foreign investment.

³ According to the information from the Hong Kong Stock Exchange (HKEx), as at September 2009, 483 Mainland Chinese enterprises have been publicly listed in Hong Kong with a market value accounting for 56.7% of the total market capitalization of the HKEx.

⁴ The six industries which Hong Kong enjoys clear advantages are : education services, medical services, testing and certification, environmental industries, innovation and technology, cultural and creative industries.

passive in that the MLO only organized exchange programmes at the request of Mainland counterparts for the purpose of establishing good relationships. Exchanges concerning general information and anti-graft experience were confined to Guangdong Province and targeted at government organizations and senior officials in the Mainland. The liaison work involved mutual visits between senior officials, staff training, seminars, joint production of anti-corruption publications and so on.

Changes under New Developments

9. In view of the development of anti-graft work in Mainland China in recent years as well as the economic integration between Hong Kong and the Mainland, anti-corruption exchanges on both sides have been undergoing changes in terms of “quantity” and “quality”:

- (1) Increased demand: The overall number of Mainland counterparts attending training seminars in Hong Kong and ICAC’s courses organized upon invitation from the Mainland have been increasing⁵;
- (2) Expansion of areas: ICAC mainly liaised with coastal regions which are more advanced in economic development like Guangdong, Shanghai and Beijing, etc. in the early stage. With further economic development in the Mainland, some inland provinces also requested to have exchanges of experience with the ICAC⁶;
- (3) More diversified target groups: Mainly government officials and state-owned enterprises’ management staff were reached at the early stage; but now it has been extended to management

⁵ Around 3,000 mainlanders visited the ICAC in 1996, gradually growing to the largest number of 8,800 visitors in 2002. Later, due to limited resources, the number of visitors is roughly between 6,000 and 7,000 every year.

⁶ For example, Hunan, Yunnan, Sichuan, Chongqing, etc.

staff in education services, medical services and financial sectors as well as private enterprises; and

- (4) More in-depth contents: There have been more in-depth exchanges in recent years. Apart from general experience sharing, there are also some specific topics like anti-corruption measures in relation to construction projects, corporate governance in the financial field and civil service integrity, etc.

10. In 2007, the Ministry of Supervision of China agreed to organize the first joint corruption prevention seminar⁷ for Mainland, Hong Kong and Macao anti-graft officers. The seminar, which has become a regular exchange programme, marked a new milestone for anti-graft exchanges between Hong Kong and Mainland China.

New Position of Mainland Liaison Work

11. Based on the co-operation and exchanges achieved between Hong Kong and the Mainland on anti-corruption and under the new trends in anti-corruption work of the Mainland, the natural way forward is “diversified development of anti-corruption work at multi levels”. Within the framework of “One Country, Two Systems”, the new position of liaison work with the Mainland in enhancing anti-corruption work should cover the following areas:

- (1) To actively share with the Mainland Hong Kong’s experience in anti-corruption work, especially in the areas of corruption prevention and education on probity and integrity;

⁷ The joint seminar between Hong Kong, Macao and the Mainland was first held in Shenzhen in 2008 with Hong Kong and Macao taking turns to organize the seminar later.

- (2) In the course of liaison and exchange, special reference should be made to important factors leading to Hong Kong's success in anti-corruption work and some of the concepts⁸ involved; and
- (3) In the long run, through liaison and exchange on anti-corruption work, to promote and assist in the integration of economic activities in the entire Greater China.

New Strategies under the New Position

12. We recommend that the new strategies in liaison with the Mainland can be broadly divided into three directions:

- (1) Based on existing efforts, to deepen and broaden the co-operation and exchanges with anti-corruption agencies and related anti-corruption studies units in the Mainland;
- (2) To strengthen and develop co-operation in corruption prevention education⁹; and
- (3) To strengthen and develop co-operation with the media in the Mainland¹⁰ to promote integrity.

⁸ Some examples of the concepts of ICAC's work are: the offering and accepting of bribes are equally serious and punishable, corruption in both the public and private sectors warrant equal attention, independent operation, system of confidentiality, false accusation will be severely dealt with, change of social culture, the building of trust and honesty, etc.

⁹ The ICAC, the Guangdong Provincial People's Procuratorate and the CCAC of Macau have co-organized the "Cross Boundary Anti-Corruption TV Commercial Competition in Guangdong, HK & Macau". The participants included senior secondary and tertiary students from Guangdong and Macau.

¹⁰ The China Central Television (CCTV) will broadcast the "ICAC Investigators" drama series next year to introduce anti-corruption work in Hong Kong to Mainland viewers.

13. In respect of deepening and broadening exchanges, apart from consolidating co-operation with Ministries and Commissions of the Central Government, such as the Ministry of Supervision, the Supreme People's Procuratorate and various provinces/cities, the sharing of professional experience with staff members of these departments will be deepened at the same time; the requests for exchanges regarding anti-corruption work will be actively responded to. Some new joint ventures can also be conducted on a trial basis at cities/places that are geographically, culturally, socially and linguistically close to Hong Kong, such as Guangdong and Shenzhen, before making these joint ventures standardized.

14. As for corruption prevention education, riding on the cross boundary anti-corruption TV commercial competition being organized, other related activities such as essay writing, cartoon drawing and slogan competitions, etc. can also be held. The ICAC should actively seek co-operation with the Ministry of Education, and education bureaux at provincial levels to provide existing teaching materials of the ICAC to schools and colleges in the Mainland, and at an appropriate time, consideration can be given to the joint production of teaching materials.

15. Regarding co-operation with the media, the ICAC should enhance co-operation with television stations in the Mainland to explore the possibilities of joint production of television broadcasting programmes. Moreover, the influence of the internet cannot be overlooked. Internet users in the Mainland are in huge numbers. We will review the existing websites for youths and moral education and provide relevant anti-corruption messages to internet users in the Mainland. On the other hand, the ICAC can strengthen its ties with the news media in the Mainland and actively release anti-corruption information and at the same time negotiate with relevant organizations in the Mainland to produce promotional programmes to introduce ICAC's experience in the fight against corruption.

16. Another service target of the ICAC are the cross-boundary businessmen. In this respect, we will actively explore their demands through the trade associations and the Hong Kong Economic and Trade Offices in the Mainland and respond positively to their requests for our officers to conduct talks for them in the Mainland. We will also examine the possibilities of inviting officials of Mainland anti-corruption agencies to be speakers. It is hoped that our service targets will be gradually extended to investors and businessmen in Greater China.

Internal Adjustments

17. China is a vast country with huge population. The Central Government is very much concerned about the development of anti-corruption work. Government officials, general public and students alike are all aware of the importance of anti-corruption work. The ICAC of Hong Kong, as the anti-corruption agency in the country's Special Administrative Region, is obliged to share Hong Kong's experience in anti-corruption work with the Mainland. However, in view of the massive demands in terms of quantity and quality, it is necessary for the ICAC to make some internal adjustments as follows:

- (1) Strengthening of research capacity: To summarize Hong Kong's experience in anti-corruption work through research, including history of anti-corruption work, development of the crime, corruption prevention measures in various trades and professions, the relationship between the civil service and corruption prevention work, checks and balances etc., and to deepen exchanges with the Mainland;
- (2) Preparation of ICAC officers: ICAC officers should be actively prepared by receiving training in national affairs and professional skills, like Putonghua, etc., and should acquire more experience in exchanges with the Mainland; and

- (3) Internal deployment: To examine existing resources of manpower and arrange internal deployment to handle the main tasks of the ICAC and at the same time make reasonable adjustment to deal with the ever increasing demands of the Mainland.

Conclusion

18. The Mainland is under rapid development, of which its force not only provides a strong backup to maintaining the prosperity of Hong Kong but its economic achievements can also influence the entire world. One key element in the course of the country's development is a corruption-free government. Hong Kong can certainly play an active role in Mainland's efforts in building a corruption-free government.

19. Members are welcome to express their views on the subject of this paper.

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Community Relations Department
Independent Commission Against Corruption
December 2009

Item (d): What are the liaising channels of CRD with the Liaison Office of the Central People's Government in the HKSAR; and what are the purposes of these channels.

