

APEC ANTI-CORRUPTION CODE OF CONDUCT FOR BUSINESS
Manila, Philippines, 20 September 2012

**Preventing and Detecting Foreign Bribery:
APEC ANTI-CORRUPTION CODE OF CONDUCT
FOR BUSINESS
[MALAYSIAN EXPERIENCE]**

20 SEPTEMBER 2012



Malaysian Anti-Corruption Commission (MACC), Malaysia

Presented by:
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MALAYSIA

SCOPES OF PRESENTATION



- 1. INTRODUCTION**
- 2. BACKGROUND**
- 3. MEASURES**
- 4. PRINCIPLES AS A GUIDE**
- 5. IMPACT**
- 6. WAY FORWARD**
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1. INTRODUCTION



- To promote corporate compliance, internal controls and ethic measures in order to detect and prevent bribery;
- Emphasis on specific components of corporate compliance measures including laws, code of business ethics, Corporate Integrity Pledge and Integrity Pact;
- Enforcement by Malaysian Anti-Corruption Commission (MACC).

2. BACKGROUND



- *"Corruption in the APEC region and beyond has serious and widespread consequences - it limits economic development, it discourages investment and it keeps people living in poverty."* Attorney-General Philip Ruddock. (Australian Attorney-General)
- By adopting the Code of conduct for businesses, businesses have the power to have a real impact on efforts to eradicate corrupt practices, leading to stronger economies and further trade liberalisation.

Bribery..



- is offering, promising or giving, as well as demanding or accepting any pecuniary or other advantage, whether directly or indirectly, in order to obtain, retain or direct business to a particular enterprise or to secure any other improper advantage in the conduct of business.
- Instances of bribery which are the subject of these principles may involve transactions by, or in relation to, subsidiaries, joint ventures, agents, representatives, consultants, brokers, contractors, suppliers or employees with (including but not limited to) a public official, family members and close associates of a public official, a political candidate, party or party official, any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), or a third party.
- **The enterprise shall prohibit bribery in any form.**

Source:
Business Integrity and Transparency Principles for the Private Sector
(APEC Anti-Corruption Code of Conduct for Business, 2007)

What is Code of Conduct?



- **A code of conduct is a set of rules outlining the responsibilities of or proper practices for an individual or organisation.** Related concepts include ethical codes and honour codes.
- We are, however, to use it to make sure that we always act with integrity and in compliance with the law.
- Many companies roll out codes of ethics and talk a great game. However, those companies that “live and breathe” their codes are positioned to become truly great companies.

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- An effective Code of (Business) Ethics need:
 - To be comprehensive and precise;
 - To be usable as measure of integrity performance;
 - To be understandable and accessible to all;
 - To have underpinning compliance requirements; and
 - To have underpinning enforcement procedures.

3. MEASURES



i. ENFORCEMENT OF LAWS:

Examples:

- **Malaysian Anti-Corruption Commission Act 2009** (Act 694) - *An act to provide for the establishment of Malaysian Anti-Corruption Commission (MACC), to make further and better provisions for the prevention of corruption and matters necessary thereto and connected therewith.*
- **Whistleblower Protection Act 2010** - *The Act is formulated to encourage informers to expose corrupt practices and other misconduct. This move would provide immunity to informers from civil or criminal charges.*
- **Witness Protection Act 2010** - *It aims to establish a programme for the protection of witnesses and for other matters connected therewith, takes effect from 15 April 2010.*

ii. ESTABLISHMENT OF CODE OF ETHICS



Examples:

a) **APEC Anti-Corruption Code of Conduct for Business 2007**

- It focuses on business integrity and transparency principles for the private sector.
- The scopes include:
 - Prohibition of bribery;
 - Program to counter bribery;
 - Scope and Guidelines;
 - Program Implementation Requirements



