

**Legislative Council Panel on Security**

**The Chief Executive's 2020 Policy Address  
Briefing by Commissioner  
Independent Commission Against Corruption**

**PURPOSE**

This paper gives an overview of Hong Kong's corruption situation in the first ten months of 2020 and outlines the major ICAC anti-corruption initiatives in the coming year.

**CORRUPTION SCENE**

2. The corruption situation in Hong Kong continues to be well under control. In the first ten months of 2020, the ICAC received 1,614 corruption complaints (excluding election complaints), which is 345 or 18% less than that of the same period in 2019, while pursuable complaints decreased by 17% from 1,480 to 1,231. The drop was across the board, with more significant decrease in complaints concerning the private sector. Whilst the overall and sectoral decrease in corruption complaints may be due to the substantial drop in economic activities during the pandemic, as well as the public's preoccupation with various other socio-economic issues, the full and long term impact of these factors on the corruption scene has yet to be seen.

3. In the same period, 133 persons were prosecuted in 78 cases (excluding election cases), as compared with 100 persons in 68 cases in 2019. The case-based and person-based conviction rates were both 89%.

***Government Sector and Public Bodies***

4. Public servants, and the civil service in Hong Kong generally remains clean and honest. In the first ten months of 2020, complaints concerning government bureaux/departments registered a decrease of 3% (from 539 to 525) and pursuable complaints recorded a rise of 1% (from 333 to 336) when compared to the same period of 2019. Complaints relating to public bodies decreased by 7% (from 142 to 132), and pursuable complaints down by 20% (from 107 to 86). During the period, five government servants were prosecuted for corruption and related offences and 11 were formally cautioned. Separately, 96 government servants were referred to the relevant

bureaux/departments for consideration of disciplinary and/or administrative action after endorsement of the Operations Review Committee.

### ***Private Sector***

5. In the first ten months of 2020, complaints concerning the private sector went down by 25% (from 1,278 to 957), and pursuable complaints down by 22% (from 1,040 to 809). Building Management (BM) (385 complaints), Construction Industry (92 complaints) and the Finance and Insurance (83 complaints) remained the top three subsectors.

6. The most significant contributing factor to the overall drop in complaints concerning the private sector was the decrease registered in the Finance and Insurance subsector, down by 42% or 59 complaints when compared with the same period in 2019. Although the BM subsector still attracted the most complaints, the downward trend that has been recorded since 2018 is continuing. The ICAC's enforcement strategy in this subsector, combining the traditional approach of investigation together with early intervention action in appropriate cases to alert flat owners concerned to the possible risks in the award of contracts, has so far proved to be effective and will be maintained.

### ***Elections***

7. The District Council Election was held in November 2019 amidst a backdrop of social unrest. Up to the end of October 2020, the ICAC registered a total of 717 election complaints of which 684 were pursuable. Separately, 15 complaints, of which 14 were pursuable, were registered in respect of the Legislative Council (LegCo) Election originally scheduled for 6 September 2020.

8. The amendments made to the Elections (Corrupt and Illegal Conduct) Ordinance (ECICO) in December 2019 raised the limits for *de minimis* arrangement for handling election returns with minor errors under section 37A of ECICO, and raised the threshold for submission of invoices and receipts for election expenses. It is anticipated that the amendments made to the ECICO will significantly reduce the number of complaints concerning minor breaches.

9. In the first ten months of 2020, one person was prosecuted and convicted of an offence of failing to lodge an election return, while 14 persons received warnings for minor breaches of electoral offences.

## **MAJOR INITIATIVES**

### ***Government Sector and Public Bodies***

10. The ICAC continues to entrench a culture of integrity in the government sector and public bodies, and focuses its corruption prevention efforts on areas of public concern and public safety, as well as issues involving substantial sums of public money. In 2021, the Integrity Promotion Campaign for Public Sector, comprising training for public officials, new training videos and an integrity promotion package for public bodies, as well as a seminar on integrity management, will be launched. Besides, a corruption prevention guide for reference by government departments and public bodies with regulatory enforcement functions (such as the Food and Environmental Hygiene Department, and the Environmental Protection Department) will be launched towards the end of 2020.

11. In view of public concerns over Government's initiatives on innovation and technology development, the ICAC will assist the relevant government bureaux/departments as well as public bodies to ensure that the relevant systems and procedures are corruption resistant. Up to October 2020, the ICAC has completed detailed reviews on three innovation and technology related initiatives under the Hong Kong Science and Technology Parks Corporation, and the Innovation and Technology Commission. Moreover, corruption prevention advice on such initiatives has been given to the Hong Kong Productivity Council and the Innovation and Technology Commission on eleven occasions.

12. To ensure the quality and safety of public works projects, the ICAC has completed a review of the site supervision system of the Development Bureau and works departments and assisted them in strengthening the corruption prevention safeguards in the system, including the use of digital technologies in the system. Given that other government departments and public bodies also undertake public works projects, the ICAC will launch a Corruption Prevention Guide on Works Supervision in late 2020 to help them enhance the corruption resistance of their site supervision systems. The ICAC will upload the electronic version of the Guide to the Corruption Prevention Advisory Service web-portal for reference by private companies and practitioners in the works supervision of their projects.

13. Given the important roles of public works contractors in the implementation, management and quality control of public works projects, the ICAC has developed an Integrity Management System (IMS) which aims to enhance public works contractors' awareness of and capabilities in integrity management and corruption prevention. IMS comprises elements on integrity policy and requirements, integrity capacity building and integrity risk management. The Development Bureau completed the second round consultation with the industry on the extent of adopting IMS as a listing requirement of Government's approved public works contractors in September 2020. It is in the process of finalising the revision to the listing requirements. Apart from the above, the ICAC is working with the Development Bureau and Construction Industry Council on a new initiative/campaign to promote integrity awareness of works contractors at the various tiers.