The CRD mainly liaises with the Liaison Office of the Central People's Government in the HKSAR (LOCPG) through its Supervision Office and Economic Affairs Department for the following purposes:

(i) Supervision Office of LOCPG

The Supervision Office of LOCPG represents the Ministry of Supervision (MoS). Since MoS is one of the counterparts of the ICAC, the CRD liaises with the Supervision Office in organising anti-corruption activities and exchange between the two organisations. For example:

- the Supervision Office refers study tours, including those from the National Bureau of Corruption Prevention, from the Mainland to visit the ICAC;
- it also refers invitations from Mainland organisations for the ICAC to conduct lectures for government officials from the supervision and related fields;
- it also coordinates talk arrangements for supervisory personnel from PRC-funded enterprises in Hong Kong; and
- it provides assistance to the ICAC in liaising with other Mainland Departments/organisations, e.g. the State Administration of Radio, Film and Television, when necessary.

Furthermore, through the Supervision Office, the CRD organised ICAC Ambassadors to visit MoS and other organisations during their exchange tours to the Mainland.

PAC letter dd 5.6.13

(ii) Economic Affairs Department of LOCPG

In view of the closer ties between Hong Kong and Guangdong Province in terms of cross-boundary trade and economic activities, the ICAC has cooperated with the Guangdong Provincial People's Procuratorate in jointly publishing legal guides and organising seminars, to facilitate small and medium enterprises (SMEs) engaged in cross-boundary trade to know about the anti-corruption laws in Hong Kong and the Mainland. Through establishing links with the Economic Affairs Department of LOCPG, the CRD maintains a grasp of the latest developments of trade and economics policies and the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA), so as to provide appropriate preventive education services for Hong Kong enterprises. The CRD has also invited representatives from the Ministry of Commerce (MoC) to be guest speakers of SME Seminars. Furthermore, upon the referral of the Economic Affairs Department, the CRD has arranged a delegation from MoC to visit the ICAC.

Item (e): Why ICAC cannot disclose the information to the questions raised in items (m) and (n) of the Committee's letter dated 3 June 2013.

- By the questions raised in items (m) and (n) of the Committee's letter dated 3 June 2013, the ICAC was requested to provide information on how many official lunch and dinner Mr Timothy TONG, former Commissioner, ICAC brought his personal guest(s) to attend; and whether Mr TONG had reimbursed ICAC the costs concerned. Such information fell within the scope of investigation in relation to whether Mr TONG has committed the alleged offences under the Prevention of Bribery Ordinance and the common law offence of "Misconduct in Public Office". Since the ICAC has already started to investigate the alleged criminal offences, the disclosure of relevant information may affect the integrity of the investigation or jeopardise or prejudice the fairness and impartiality of the investigation. As such, the information so requested could not be provided to the Committee.

Item 1(c): What actions have been/would be undertaken by the CRD to step up the provision of preventive education against corruption to the Lands Department, the Correctional Services Department and the Fire Services Department.

Lands Department

The CRD visited the Lands Department (LandsD) on 8 May 2013 to discuss the training needs. It was agreed that the ICAC will conduct talks for around 1,300 directorate and professional grade staff in 2013/2014 and 2014/2015. LandsD will consider arranging training for the remaining staff of the department, thus completing a five-year training cycle by 2017/18 for a total of about 4,100 staff. LandsD will also consider uploading ICAC training materials onto their intranet to reinforce staff awareness on the anti-corruption legislation and conflict of interest.

Correctional Services Department

Before 2007, ICAC talks were arranged for serving officers in most CSD institutions annually. However, such an arrangement was considered not cost-effective in view of the remoteness of most of the institutions, and that most training sessions were conducted after shift hours with officers attending in batches. To enhance cost-effectiveness, a train-the-trainer (TTT) approach was adopted. Subsequently in 2008 with the support of the ICAC, CSD developed the Training Kit on Managing Staff Integrity for use by CSD trainers in staff training. CRD has so far conducted 20 TTT workshops for 547 trainers.

The CSD established the Departmental Ethics Committee (EC), headed by the Deputy Commissioner, to steer the promotion of ethics and integrity in the Department in 2007. An Assistant Director of CRD is a regular member of the EC.

Currently, all CSD new recruits receive training conducted by ICAC officers. Training on particular ethical subjects, including managing staff integrity and conflict of interest, has also been arranged for specific target groups upon CSD's requests. The CRD will propose to review the training arrangements in the coming EC meeting.

Fire Services Department

A meeting was held with the Fire Services Department (FSD) on 4.6.2013 to take stock of the provision of preventive education by the ICAC for FSD staff, and to explore if the training arrangements could be stepped up.

The meeting agreed that for face-to-face training, regular ICAC talks would continue to be arranged for different commands of FSD every year covering different ranks of staff, including new recruits, promotional rank and serving staff with corruption risk. In addition, thematic talks on topics such as contract management and “misconduct in public office” would continue to be arranged on a need basis.

Due to the scattered work location and long shifts of FSD staff, it would be difficult to further step up ICAC’s face-to-face training. However, inhouse training on integrity management issues with ICAC’s support would be stepped up. ICAC’s input includes conducting train-the-trainer sessions for FSD trainers, and provision of training materials such as the “Reference Package on Conflict of Interest for Managers in the Civil Service”. In fact, FSD produced a training video in 2010/11. The training kit which covers a wide range of conduct-related topics would continue to be used at all fire stations and ambulance depots for internal training purpose.

FSD would continue to use web learning and step up soft training approach. The training measures include uploading ICAC’s cartoon on conflict of interest at the FSD intranet and organisation of games/competitions to promote integrity management.

Item 1(d): What was the justification(s) for the ICAC to operate the seven Regional Offices?

The Community Relations Department (CRD) of the ICAC now maintains seven regional offices (ROs) – two on Hong Kong Island, two in Kowloon and three in the New Territories. ROs are not just a district-level entity but also part and parcel of a fully integrated team of the CRD in carrying out a comprehensive and structured programme of preventive education and enlisting public support (elaborated in (c) below). Scope of work by each RO is attached. Altogether the manpower establishment of ROs are 68 officers and 24 general grade staff (as at 3.6.2013), comprising 50 % of the establishment of CRD. The remaining half are establishment of the offices at headquarters.

Receiving corruption reports and enquiries is only part of the functions of ROs. ROs in the CRD broadly perform these four aspects of work:

(a) Providing preventive education for various targets

CRD's public education is conducted principally through the ROs. Each RO works proactively to provide, under different target-based programme areas, face-to-face preventive education services to a wide range of targets, namely

- business sector
- public sector (including civil servants and employees of public bodies)
- building management bodies
- district organisations
- youth (including schools and NGOs providing services for the youth)
- ICAC Club
- stakeholders of public elections (including candidates, helpers and voters)

Such services include initiating liaison and building up network with intended targets, providing consultancy advice on the design of suitable preventive education programmes, and conducting tailor-made talks commensurate with the work nature and corruption risks faced by targets of different background.

(b) Enlisting support of the local community

ROs also play the role in reaching out to the local community under their geographically charter. Strategically the ROs show the ICAC's physical presence in the community. CRD's public entrenchment work, through face-to-face contacts, is important in getting qualitative feedback to our work, dispelling any misconceptions in relation to laws or work of ICAC, and tapping public support to the ICAC, in terms of reporting corruption, providing financial resources, and/or active participation in education and publicity activities. These efforts include the organisation of projects jointly with District Councils and district organisations for the local communities, and Meet-the-Public Sessions for district organisations (e.g, women societies, residents associations, Mutual Aids Committees, etc.) so that fruitful exchange of views could be conducted in a friendly ambience. ROs also attend meetings of district consultative committees (e.g. District Councils, District Fight Crime Committees, Area Committees) and major district functions on a need basis to gauge sentiments of the public on corruption-related issues and work of the ICAC.

In relation to (a) and (b), during the period from 2008 to 2012, the seven ROs each year conducted an average of 4,320 ongoing activities (comprising visits, meetings and talks) and 227 publicity projects of various scale, amounting to 92% and 80% of the total ongoing activities and publicity projects conducted by the CRD per year.

(c) Serving as Programme Co-ordinators

The role and scope of work of ROs also goes beyond the traditional concept of government public relations in a local community setting. ROs also serve as Programme Coordinators (PCs) of specified programme areas under the programme-by-objective management structure of CRD. At present, RO(Kowloon West), RO(Kowloon East/Sai Kung), RO(New Territories East) and RO(New Territories West), are PCs of District Organisations, Public Sector, Elections and ICAC Club respectively. These PCs, together with PC/Business Sector (including building management bodies) and PC/Youth which are now taken up by Hong Kong Ethics Development Centre and Youth and Moral Education Office in the CRD headquarters respectively, are responsible for the important duties of researching the needs of their specific clients, formulating an appropriate strategy, producing the necessary preventive packages and products, co-ordinating the work of all ROs to achieve results of that programme area and evaluating the outcome. PC/Elections (in RO/New Territories East) also mans an election hotline.

