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Panel on Security

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 13 May 2014**

Anti-corruption work against cross-boundary corruption

Purpose

This paper gives an account of past discussions by the Panel on Security ("the Panel") on issues relating to anti-corruption work against cross-boundary corruption.

Background

2. According to the Independent Commission Against Corruption ("ICAC"), Hong Kong businessmen were seen investing in the Mainland in great number from the 1980s, notably in the Pearl River Delta. ICAC has been stepping up efforts to strengthen cooperation with anti-corruption authorities in Guangdong in rendering preventive education services to businessmen with cross-boundary operations.

3. In 1990, the Guangdong Provincial People's Procuratorate ("GDPP") was designated by the Supreme People's Procuratorate ("SPP") to set up with ICAC a Mutual Case Assistance Scheme, to render mutual assistance in conducting enquiries in corruption cases. GDPP was the Mainland's point of contact with ICAC on behalf of the Guangdong province and all the Mainland procuratorates. In April 2000, SPP took over the role of contact point with ICAC for cases involving all Mainland provinces apart from the Guangdong province which would continue to be liaised by GDPP. Under the Mutual Case Assistance

Scheme, ICAC, SPP and GDPP agreed to render assistance in arranging witnesses to be interviewed or to testify in court on a voluntary basis, or checking of public records.

Deliberations of the Panel

Investigation work on suspected cross-boundary corruption cases

4. In view of the increasing contacts and exchanges between enterprises in Hong Kong and the Mainland, some members raised concern about cross-boundary corruption and sought more information on the cooperation between ICAC and the relevant Mainland authorities on such cases.

5. Members were advised that SPP and GDPP were ICAC's points of contact in the Mainland regarding cross-boundary investigation work on suspected corruption cases. Notwithstanding that Hong Kong and the Mainland were two separate jurisdictions without reciprocal enforcement on the extradition of suspects, under the Mutual Case Assistance Scheme, the requesting party could seek assistance in the interviewing of witnesses and gathering of evidence in the other party's jurisdiction in respect of corruption investigations. According to ICAC, the cooperation proved to be effective and contributed to the successful outcome of investigation.

Corruption prevention and education

6. Concern was raised about the corruption prevention and educational support for Hong Kong enterprises operating in the Mainland. Information was also sought on whether and how ICAC developed a closer working partnership with its counterparts in Guangdong and Macao.

7. Members were advised that apart from exchanging experience on corruption prevention through mutual visits, ICAC worked closely with SPP and GDPP in the aspects of corruption prevention and community education. For instance, ICAC had, in collaboration with the Securities and Futures Commission, organized seminars for Mainland enterprises seeking to list in the Hong Kong Stock Exchange. ICAC had also launched jointly with GDPP a "Business Ethics Conference for Small and Medium Enterprises" in April 2008. ICAC would continue to promote a corruption prevention guide for small-and-medium enterprises ("SMEs") in Hong Kong and on the Mainland to equip them with the necessary knowledge and skills in managing corruption risks

in their cross-boundary operations, including the relevant anti-corruption laws in both jurisdictions and advice on ethical management practices.

8. In the context of discussing "Security matters under the Framework Agreement on Guangdong/Hong Kong Co-operation", the Panel was briefed on the collaboration among ICAC, GDPP and the Commission Against Corruption of Macao ("CCAC") in the exchange of anti-corruption experiences on practical issues and the provision of corruption prevention services to cross-boundary business enterprises in the Pearl River Delta region.

9. According to ICAC, it had agreed with GDPP and CCAC in July 2010 to set up a standing working group to jointly map out long-term strategies and objectives to strengthen tripartite cooperation on corruption prevention and education. A conference for SMEs in the Pearl River Delta region was held in Hong Kong in September 2011 and a practical guide was published in 2012. The conference was attended by some 200 participants from major chambers of commerce, trade associations, as well as entrepreneurs from Hong Kong, Macao and Guangdong. The conference helped gauge the needs of cross-boundary SME entrepreneurs and shed light on the framework and contents of the corruption prevention guide. The practical guide, which was a joint publication of ICAC, GDPP and CCAC, covering respective anti-corruption legislation of Hong Kong, the Mainland and Macao as well as corruption prevention measures for cross-boundary SME entrepreneurs, was issued and promoted to businessmen in Hong Kong through related chambers of commerce and trade associations in early October 2012.

Relevant papers

10. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

**Relevant papers on
anti-corruption work against cross-boundary corruption**

Meeting	Date of meeting	Paper
Panel on Security	20 October 2009	Minutes CB(2)910/09-10(02)
Panel on Security	1 June 2010	Agenda Minutes

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