### *Private Sector*

14. In order to sustain Hong Kong's status as an international financial centre, the ICAC will continue to fight corruption and other graft-facilitated illicit activities concerning the financial sector by collaborating with various financial regulators, including the Securities and Futures Commission, the Hong Kong Monetary Authority and the Insurance Authority. The memorandum of understanding signed between the ICAC and the Securities and Futures Commission in 2019 was a milestone in this regard.

15. To continue to promote corruption prevention practices and enhance its services for the private sector with a view to safeguarding Hong Kong's level playing field, the ICAC will develop more thematic webpages, anti-corruption information and business ethics training materials for different trades and professions to facilitate access to relevant information/resources by target visitor groups.

16. In parallel, the ICAC is intensifying its efforts to take forward the "Integrity for Success" Ethics Promotion Campaign for Insurance Industry. A Corruption Prevention Guide for Insurance Companies will be launched by the end of this year and promulgated from 2021 onwards to assist insurance companies in establishing and strengthening their corruption prevention capabilities in their core operations, e.g. management of insurance intermediaries, sales process, underwriting and claims verification.

17. Given the high corruption risk in the BM subsector, apart from assisting the Property Management Services Authority (PMSA) to enhance its

internal control, and providing early corruption prevention advice on the new licensing regime for property management companies and property management practitioners, the ICAC will work with the PMSA on a number of collaborative initiatives, including the development of corruption prevention publications, organising capacity building workshops, and proactively offering corruption prevention advisory service.

18. The ICAC remains alert to the corruption opportunities arising from the “Operation Building Bright 2.0”, “Fire Safety Improvement Works Subsidy Scheme”, “Lift Modernisation Subsidy Scheme” and the newly launched “Building Maintenance Grant Scheme for Needy Owners”. Through an internal task force, the ICAC will continue to conduct regular reviews in this respect and formulate appropriate strategies to deal with issues arising from the schemes and to prevent tender-rigging.

### ***Engaging the Public and Younger Generation***

19. To further enlist public support for the anti-corruption cause, the ICAC will ride on the momentum of the multi-year “All for Integrity” Programme which targeted at all sectors of the community and launch a “Signature Event” in 2021/22 to call for public’s positive action to embrace integrity in their life journeys together with the ICAC through engaging activities, and to amplify the significance and publicity mileage of the “All for Integrity” initiative.

20. For the younger generation, the ICAC has engaged a research agency to conduct a focus group study on youth attitudes towards probity and integrity and the reasons behind their beliefs in the current social ambience. Young people of different age groups and background were invited to share their views on corruption, personal integrity as well as rule and law-abidingness. The findings will serve as a useful reference for the ICAC to suitably incorporate the concepts of anti-corruption, positive values, law-abidingness, as well as respect for the rule of law in formulating publicity strategies and integrity promotion programmes. Through different channels, social media and creative means, the ICAC aims at developing the younger generation to uphold integrity, show zero tolerance towards corruption, respect and abide by rules and the law. The ICAC will also launch an integrity education programme for primary schools, comprising provision of theme-based moral education resources and training for teachers, as well as experiential learning activities / participation scheme for students to support the school-based Moral and Civic Education curriculum.

21. In addition, the ICAC will produce a new announcement of public interest and a new drama series *ICAC Investigators* to raise public awareness against corruption. Tying in with the launch of these two products in early 2022, a comprehensive online and offline promotional plan to drive home the anti-corruption message to the general public will be organised.

### ***Election***

22. The LegCo General Election and Election Committee Subsector Elections will be held in 2021. The ICAC will continue to work with various stakeholders, including the Constitutional and Mainland Affairs Bureau, the Registration and Electoral Office and the Hong Kong Police Force to ensure prompt and robust enforcement action against any electoral corruption and malpractice. The ICAC will also launch the “Support Clean Elections” Programmes comprising a series of education and publicity activities, and assist the authorities concerned in the review of electoral legislation and guidelines so as to uphold integrity and fairness of the elections.

23. In January 2020, the ICAC recommended a number of improvement measures on the polling and counting processes to the Administration to safeguard the LegCo Election (originally scheduled for September 2020) against the allegations and malpractices in the 2019 District Council Election, a majority of which were supported and taken forward by the relevant authorities. The ICAC will continue to partner with the Government to further enhance the electoral processes and controls to keep public elections clean.

### ***International and Mainland Cooperation***

24. On the international front, the ICAC continued to widen its network and strengthen collaboration with anti-corruption agencies of different jurisdictions. The ICAC also strives to update the international community, including the ranking institutions, on Hong Kong’s progress and initiatives in anti-corruption work and strong rule of law.

25. Although travel restrictions have prevented face-to-face communications with the overseas agencies and international institutions, ICAC expediently turned online in organising meetings and conducting capacity building training sessions for graft fighters of various countries, namely Bosnia and Herzegovina, Moldova, Mongolia, Myanmar and Romania. Similar training for anti-corruption agencies of Laos, Thailand and Vietnam is being lined up.

Besides, the ICAC is discussing with the Asian Development Bank on a series of online capacity building programme on prevention and community education and face-to-face investigative programme in Hong Kong for its member countries. Cooperation with the United Nations Office on Drugs and Crime on providing capacity building programme for the Belt & Road countries is also expected to commence in 2021.

26. Regarding the cooperation among Guangdong, Hong Kong and Macao on collaboration in anti-corruption work in the Greater Bay Area, the ICAC, Guangdong Provincial Commission of Supervision and the Commission Against Corruption of Macao planned to have the second tripartite meeting online in the first quarter of 2021.

**Independent Commission Against Corruption  
November 2020**