(d) Receiving reports and enquiries on corruption

ROs also provide the services of receiving corruption reports and enquiries from members of the public. ROs are either wholly or partly located on ground floors to facilitate walk-in complaints and enquiries. During the period 2008–2012, ROs received a total of 3,903 reports, representing 22% of all 17,853 reports received by the ICAC for the same period. About 82% (3,186 reports) of all 3,903 reports received by ROs are in-person reports, which is higher than the corresponding percentage of 26% in-person reports (4,575) received by the ICAC as a whole for the same period. The percentage of non-anonymous reports received by ROs (3,390 reports) is 87%, which is also higher than the 73% (13,069) non-anonymous reports received by the ICAC for the same period.

Scope of Work of ICAC Regional Offices

<u>Regional Office</u>	<u>Responsible District</u>	<u>Programme Co-ordinator</u>
Hong Kong West / Islands	Central and Western, Southern, Islands	—
Hong Kong East	Eastern, Wanchai	—
Kowloon West	Yau Tsim Mong, Shamshuipo, Kowloon City	District Organisations
Kowloon East / Sai Kung	Wong Tai Sin, Kwun Tong, Sai Kung	Public Sector
New Territories East	North, Shatin, Tai Po	Elections
New Territories South West	Kwai Tsing, Tsuen Wan	ICAC Club
New Territories North West	Yuen Long, Tuen Mun	

Item 1(e): What was the annual operating cost (with detail breakdown) of each of the seven ICAC Regional Offices from 2007-2008 to 2011-2012; and the types of services provided by these Regional Offices.

The annual funding and expenditure of Programme (3) – Preventive Education and Programme (4) – Enlisting Support from 2007-08 to 2011-12 was provided in Annex 11 to the ICAC’s reply to the PAC dated 15 May 2013. Besides, a breakdown of the total annual expenditure of the ICAC by department and a breakdown of the total General Departmental Expenses (GDE) of the ICAC by department from 2007-08 to 2011-12 were provided as supplementary information attached to the reply.

2. For the operating cost of the seven Regional Offices, it covers rental, headcount, and GDE expenditure directly related to the day-to-day running of the Regional Offices. The rental and headcount of each Regional Office is provided in the tables below. However, breakdown of GDE expenditure directly related to the day-to-day running of individual Regional Office is not readily available. These GDE expenditure covers administration (subsistence allowances, telephone lines and charges, duty visits, entertainment, postage, photocopying, printing, etc.), contract maintenance (maintenance of computers, systems, equipment, etc.), hire of services (all types of service, cleansing, etc.), electricity, stores and equipment (stationery, paper, furniture, etc.), employment of staff on temporary contract terms, Electrical and Mechanical Services Trading Fund payment, training, and transport and travelling (petrol, hire of vehicles, etc.).

Table 1 - Rental of Regional Offices in 2007-08

Table 2 - Rental of Regional Offices in 2008-09

Table 3 - Rental of Regional Offices in 2009-10

Table 4 - Rental of Regional Offices in 2010-11

Table 5 - Rental of Regional Offices in 2011-12

Table 6 - Headcount of Regional Offices from 2007-08 to 2011-12

3. For the types of services provided by these Regional Offices, please refer to answer 1(d).

Table 1 - Rental of Regional Offices in 2007-08

Office	Location	Rented/ Owned	Floor Area (m ²)	Monthly Rental
Hong Kong West/Islands	G/F, Harbour Commercial Building, Sheung Wan	Rented	199	<u>Apr – Oct 2007:</u> \$53,000 <u>Nov 2007 – Mar 2008:</u> \$71,000
	10/F, Harbour Building, Central	Government- owned	96	N/A
Hong Kong East	G/F and 1/F, Tung Wah Mansion, Wan Chai	Rented	234	<u>Apr – Sep 2007:</u> \$113,159 <u>Oct 2007 – Mar 2008:</u> \$123,499
	14/F, Tung Sun Commercial Centre, Wan Chai	Rented	121	<u>Apr – Sep 2007:</u> \$22,929 <u>Oct 2007 – Mar 2008:</u> \$27,259
Kowloon West	G/F and 1/F, Nathan Commercial Building, Yau Ma Tei	Rented	299	<u>Apr – Dec 2007:</u> \$112,209 <u>Jan – Mar 2008:</u> \$117,209
Kowloon East/Sai Kung	G/F, Kai Tin Towers, Lam Tin	Rented	284	\$260,598
New Territories South West	G/F, Foo Yu Building, Tsuen Wan	Rented	108	\$151,140
	23/F, Nan Fung Centre, Tsuen Wan	Rented	161	<u>Apr 2007 – Feb 2008:</u> \$37,144 <u>Mar 2008:</u> \$44,640
New Territories North West	G/F and 2/F, Fu Hing Building, Yuen Long	Rented	302	\$95,181 (Rent free period: Apr 2007)
New Territories East	G/F and 1/F, Shatin Government Offices, Shatin	Government- owned	272	N/A

Table 2 - Rental of Regional Offices in 2008-09

Office	Location	Rented/ Owned	Floor Area (m ²)	Monthly Rental
Hong Kong West/Islands	G/F, Harbour Commercial Building, Sheung Wan	Rented	199	\$71,000
	10/F, Harbour Building, Central	Government- owned	96	N/A
Hong Kong East	G/F and 1/F, Tung Wah Mansion, Wan Chai	Rented	234	\$123,499
	14/F, Tung Sun Commercial Centre, Wan Chai	Rented	121	\$27,259
Kowloon West	G/F and 1/F, Nathan Commercial Building, Yau Ma Tei	Rented	299	\$117,209
Kowloon East/Sai Kung	G/F, Kai Tin Towers, Lam Tin	Rented	284	\$260,598 <i>(Rent free period: Apr, Jun and 1-15 Jul 2008)</i>
New Territories South West	G/F, Foo Yu Building, Tsuen Wan	Rent	108	<u>Apr 2008 – Feb 2009:</u> \$151,140 <u>Mar 2009:</u> \$181,140
	23/F, Nan Fung Centre, Tsuen Wan	Rented	161	\$44,640
New Territories North West	G/F and 2/F, Fu Hing Building, Yuen Long	Rented	302	\$109,625
New Territories East	G/F and 1/F, Shatin Government Offices, Shatin	Government- owned	272	N/A

Table 3 - Rental of Regional Offices in 2009-10

Office	Location	Rented/ Owned	Floor Area (m ²)	Monthly Rental
Hong Kong West/Islands	G/F, Harbour Commercial Building, Sheung Wan	Rented	199	\$71,000
	10/F, Harbour Building, Central	Government- owned	96	N/A
Hong Kong East	G/F and 1/F, Tung Wah Mansion, Wan Chai	Rented	234	\$123,499
	14/F, Tung Sun Commercial Centre, Wan Chai	Rented	121	<u>Apr – Sep 2009:</u> \$27,259 <u>Oct 2009 – Mar 2010:</u> \$30,429
Kowloon West	G/F and 1/F, Nathan Commercial Building, Yau Ma Tei	Rented	299	\$117,209
Kowloon East/Sai Kung	G/F, Kai Tin Towers, Lam Tin	Rented	284	\$260,598
New Territories South West	G/F, Foo Yu Building, Tsuen Wan	Rented	108	<u>1 Apr – 31 Oct 2009:</u> \$181,140 <i>(Tenancy terminated with effect from 1 Nov 2009)</i>
	23/F, Nan Fung Centre, Tsuen Wan	Rented	161	<u>1 Apr 2009 – 21 Mar 2010:</u> \$44,640 <i>(Tenancy terminated with effect from 22 Mar 2010)</i>
	G/F, Tsuen Kam Centre, Tsuen Wan	Rented	271	<u>14 Oct 2009 – 31 Mar 2010:</u> \$146,100 <i>(Rent free period: 14 Oct – 13 Nov 2009 and 14 Dec 2009 – 13 Jan 2010)</i>
New Territories North West	G/F and 2/F, Fu Hing Building, Yuen Long	Rented	302	\$109,625
New Territories East	G/F and 1/F, Shatin Government Offices, Shatin	Government- owned	272	N/A