b) **The Kuala Lumpur Principles Medical Device Sector Codes of Ethics**



- On 6-7 April 2011, an Expert Working Group convened in Kuala Lumpur, Malaysia to develop a set of APEC Principles for Codes of Business Ethics **to ensure ethical interactions between medical technology companies, drawing upon existing best practices and voluntary codes of business ethics in APEC Economies.**
- Medical Technology sector Codes of Business Ethics promote ethical interactions between medical device and diagnostic companies and Healthcare Professionals (HCPs).
- By ethical interactions, it means:
 - Enhance patient access to the safe and effective use of medical technologies by ensuring appropriate training of HCPs by Companies;
 - Promote innovation and the ongoing development of advance medical technologies through legitimate and transparent collaboration between HCPs and Companies to identify, and bring to market new products;
 - Facilitate open and transparent business environment free from the high cost of corruption;
 - Enhance the ability of Companies (esp. SMEs) to participate in the global markets; and
 - Ensure that medical decision-making is made in the best interest of the patient.



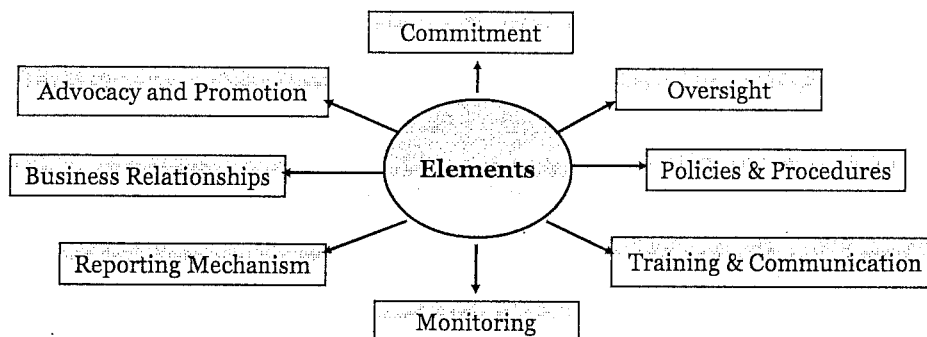
c) The Hanoi Principles for Voluntary Codes of Business Ethics in the Construction and Engineering Sector

- On 8-9 November 2011, the APEC SME Construction and Engineering Experts Working Group (EWG), with representation from all 21 APEC Economies, developed the Hanoi Principles for Voluntary Codes of Business Ethics in the Construction and Engineering Sector to **promote a fair marketplace through ethical business conduct.**
- It provides guidance for how companies may voluntarily develop a practical and effective compliance program to implement the principles.

Continued..



- The company is encouraged to develop effective tools and programs, reflecting its size, potential risks and locations of operations, which articulates the values, policies and procedures to be used to enact these principle.
- The key components of a program should include following elements:



d) **The Mexico City Principles for Voluntary**

Codes of Business Ethics in the Biopharmaceutical Sector



- All Companies that interact with healthcare professionals , government officials, and other stakeholders should adopt procedures to assure adherence to these Principles and local, national, and regional industry code of ethics.
- Healthcare professionals , government officials, and other stakeholders should respect these Principles and adopt consistent standards if applicable.
- Its implementation:
- **Companies & industry associations should:**
 - Develop and implement codes of ethics consistent with the Principles set out;
 - Make available training regarding industry codes of ethics to healthcare professionals/students in collaboration with recognized authorities;
 - Contribute to and participate in capacity building, in particular for small and SMEs;
 - Work together to ensure that the Principles and their industry code of ethics remain relevant and effective to address new business arrangements that may emerge.

Continued..



- **Healthcare Professional Organizations should:**
 - Respect these Principles and develop and implement codes of ethics consistent with the above Principles.
- **APEC Economies should:**
 - Develop and make known clear, distinctive, accountable and comprehensive policies on procurement processes and procedures;
 - Encourage industry regulators and/or anti-corruption enforcement authorities to endorse and support the above Principles and national and local industry codes of ethics, where appropriate;
 - Encourage Companies to adhere to the above Principles and national and local industry codes of ethics;
 - Formulate and promote clear laws and regulations that are objectively applied;
 - Work together to ensure that the Principles remain relevant and effective to address new business arrangements that may emerge.

e) Code of business ethics for SMEs (in Malaysia)