Table 4 - Rental of Regional Offices in 2010-11

Office	Location	Rented/ Owned	Floor Area (m ²)	Monthly Rental
Hong Kong West/Islands	G/F, Harbour Commercial Building, Sheung Wan	Rented	199	<u>Apr – Oct 2010:</u> \$71,000 <u>Nov 2010 – Mar 2011:</u> \$83,000
	10/F, Harbour Building, Central	Government- owned	96	N/A
Hong Kong East	G/F and 1/F, Tung Wah Mansion, Wan Chai	Rented	234	\$123,499
	14/F, Tung Sun Commercial Centre, Wan Chai	Rented	121	\$30,429
Kowloon West	G/F and 1/F, Nathan Commercial Building, Yau Ma Tei	Rented	299	<u>Apr – Dec 2010:</u> \$117,209 <u>Jan – Mar 2011:</u> \$122,630
Kowloon East/Sai Kung	G/F, Kai Tin Towers, Lam Tin	Rented	284	\$260,598
New Territories South West	G/F, Tsuen Kam Centre, Tsuen Wan	Rented	271	\$146,100
New Territories North West	G/F and 2/F, Fu Hing Building, Yuen Long	Rented	302	\$109,625
New Territories East	G/F and 1/F, Shatin Government Offices, Shatin	Government- owned	272	N/A

Table 5 - Rental of Regional Offices in 2011-12

Office	Location	Rented/ Owned	Floor Area (m ²)	Monthly Rental
Hong Kong West/Islands	G/F, Harbour Commercial Building, Sheung Wan	Rented	199	\$83,000
	10/F, Harbour Building, Central	Government- owned	96	N/A
Hong Kong East	G/F and 1/F, Tung Wah Mansion, Wan Chai	Rented	234	<u>Apr – Sep 2011:</u> \$123,499 <u>Oct 2011 – Mar 2012:</u> \$137,396
	14/F, Tung Sun Commercial Centre, Wan Chai	Rented	121	<u>Apr – Sep 2011:</u> \$30,429 <u>Oct 2011 – Mar 2012:</u> \$36,215
Kowloon West	G/F and 1/F, Nathan Commercial Building, Yau Ma Tei	Rented	299	\$122,630
Kowloon East/Sai Kung	G/F, Kai Tin Towers, Lam Tin	Rented	284	\$275,598
New Territories South West	G/F, Tsuen Kam Centre, Tsuen Wan	Rented	271	\$146,100
New Territories North West	G/F and 2/F, Fu Hing Building, Yuen Long	Rented	302	\$131,279
New Territories East	G/F and 1/F, Shatin Government Offices, Shatin	Government- owned	272	N/A

Note: The information above was provided in Appendix C to Chapter 7 of the Director of Audit's Report No. 60.

Table 6 - Headcount of Regional Offices from 2007-08 to 2011-12

Office	2007-08 (April 2007)		2008-09 (April 2008)		2009-10 (April 2009)		2010-11 (April 2010)		2011-12 (April 2011)	
	E	S	E	S	E	S	E	S	E	S
HKW/Is #	16	15	16	15	16	14	17	14	11.5	11.5
HKE #	17	15	17	13	17	16	17	14	12.5	11.5
KW	16	15	17	14	17	14	16	13	16	16
KE/SK	16	13	16	14	16	12	16	14	16	16
NTSW *	16	14	17	14	17	13	10.5	8.5	10.5	10.5
NTNW *	16	12	16	13	16	11	10.5	8.5	10.5	10.5
NTE	16	14	18	17	17	14	15	12	15	15
Total	113	98	117	100	116	94	102	84	92	91
<i>(% of CRD Total)</i>	<i>(63.1%)</i>	<i>(59.8%)</i>	<i>(63.9%)</i>	<i>(59.9%)</i>	<i>(63.7%)</i>	<i>(59.1%)</i>	<i>(55.4%)</i>	<i>(52.5%)</i>	<i>(50.0%)</i>	<i>(50.3%)</i>

Legend:

- E - Established Posts
- S - Strength (Staff in Posts)
- HKW/Is - Hong Kong West/Islands
- HKE - Hong Kong East
- KW - Kowloon West
- KE/SK - Kowloon East/Sai Kung
- NTSW - New Territories South West
- NTNW - New Territories North West
- NTE - New Territories East

With effect from 1 April 2011, one Senior Commission Against Corruption Officer (Regional Officer/Hong Kong Island) heads the operation of both HKE Office and HKW/Is Office.

* With effect from 1 April 2010, one Senior Commission Against Corruption Officer (Regional Officer/New Territories West) heads the operation of both NTSW Office and NTNW Office.

Item 1(f): What specific areas will the impending review of the Regional Offices cover?

- The Community Relations Department of the ICAC will conduct a strategic planning workshop in the fourth quarter of 2013 to develop a five-year strategic plan for the department. A review of the Regional Offices, such as their functions, location, cost-effectiveness, etc. will be one of the discussion items of the workshop.

Item 1(g) : How were your five duty visits outside Hong Kong differed from the 34 duty visits outside Hong Kong undertaken by your predecessor, Mr Timothy TONG.

- Mr Simon PEH, the incumbent Commissioner, ICAC, has taken six duty visits outside Hong Kong since he assumed the office on 1 July 2012. Details of those visits are in Appendix 1.
- Mr Timothy TONG, former Commissioner, ICAC, made 35 visits outside Hong Kong during his five-year tenure. Details of the 34 visits undertaken during 2007-08 and 2011-12 were listed in Annexes 2 and 3 of our reply made in response to the PAC letter dated 24 May 2013. Details of Mr TONG's 35th visit outside Hong Kong in 2012-13 were given in Appendix 2.
- The two Commissioners took duty visits outside Hong Kong which were absolutely necessary in the discharge of their duties or prominently conducive to the missions and/or functions of the Commission.

Appendix 1

Details of the six visits outside Hong Kong undertaken by
Mr Simon PEH, Commissioner, ICAC,
from July 2012 to June 2013

Date of duty visit and destination	Duration (Days)	Post of Accompanying Officers (Total number of officers in bracket)	Purpose of duty visit	Persons /Officials met	Total expenditure for all officers (include subsistence allowance, air passages and travelling expenses etc) (\$)
27/07/2012 – 29/07/2012 (Friday to Sunday) Guangzhou, China	3	Director of Community Relations (DCR) Assistant Director / Community Relations (AD/CR) (Ag) Principal Investigator (PI) Principal Corruption Prevention Officer (PCPO) Principal Press Information Officer (PPIO) Chief Liaison Officer (CLO) (6)	<ul style="list-style-type: none"> ➤ To officiate at the Prize Presentation Ceremony of the Cross Boundary Computer Animation/Comics Competition co-organised by the ICAC, Guangdong Provincial People's Procuratorate (GDPP) and Commission Against Corruption, Macao SAR ➤ To conduct visits to GDPP and Guangdong Provincial Supervision Bureau to share anti-corruption experience and discuss areas of further cooperation 	GDPP Guangdong Supervision Bureau Guangdong Public Security Bureau Commissioner, Macao Commission Against Corruption (CCAC)	48,854

~~CONFIDENTIAL~~

PAC letter dd 21.6.13

Date of duty visit and destination	Duration (Days)	Post of Accompanying Officers (Total number of officers in bracket)	Purpose of duty visit	Persons /Officials met	Total expenditure for all officers (include subsistence allowance, air passages and travelling expenses etc) (\$)
12/09/2012 – 15/09/2012 (Wednesday to Saturday) Beijing, China	4	DCR Principal Youth and Education Officer (PYEO) PI PCPO PPIO CLO Senior Producer (SP) (7)	<ul style="list-style-type: none"> ➤ To pay courtesy visit to Hong Kong and Macao Affairs Office of the State Council ➤ To visit Supreme People's Procuratorate and Ministry of Supervision to share anti-corruption experience and discuss areas of future cooperation ➤ To foster further cooperation in academic studies on anti-corruption with scholars of Mainland educational institutes 	SPP MoS Chinese Academy of Social Sciences (CASS) Hong Kong and Macao Affairs Office of the State Council Peking University	115,813
19/09/2012 – 20/09/2012 (Wednesday to Thursday) Macao	2	Director of Corruption Prevention (Ag) AD/CR PI PPIO (Ag) CLO SP (6)	<ul style="list-style-type: none"> ➤ To attend the seminar on "Integrity Management and Clean Business Environment" organized by the Commission Against Corruption, Macao SAR (CCAC) upon invitation ➤ To visit CCAC and the Public Prosecutions Office of the Macao SAR to share anti-corruption experience and discuss areas of future cooperation 	CCAC Macao Public Prosecutions Office Chief Executive of the Macao SAR Representatives of SPP, MoS, GDPP, Corrupt Practice Investigation Bureau of Singapore, Serious Fraud Office of New Zealand and International Association of Anti-Corruption Authorities (IAACA)	28,605

~~CONFIDENTIAL~~

PAC letter dd 21.6.13

Date of duty visit and destination	Duration (Days)	Post of Accompanying Officers (Total number of officers in bracket)	Purpose of duty visit	Persons /Officials met	Total expenditure for all officers (include subsistence allowance, air passages and travelling expenses etc) (\$)
03/10/2012 – 07/10/2012 (Wednesday to Sunday) Kuala Lumpur, Malaysia	5	DCR AD/Operations PCPO PYEO CLO (5)	➤ To attend the Executive Committee Meeting of the International Association of Anti-Corruption Authorities (IAACA) and deliver an address at the Plenary Session of the IAACA Sixth Annual Conference and General Meeting hosted by the Malaysian Anti-Corruption Commission (IAACA)	Malaysian Anti-Corruption Commission Komisi Pemberantasan Korupsi (KPK, Indonesia) President of IAACA Representatives of CASS and Transparency International	99,671
31/01/2013 (Thursday) Shenzhen, China	1	DCR AD/Operations PCPO Principal Liaison Officer (PLO) Chief Staff Officer / Centre of Anti-corruption Studies (CSO/CACS) Chief Investigator (6)	➤ To pay a courtesy visit to Shenzhen Municipal People's Procuratorate to share anti-corruption experience and discuss areas of future cooperation	Shenzhen Municipal People's Procuratorate	0
07/04/2013 – 10/04/2013 (Sunday to Wednesday) New Delhi, India	3	DCR PLO CSO/CACS Deputy Executive Director / Hong Kong Ethics Development Centre (4)	➤ To attend the Executive Committee (ExCo) Meeting of International Association of Anti-Corruption Authorities (IAACA) hosted by the Central Vigilance Commission (CVC) of India as one of the ExCo members	President of IAACA IAACA Executive Committee Indian Central Vigilance Commission	72,794
			Total : 6 visits at total expenditure of \$365,737		

Details of the 35th visit outside Hong Kong undertaken by
Mr Timothy TONG, former Commissioner, ICAC,
during his tenure in 2012-13

Date of duty visit and destination	Duration (Days)	Post of Accompanying Officers (Total number of officers in bracket)	Purpose of duty visit	Persons /Officials met	Total expenditure for all officers (include subsistence allowance, air passages and travelling expenses etc) (\$)
20/06/2012 – 22/06/2012 (Wednesday to Friday) Beijing, China	2	Director of Community Relations Assistant Director / Administration Principal Liaison Officer Principal Press Information Officer Principal Corruption Prevention Officer (5)	To attend meeting and conduct visits	Supreme People's Procuratorate (also International Association of Anti-Corruption Authorities) Ministry of Supervision Chinese Academy of Social Sciences	71,115

Item 2(b): Applications to/approvals from the Chief Executive for the five requests made by you to attend duty visits outside Hong Kong.

- The applications to/approvals (English version only) from the Chief Executive for the six requests made by Mr Simon PEH, the Commissioner, ICAC to attend duty visits outside Hong Kong are attached.

RESTRICTED

To Private Secretary to Chief Executive
(Fax No. : 2971 0854)

**Application to Leave Hong Kong for Official Business
by Commissioner, Independent Commission Against Corruption**

PART 1 (to be completed by C, ICAC)

Name : Mr Simon PEH

Destination : New Delhi, India

Period : 7-10 April 2013

Purpose of visit :

- To attend the Executive Committee (ExCo) Meeting of the International Association of
Anti-Corruption Authorities (IAACA) hosted by the Central Vigilance Commission (CVC)
of India as one of the ExCo members.

Persons/Organisations to meet :

President of the IAACA

Commissioner of CVC

- ExCo members of IAACA who are heads of anti-corruption agencies worldwide

Contact address/fax & tel nos. while outside HK :

Shangri-la Eros Hotel [Address : 19 Ashoka Road, Connaught Place, New Delhi, India]

Tel: (91 11) 4119 1919; Fax: (91 11) 4119 1988; My mobile number: (852)

Remarks :

* I recommend Head of Operations to ~~set up~~/double up my post from 7-10
April 2013.

Signature :  Date : 11 March 2013

PART 2 (to be completed by CE)

Application *approved / not approved.

Signature :  Date : 11 March 2013

CE

Please delete as appropriate

RESTRICTED

To Private Secretary to Chief Executive
(Fax No. : 2971 0854)

**Application to Leave Hong Kong for Official Business
by Commissioner, Independent Commission Against Corruption**

PART 1 (to be completed by C, ICAC)

Name : Mr Simon PEH

Destination : Shenzhen

Period : 31 January 2013

Purpose of visit :

To pay a courtesy visit to Shenzhen Municipal People's Procuratorate to share
anti-corruption experience and discuss areas of future cooperation.

Persons/Organisations to meet :

- 深圳市人民檢察院檢察長

- 深圳市人民檢察院副檢察長

Contact address/fax & tel nos. while outside HK :

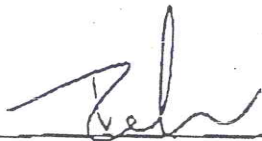
My mobile number : (852) +

Remarks : A short trip returning same day (from 1100 hrs to 2100 hrs).

*

There is no need for my duties to be covered by another officer during my
absence.

Signature :



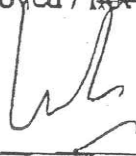
Date :

21 January 2013

PART 2 (to be completed by CE)

Application *approved / not approved.

Signature :



CE

Date :

22 January 2013

Please delete as appropriate

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To Private Secretary to Chief Executive
(Fax No. : 2971 0854)

**Application to Leave Hong Kong for Official Business
by Commissioner, Independent Commission Against Corruption**

PART 1 (to be completed by C, ICAC)

Name : Mr Simon PEH

Destination : Kuala Lumpur, Malaysia Period : 3-7 October 2012

Purpose of visit :

- To attend the Executive Committee Meeting of the International Association of Anti-Corruption Authorities (IAACA) and deliver an address at the Plenary Session of the IAACA Sixth Annual Conference and General Meeting hosted by the Malaysian Anti-Corruption Commission (MACC).

Persons/Organisations to meet :

- President of the IAACA
- Prime Minister of Malaysia
- Chief Commissioner of MACC
- Representatives of United Nations Office on Drugs and Crime
- Heads of anti-corruption agencies in the five continents

Contact address/fax & tel nos. while outside HK :

Traders Hotel Kuala Lumpur [Address : Kuala Lumpur City Centre, 50088, Malaysia]

Tel: (60 3) 2332 9888; Fax: (60 3) 2332 2677; My mobile number: (852)-

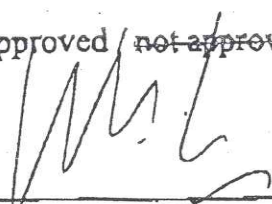
Remarks :

* I recommend Head of Operations to ~~act up~~/double up my post from 3-7 October 2012.

Signature :  Date : 11 September 2012

PART 2 (to be completed by CE)

Application *approved / ~~not approved~~.

Signature :  Date : 12 Sept. 2012
CE

Please delete as appropriate

RESTRICTED

To Private Secretary to Chief Executive
(Fax No. : 2971 0854)

**Application to Leave Hong Kong for Official Business
by Commissioner, Independent Commission Against Corruption**

PART 1 (to be completed by C, ICAC)

Name : Mr Simon PEH

Destination : Macao

Period : 19-20 September 2012

Purpose of visit :

- To attend the Seminar on Integrity Management and Clean Business Environment organized by the Commission Against Corruption, Macao SAR (CCAC) upon invitation;
- To visit CCAC and the Public Prosecutions Office of the Macao SAR to share anti-corruption experience and discuss areas of future cooperation.

Persons/Organisations to meet :

澳門廉政公署 專員；澳門檢察長

Contact address/fax & tel nos. while outside HK :
MGM Macau

Add: Avenida Dr. Sun Yat Sen, Nape, Macau

Tel: (853) 8802 8888; Fax: (853) 8802 3333

My mobile number: (852)

Remarks :

* I recommend Director of Operations to ~~set up~~/double up my post from 19-20 September 2012.

Signature :  Date : 5 September 2012

PART 2 (to be completed by CE)

Application *approved / ~~not approved~~

Signature :  Date : 5 September 2012
CE

Please delete as appropriate

RESTRICTED

To Private Secretary to Chief Executive
(Fax No. : 2971 0854)

**Application to Leave Hong Kong for Official Business
by Commissioner, Independent Commission Against Corruption**

PART 1 (to be completed by C, ICAC)

Name : Mr Simon PEH

Destination : Beijing Period : 12-15 September 2012

Purpose of visit :

- To pay courtesy visit to Hong Kong and Macao Affairs Office of the State Council;
- To visit Supreme People's Procuratorate and Ministry of Supervision to share anti-corruption experience and discuss areas of future cooperation;
- To foster further co-operation in academic studies on anti-corruption with scholars of Mainland educational institutes.