- The Small and Medium Enterprises (SMEs) recognized that integrity, transparency and good governance are vital for the survival of business interactions and for economic growth.
- Bribery, should it occurs in SMEs, can affects the confidence of investors and society at large. Corruption will increase business costs and ultimately will result in a loss to traders, consumers as well as the Government.
- The Malaysia's SMEs will not tolerate in any forms of corruption and will therefore cooperate in the Government's effort on curbing corruption and enhancing integrity.
- Therefore, Malaysia's SMEs are committed and obliged to:
 - Implement values of integrity, transparency and good governance in business interactions;
 - Comply to laws and regulations and Code of Business Ethics;
 - Report all forms of bribery, malpractices and abuse of powers;
 - Offer and responsible to the customers, society and environment on good quality products and services;
 - Support all forms of anti-corruption efforts made by the Malaysian Anti-Corruption Commission (MACC).

iii. CORPORATE INTEGRITY PLEDGE (CIP) & INTEGRITY PACT (IP)



- The **Corporate Integrity Pledge (CIP)** is a document that allows a company to make a commitment to uphold the **Anti-Corruption Principles for Corporations in Malaysia**. By signing the pledge, a company is making a unilateral declaration that it:
 - will not commit corrupt acts;
 - will work toward creating a business environment that is free from corruption; and
 - will uphold the **Anti-Corruption Principles for Corporations in Malaysia** in the conduct of its business and in its interactions with its business partners and the Government.
- Signed by Government Agencies, GLCs, Private Sector and Foreign-based Sector.
- Total of 88 MNCs and GLCs have signed the CIP (in Malaysia) as of 11 May 2012 (since it was introduced in 2010).

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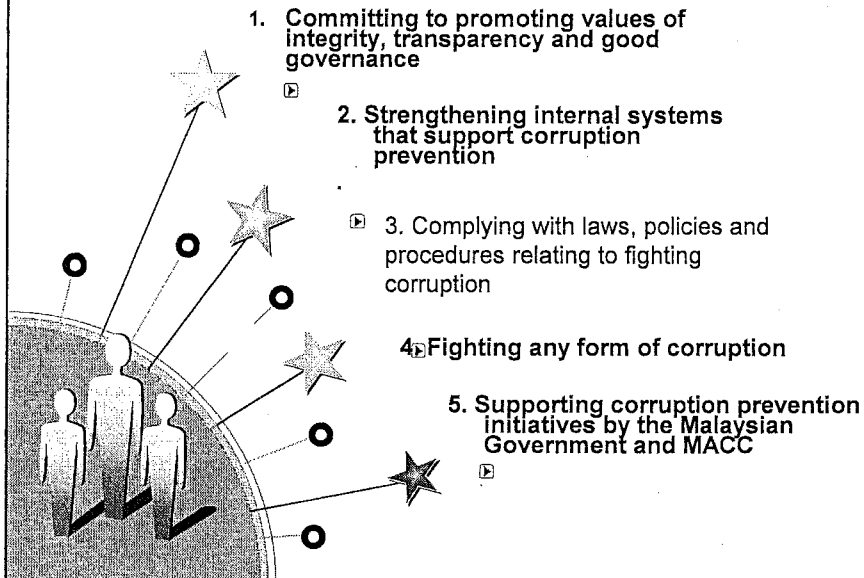
- The **Integrity Pact (IP)** (*developed by Transparency International*) is a tool aimed at **preventing corruption in public procurement**. It helps governments, businesses and civil society intent on fighting corruption in the field of public procurement. It consists of a process that includes an agreement between a government or government department and all bidders for a public sector procurement.
- By the end of 2011, 132,459 integrity pacts had been signed between the government of Malaysia and its vendors/suppliers.