Persons/Organisations to meet :

國務院港澳事務辦公室 主任或其代表：最高人民檢察院 檢察長；
監察部 部長；中國社會科學院紀檢組 組長；北京大學 教授等學者。

Contact address/fax & tel nos. while outside HK :

Regent Beijing

Add: 99 Jinbao Street, Dongcheng District, Beijing 10005, China

Tel: (8610) 8522 1888; Fax: (8610) 8522 1818

My mobile number: (852)

Remarks :

* I recommend Director of Operations to act up/double up my post from 12-15 September 2012.

Signature :  Date : 20 August 2012

PART 2 (to be completed by CE)

Application * approved / not approved.

Signature :  Date : 20 August 2012
CE

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To Private Secretary to Chief Executive
(Fax No. : 2971 0854)

**Application to Leave Hong Kong for Official Business
by Commissioner, Independent Commission Against Corruption**

PART 1 (to be completed by C, ICAC)

Name : Mr Simon PEH

Destination : Guangzhou

Period : 27-29 July 2012

Purpose of visit :

- To officiate at the Prize Presentation Ceremony of the Cross Boundary Computer

Animation/Comics Competition co-organised by the ICAC, Guangdong Provincial

People's Procuratorate (GDPP) and Commission Against Corruption, Macao SAR.

- To conduct visits to GDPP and Guangdong Provincial Supervision Bureau to share
anti-corruption experience and discuss areas of further co-operation.

Persons/Organisations to meet :

廣東省檢察院 檢察長；廣東省紀律檢查委員會

書記：

廣東省監察廳 廳長；澳門廉政公署 專員。

Contact address/fax & tel nos. while outside HK :

Grand Hyatt Guangzhou

Add: 12 Zhujiang West Road, Pearl River New City, Tianhe District, Guangzhou, PRC 510623

Tel: (8620) 8396 1234; Fax: (8620) 8550 8234

My mobile number: (852)

Remarks :

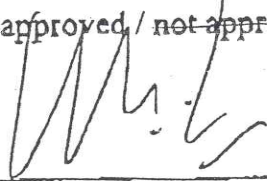
* I recommend Director of Operations to act up/double up my post from 27-29
July 2012.

Signature : 

Date : 19 July 2012

PART 2 (to be completed by CE)

Application *approved / not approved.

Signature : 

CE.

Date : 20th

July 2012

Please delete as appropriate

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Item 2(c): Extract of the minutes of meeting(s) of the Citizen Advisory Committee on Community Relations (“CACCR”) on the deliberations of the CACCR Paper 11/2009 “Mainland Liaison Work of the ICAC – Review and the Way Forward”.

- Please see the attached document, which is the extract of the minutes (an English translation copy) of a meeting of the CACCR on 10.12.2009 on the deliberations of the CACCR Paper 11/2009.

Item V: Mainland Liaison Work of the ICAC – Review and the Way Forward (CACCR Paper 11/2009)

7. [Assistant Director/Community Relations 1] introduced highlights of the Paper to Members.

8. (Deletion) agreed that the ICAC should enhance its research capabilities and suggested making reference to the documentary archive of the UK Foreign and Commonwealth Office. (Deletion) added that the ICAC could improve its research capabilities by collaborating with universities.

9. (Deletion) asked how law enforcement work could be facilitated after the Community Relations Department (CRD) strengthened exchanges and cooperation with the Mainland. He was also interested in understanding the role played by the ICAC concerning the Taiwan-related anti-corruption issues. (Deletion) added that before exploring the mainland media channels for publicity purposes, the ICAC should first study the Mainland cultural background with a view to making productions which could resonate easily with the audience.

10. (Deletion) appreciated the new positioning and strategies of the ICAC's Mainland liaison work. He hoped that the ICAC and the Mainland law enforcement bodies could make a breakthrough at the enforcement work front.

11. (Deletion) approved of the Commission's intensifying interaction with the Mainland. She suggested that the ICAC could cooperate with the All-China Federation of Industry and Commerce in providing corruption prevention and educational services to the private sector for strengthening internal controls.

12. (Deletion) considered the Mainland liaison approach taken by the ICAC very comprehensive. He suggested that the ICAC could also develop a network with NGOs, such as professional bodies and chambers of commerce, to improve efficacy of its preventive education work.

13. (Deletion) welcomed the suggestions put forward in the Paper, but reiterated that the ICAC should not neglect the anti-corruption work in Hong Kong. He continued to inquire about the Commission's allocation

of resources in view of the strong demand for preventive educational services on the Mainland.

14. (Deletion) suggested that the ICAC could make better use of the internet for publicity purposes. He also proposed that the ICAC could focus on the moral education of Mainland youth. (Deletion) pointed out that many Mainland students were taking courses held in Hong Kong on corporate governance and business administration, and that the ICAC could add some elements of business ethics to the relevant courses.

15. (Deletion) suggested that the ICAC should contact those Hong Kong training institutions which provided training for Mainland personnel so as to incorporate Hong Kong's anti-corruption experience into their relevant courses.

16. (Deletion) reported that according to the opinions given by (Deletion) prior to the meeting, the ICAC might consider developing e-learning programmes so that more Mainland officials could learn from Hong Kong's anti-graft experience. In addition, the ICAC should conduct more systematic studies.

17. (Deletion) replied that the Centre of Anti-Corruption Studies would conduct research on relevant topics with a view to formulating appropriate strategies. He continued that the ICAC had been maintaining close partnership with the law enforcement agencies on the Mainland and the Mutual Case Assistance Scheme had been implemented for over 20 years. With an increase of exchanges between Hong Kong and the Mainland China, enhanced co-operation on the law enforcement front could surely be achieved through promoting mutual understanding and consensus.

18. (Deletion) remarked that the ICAC would continue to reinforce links with chambers of commerce, increase the use of Internet for publicity purposes and reach the executive and managerial staff through business administration programmes. As for the Member's suggestion that more Mainland officials should be invited to attend the ICAC courses, the Commission would actively consider it subject to the availability of resources.

19. (Deletion) continued that the ICAC would properly deploy internal resources to carry out the Mainland liaison work as well as review the ICAC's positioning in district promotional activities. In regard to the

issue of Taiwan, (Deletion) stated that it was within the terms of reference of the Constitutional and Mainland Affairs Bureau. However, he agreed that the fight against corruption was definitely not confined to some territories, but a common initiative of all nations and territories. He wished that there could be developments in that regard within a short time.

Item 1(a): What were the activities undertaken by the Independent Commission Against Corruption (“ICAC”) to fulfil the duties of assisting other States Parties to the United Nations Convention Against Corruption (“UNCAC”) in developing and implementing specific measures for the prevention of corruption in accordance with the provisions of paragraph 3 of Article 6 of the Convention.

For the purpose of assisting other States Parties in achieving the provisions of the UNCAC, the ICAC has been invited to attend activities organised for the UNCAC and by the International Association of Anti-Corruption Authorities (IAACA) which is a key international non-government organisation set up in October 2006 for assisting other States Parties in fulfilling and implementing the UNCAC. The ICAC participated in the following related activities from 2006/07 to 2012/13:

1. IAACA Executive Committee (ExCo) Preparatory and Formal Meetings

- Since Dr Timothy TONG, former Commissioner, was appointed a member of the IAACA ExCo in late 2008, the Commissioner attended four ExCo meetings: one in 2010 (Brazil), two in 2011 (Qatar and Macao) and one in 2012 (Malaysia). In 2012, the Director of Community Relations attended a meeting in Tanzania on his behalf. In addition, between 2009 and 2013, the ICAC personnel attended eight preparatory meetings (4 held in Hong Kong, 4 on the Mainland or overseas) with the Chairman and Secretary General of IACCA for discussion of the IAACA matters and activities.

2. IAACA Annual Conferences and General Meetings

- Since its inception, the IAACA has organised a total of six annual conferences which were followed by a general meeting where IAACA’s work plans and conference declarations had been endorsed. The

ICAC was invited to participate in the conferences where the Commissioner usually played the role as a keynote speaker with other ICAC delegates as speakers and/or rapporteurs of panel workshops.