4. PRINCIPLES AS A GUIDE

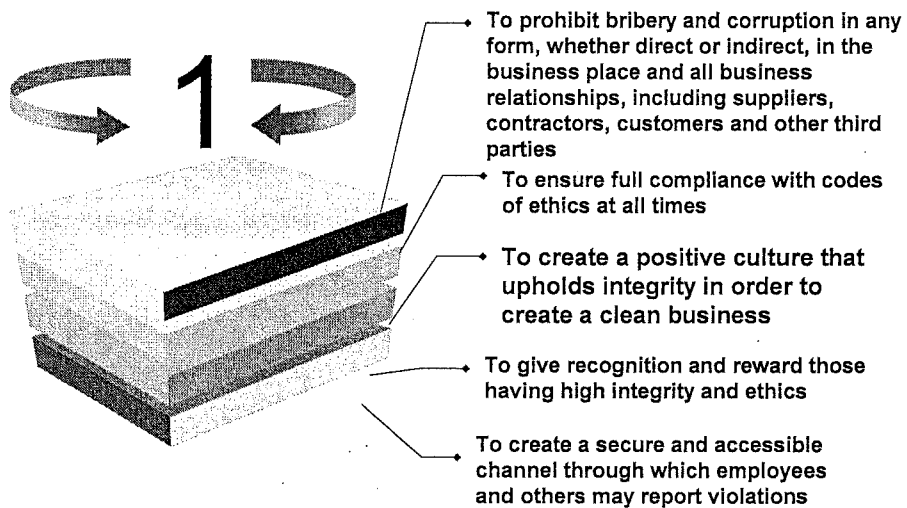


- Whether you work for a small business or a major corporation, following ethical principles matters.
- While businesses have to meet economic expectations, they **MUST** have ethical responsibilities.
- Some general pillars of principles that could guide business interactions are:
 - Trustworthiness
 - Respect
 - Responsibility
 - Fairness
 - Caring
 - Citizenship

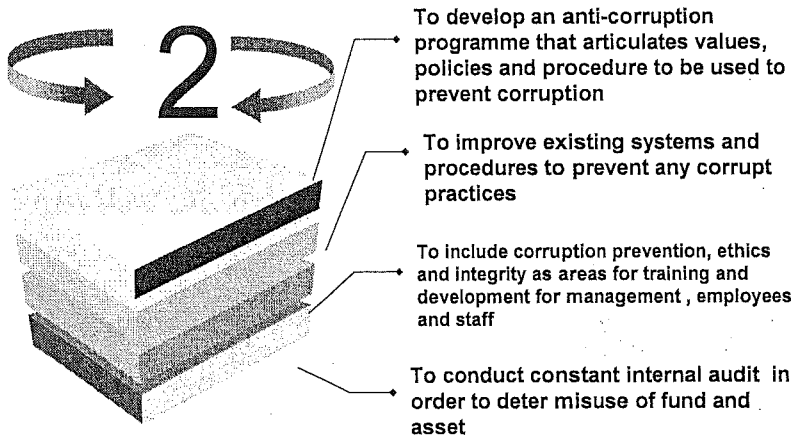
The Anti-Corruption Principles for Corporations in Malaysia



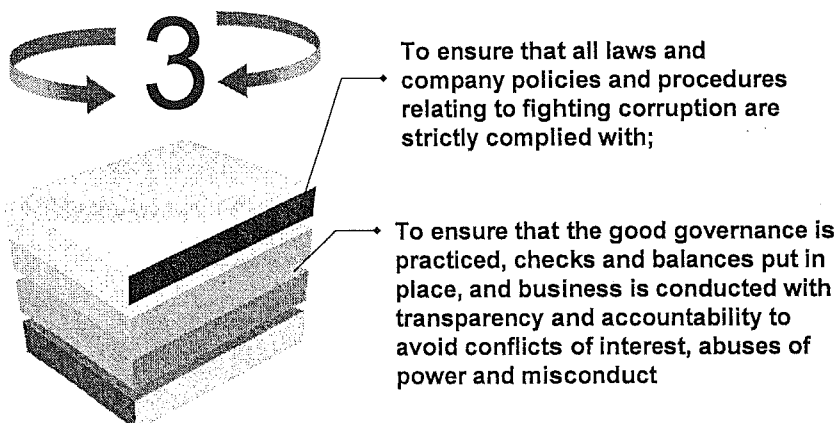
Committing to promoting values of integrity, transparency and good governance