3. International Conferences

- Also upon invitation, ICAC officers joined the IAACA delegation to participate in the Conferences of the States Parties to the UNCAC in 2006 (Jordan), 2008 (Indonesia) and 2011 (Morocco).

4. Sharing with Overseas Anti-Graft Agencies

- The ICAC often receives visiting overseas delegations to share Hong Kong's anti-corruption experience with them. During 2006/07 to 2012/13, 11 delegations comprising 40 anti-graft officials from five international organisations¹ and five countries² visited the ICAC to exchange views on issues related to UNCAC and IAACA. Compared to the average of 113 overseas delegations received by the ICAC a year, the proportion is small.
- In 2012, upon invitation the Director of Community Relations visited the Malaysian Anti-Corruption Commission, which is a member of the IAACA, to share CRD's experience in community education.

5. Special Project – IAACA International Anti-corruption PSA Video Competition and Workshop 2011

- The ICAC was appointed by the IAACA to host the International Anti-corruption PSA Video Competition and Workshop on 8-9 December 2011. The two-day event, which was attended by over 200 overseas and local anti-corruption practitioners, media and advertising professionals and academics, attracted 29 contesting entries from anti-corruption bodies and law enforcement agencies of 21 countries and places. About 110 local participants from Hong Kong organisations attended the event as well.

¹ World Intellectual Property Organisation, United Nations Office on Drugs and Crime, United Nations World Tourism Organisation, Advisory Committee of the International Council on Monuments and Sites, and World Meteorological Organisation

² Panama, Tanzania, Indonesia, India and Vietnam

PAC letter dd 21.6.13

6. IAACA Training Seminars

- From 2007 till now, the IAACA has held 5 training seminars in different Mainland provinces with attendance by representatives of the State Parties to examine different topics related to anti-corruption work together. The ICAC sent officers to attend as speakers and rapporteurs at panel of workshops on each occasion.

Item 1(b)(i): In respect of (a): what was the expenditure each year from 2006-2007 to 2012-2013 and what percentages did such expenditure account for in terms of the annual expenditure of the Community Relations Department (“CRD”) and of the whole ICAC respectively each year from 2006-07 to 2012-2013.

- In respect of Item 1(a), the expenditure each year from 2006-2007 to 2012-2013 and their percentages as against the annual expenditure of the Community Relations Department and the ICAC as a whole are listed below :-

Year	Expenditure of CRD in respect of Item 1(a) (\$)	% vs CRD's Total Expenditure	Expenditure of ICAC in respect of Item 1(a) (\$)	% vs ICAC's Total Expenditure
2006-2007	240,000	0.25%	768,000	0.12%
2007-2008	34,000	0.00%	359,000	0.05%
2008-2009	80,000	0.07%	683,000	0.09%
2009-2010	5,000	0.00%	5,000	0.00%
2010-2011	285,000	0.25%	1,035,000	0.13%
2011-2012	4,006,000	3.25%	5,218,000	0.64%
2012-2013	305,000	0.24%	674,000	0.08%

Item 1(b)(ii): In respect of (a) above : What was the implication on manpower resources each year from 2006-2007 to 2012-2013.

There is no dedicated office in the ICAC to deal with activities related to the UNCAC. The Hong Kong Mainland Liaison Office (HKMLO) of the CRD (established on 5 February 1997) co-ordinates such activities as part and parcel of its businesses. The number of established posts in HKMLO represents only a small percentage of the CRD's total establishment (see table below). Normally about 10% of the HKMLO manpower is involved in the co-ordination of UNCAC-related activities.

Year/Month	Established Posts	Strength (Staff in Posts)	Percentage of HKMLO Established Posts in CRD		Percentage of Total CRD Posts Involved in UNCAC-related Activities	
			CRD	ICAC	CRD	ICAC
April 2006	5	5	2.8%	0.4%	0.28%	0.04%
April 2007	5	5	2.8%	0.4%	0.28%	0.04%
April 2008	5	5	2.7%	0.4%	0.27%	0.04%
April 2009	5	5	2.7%	0.4%	0.27%	0.04%
April 2010	8 #	6	4.3%	0.6%	0.43%	0.06%
April 2011	8 #	7	4.3%	0.6%	0.43% (See Para. 2 below)	0.06%
April 2012	8 #	7	4.4%	0.6%	0.44%	0.06%

(# An additional 2 Commission Against Corruption Officer (Middle/Lower) and 1 Assistant Commission Against Corruption Officer posts through redeployment within the CRD)

2. The ICAC was appointed by the International Association of Anti-corruption Authorities (IAACA) to organise the International Anti-corruption Public Service Announcement Video Competition and Workshop (the Event) in Hong Kong in December 2011. On a special project basis, a supernumerary post of Assistant Director (D2 equivalent) was created under delegated authority in the ICAC from 1 August 2011 to 31 December 2011 to work full time on the project for five months. The HKMLO supported the Assistant Director to plan and organise the Event, with the assistance of other offices in the ICAC.

PAC letter dd 21.6.13

3. The attendance or participation of relevant activities by other officers only represented a very small part of their routine duties which carried no implication on the manpower resources of the ICAC.

Item 1(b)(iii): In respect of (a) above: Whether, and if so, what was the beneficial effect(s) on Hong Kong.

- Following the rapid development of globalisation, corruption is no longer a regional problem, but an international issue with impacts on all communities and economies. International cooperation is therefore indispensable for preventing and combating corruption. As stipulated in Article 1 of the United Nations Convention Against Corruption (UNCAC), the purposes of the UNCAC are to promote and strengthen measures to prevent and combat corruption more efficiently and effectively; and to promote, facilitate and support international cooperation and technical assistance in the prevention of the fight against corruption. The UNCAC is a global tool for combating graft. It also provides an effective framework for strengthening mutual assistance amongst State Parties in corruption prevention and investigation as well as return of the proceeds of crime.
- Therefore, by attending or undertaking the activities listed out in Item 1(a), it is beneficial to Hong Kong in enhancing its international image. It also enables the ICAC to have a deeper understanding of the challenges faced by other jurisdictions and learn from their experience in tackling the problems.
- Through participation in these international events, the ICAC was able to extend, consolidate or build up networks with other anti-corruption agencies to facilitate different aspect of our work (including investigation).

PAC letter dd 17.7.13

Item 1: Is section 12(e) of the Independent Commission Against Corruption Ordinance (Cap. 204) the legal basis empowering the Independent Commission Against Corruption (“ICAC”) to comply with the United Nations Convention Against Corruption (“UNCAC”); if yes, please elaborate your answer with legal reasoning; if not, please explain your answer in detail. Please also provide a copy of the official document(s) on the appointment of the ICAC by the Central People’s Government to provide assistance to Members States of the UNCAC in helping them to effectively implement such Convention.

- It is always part of ICAC’s work and strategies to strengthen cooperation with international anti-corruption agencies, which includes receiving and providing briefings and training to the delegations from these agencies, participating in international conferences and establishing mutual assistance schemes with different agencies. Such strategies are made necessary since under the current rapid development of globalisation, corruption is no longer a regional problem, but an international issue with impacts on all communities and economies. International cooperation is essential to enable the ICAC to effectively fulfil its statutory duties under ICACO s.12 in preventing and combating corruption.
- Upon the UNCAC becoming applicable to HKSAR in accordance with Basic Law Article 153 and the ICAC being designated by the Central People’s (CPG) as the authority for the HKSAR to assist other States Parties in developing and implementing specific measures for the prevention of corruption, the ICAC has further enhanced its effort in promoting international cooperation. Fulfilling our obligations under the UNCAC aside, such effort is in line with our work strategies as spelt out above. In participating and supporting activities related to the UNCAC, the ICAC would also enhance its international image, benefit from the other jurisdictions’ experience in tackling their corruption problems and extend, consolidate or build up networks with other anti-corruption agencies to facilitate different aspect of our work.

PAC letter dd 17.7.13

- To take part in the UNCAC related activities and provide assistance to other States Parties, which is of mutual benefits to the anti-corruption work of Hong Kong, is part and parcel of the ICAC's strategies in enhancing international cooperation. The effort that the ICAC puts into the area is basically a matter of work strategy and not a legal issue. Even from the legal point of view, such a strategy is in fact in line with our statutory duties under ICACO s.12, inter alia s.12(e).
- A copy of the Depository Notifications of the United Nations announcing that the CPG has designated the ICAC as the authority for the HKSAR to assist other States Parties in the prevention of corruption in accordance with the UNCAC is attached.



POSTAL ADDRESS—ADRESSE POSTALE UNITED NATIONS, N.Y. 10017
CABLE ADDRESS—ADRESSE TELEGRAPHIQUE UNATIONS NEWYORK

Reference: C.N.51.2006.TREATIES-3 (Depositary Notification)

UNITED NATIONS CONVENTION AGAINST CORRUPTION
NEW YORK, 31 OCTOBER 2003

CHINA: RATIFICATION¹

The Secretary-General of the United Nations, acting in his capacity as depositary, communicates the following:

The above action was effected on 13 January 2006, with:

Notifications (Courtesy Translation) (Original: Chinese)

Reservation:

.....the People's Republic of China shall not be bound by paragraph 2 of Article 66 of the *United Nations Convention against Corruption*.

Notifications:

In accordance with the provisions of paragraph 3 of Article 6 of the Convention, the Ministry of Supervision of the People's Republic of China is designated as the authority to assist other States Parties in developing and implementing specific measures for the prevention of corruption (Address: Jia 2 Guanganmen Nanjie, Xuanwu District, Beijing, China, 100053), while for the Hong Kong Special Administrative Region, such authority is the Independent Commission against Corruption of Hong Kong (SAR) (Address: c/o ICAC Report Center, 10/F Murray Road CAR Park Building, 2 Murray Road, Central, Hong Kong), and for the Macao Special Administrative Region, such authority is the Commission against Corruption of Macao SAR (Address: Alameda Dr. Carlos d'Assumpção, Edif. "Dynasty Plaza", 14º Andar-NAPE-Macau).

In accordance with the provisions of paragraph 13 of Article 46 of the Convention, the Supreme People's Procuratorate of the People's Republic of China is designated as the central authority which is responsible for receiving requests for mutual legal assistance and other related issues (Address: 147 Beiheyuan Dajie, Dongcheng District, Beijing, China, 100726), while for the Hong Kong Special Administrative Region, such central authority is the Secretary for Justice of the Department of Justice of Hong Kong SAR (47/F High Block, Queensway Government Offices, 66 Queensway, Hong Kong), and for the Macao Special Administrative Region, such central authority is the Office of the Secretary for Administration and Justice of Macao SAR (Address: Sede do Governo da RAEM, Avenida da Praia Grande, Macau).

Attention: Treaty Services of Ministries of Foreign Affairs and of international organizations concerned.
Depositary notifications are made available to the Permanent Missions to the United Nations at the following e-mail address: missions@un.int. Such notifications are also available in the United Nations Treaty Collection on the Internet at <http://untreaty.un.org>.

- 2 -

In accordance with the provisions of paragraph 14 of Article 46 of the Convention, Chinese is the only language acceptable to the People's Republic of China for the written requests for mutual legal assistance, while for the Hong Kong Special Administrative Region, such language is English or Chinese, and for the Macao Special Administrative Region, such language is Chinese or Portuguese.

The Convention will enter into force for China on 12 February 2006 in accordance with its article 68 (2) which reads as follows:

"For each State or regional economic integration organization ratifying, accepting, approving or acceding to this Convention after the deposit of the thirtieth instrument of such action, this Convention shall enter into force on the thirtieth day after the date of deposit by such State or organization of the relevant instrument or on the date this Convention enters into force pursuant to paragraph 1 of this article, whichever is later."

19 January 2006



1. Refer to depositary notification C.N.52.2006.TREATIES-4 of 19 January 2006 (China: Communication in respect of Hong Kong and Macao)

Attention: Treaty Services of Ministries of Foreign Affairs and of international organizations concerned.
Depositary notifications are made available to the Permanent Missions to the United Nations at the following e-mail address: missions@un.int. Such notifications are also available in the United Nations Treaty Collection on the Internet at <http://untreaty.un.org>.

UNITED NATIONS



NATIONS UNIES

POSTAL ADDRESS—ADRESSE POSTALE: UNITED NATIONS, N.Y. 10017
CABLE ADDRESS—ADRESSE TELEGRAPHIQUE: UNATIONS NEWYORK

Reference: C.N.1216.2007.TREATIES-34 (Depositary Notification)

UNITED NATIONS CONVENTION AGAINST CORRUPTION
NEW YORK, 31 OCTOBER 2003

CHINA: NOTIFICATION UNDER ARTICLE 6 (3)¹

The Secretary-General of the United Nations, acting in his capacity as depositary, communicates the following:

The above action was effected on 14 December 2007.

(Courtesy Translation) (Original: Chinese)

1. The authority for the People's Republic of China to assist other States Parties in developing and implementing specific measures for the prevention of corruption in accordance with the provisions of paragraph 3 of Article 6 of the Convention has been changed from the Ministry of Supervision of the People's Republic of China to the National Bureau of Corruption Prevention of the People's Republic of China (Address: General Office of the National Bureau of Corruption Prevention of the People's Republic of China, Jia 2 Guanganmen Nanjie, Xuanwu District, Beijing, China, 100053).

2. The address of the Independent Commission against Corruption of Hong Kong SAR, the authority for the Hong Kong Special Administrative Region of the People's Republic of China to assist other States Parties in developing and implementing specific measures for the prevention of corruption in accordance with the provisions of paragraph 3 of Article 6 of the Convention, has been changed to "c/o ICAC Report Centre, 10/F 303 Java Road, North Point, Hong Kong, China".

4 January 2008

A handwritten signature in black ink, consisting of stylized, overlapping loops.

¹ Refer to depositary notification C.N.51.2006.TREATIES-3 of 19 January 2006 (China: Ratification).

Attention: Treaty Services of Ministries of Foreign Affairs and of international organizations concerned. Depositary notifications are currently issued in both hard copy and electronic format. Depositary notifications are made available to the Permanent Missions to the United Nations at the following e-mail address: missions@un.int. Such notifications are also available in the United Nations Treaty Collection on the Internet at <http://untreaty.un.org>, where interested individuals can subscribe to directly receive depositary notifications by e-mail through a new automated subscription service. Depositary notifications are available for pick-up by the Permanent Missions in Room NL-300.

Item (d): Whether there were notes of meeting with Lijiang Municipal People's Procuratorate held on 16 January 2009 prepared by the ICAC; if so, please provide the notes of meeting.

- There were no notes of meeting with the Lijiang Municipal People's Procuratorate held on 16 January 2009.

Item (h): When did preparation work for hosting the Anti-Corruption Public Service Announcement Competition and Workshop (“the Anti-Corruption PSA Competition and Workshop”) in Hong Kong in December 2011 commence, and whether funding had been set aside to host such event.

- At the Executive Committee meeting of the International Association of Anti-corruption Authorities (IAACA) held in May 2011 in Doha, Qatar, agreement was made for the ICAC to organise the Anti-Corruption PSA Competition and Workshop for members of the IAACA in December 2011 in Hong Kong. Application for funding the event was then made in July 2011.

Item (i) : Whether Professor YUAN Bo-shun had assisted in the planning and organization of the Anti-Corruption PSA Competition and Workshop; if so, please provide details.

- Professor YUAN Bo-shun had not assisted in the planning and organisation of the Anti-Corruption PSA Competition and Workshop.

Item (k): Whether the CRD had stopped using Form 569 about half a year after the Form was introduced in mid-2008 as referred to in paragraph 3.9 of the IRC Report or one and a half years after the Form was introduced in mid-2008 as referred to in paragraph 2 of Annex 3 to your reply dated 4 October 2013.

- The Administration Branch introduced the revised ICAC Form 569 in June 2008 to streamline the processes for the approval and payment of entertainment expenses. The CRD used the Form for one and a half years from mid-2008 till November 2009 as stated in paragraph 2 of Annex 3 to the reply to PAC dated 4 October 2013.

Item (l) : Whether Commissioner, ICAC, is allowed under the law to delegate his power in making and modifying the Commission Standing Orders, provided under section 11 of the ICAC Ordinance (Cap. 204), to ICAC officers; if so, which law provision(s).

- By virtue of section 13(1)(d) of the ICAC Ordinance (Cap.204), the Commissioner, ICAC may delegate specific ICAC officers designated by him to exercise his power conferred under section 11 of the Ordinance in the making of the Commission Standing Orders.

Item (b) : Why the ICAC could obtain breakdown of the expenditures on duty visits and official entertainment in 2006-07, prior to the implementation of the Government Financial Management Information System in 2007-2008.

- The Government Financial Management Information System (GFMIS) was rolled out in December 2007. The breakdown of expenditures on duty visits and official entertainment for 2006-07 could be obtained because they were used for testing and commissioning the GFMIS before its roll-out. Similar breakdown before 2006/07 is not available.