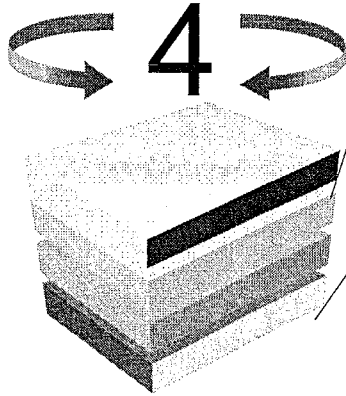
Strengthening internal systems that support corruption prevention



Complying with laws, policies and procedures relating to fighting corruption



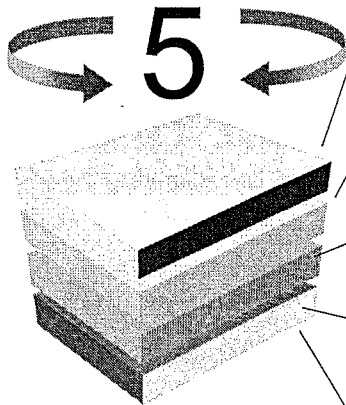
Fighting any form of corrupt practices



To take proportionate action against any employee, staff or other person involved in corruption in relation to business, regardless of position and status;

To report any corrupt practice that occurs in the business place to the appropriate authority .

Supporting corruption prevention initiatives by the Government and the MACC



To support anti-corruption efforts by the Government and the MACC

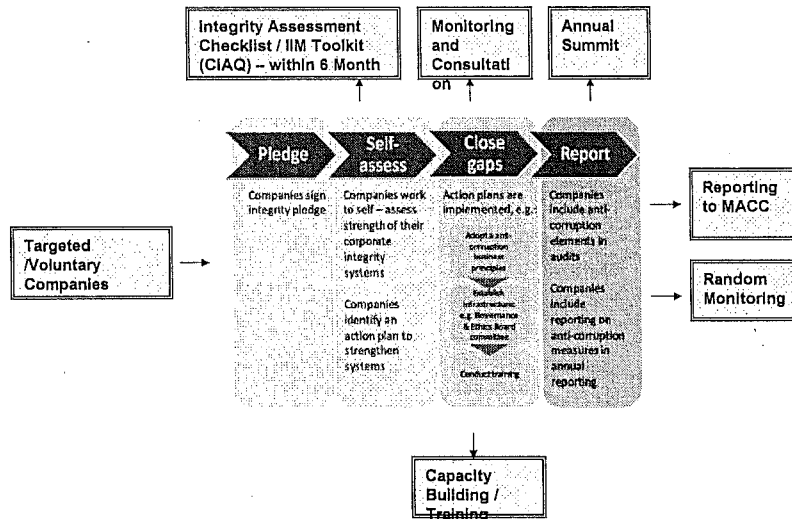
To provide full cooperation to the Authorities, oversight agencies and the MACC in the prevention and enforcement of anti-corruption legislation

To continuously organize corruption prevention programmes

To maintain relationships with the authorities, regulators and the MACC

To constantly develop training modules based on corruption prevention, ethics and integrity

MACC CORPORATE INTEGRITY PLEDGE (CIP) ROADMAP



5. IMPACT

- Having Code of Business Conduct and adhering to the Principles set out will lead to:
 - Improve Corruption Perception Index (CPI) rankings;
 - Duly compliance;
 - Healthy business environment;
 - Value for money (traders, society, Government);
 - Enhance integrity, good governance and transparency.

6. WAY FORWARD



- Approaches to curbing corruption in this sector follow dual principles of **enforcement and partnership**.
- Equally important, on the other hand, are **governments' efforts to foster and strengthen the private sector's own initiatives to enhance internal control mechanisms and to establish and promote corporate ethics and compliance systems**.
- By having the code of conduct for businesses, it **assists in fostering the capacity and capability building** not only for the business sector, but also for the nation.

7. CONCLUSION



It is important to codify an anti-corruption policy because businesses are more likely to adopt a Code if presented with a ready-made example.

The Code by businesses will mean greater prosperity and economic growth across the Asia-Pacific.

Thank You

INTEGRITY INITIATIVE

Driving Culture Change

Peter V. Perfecto

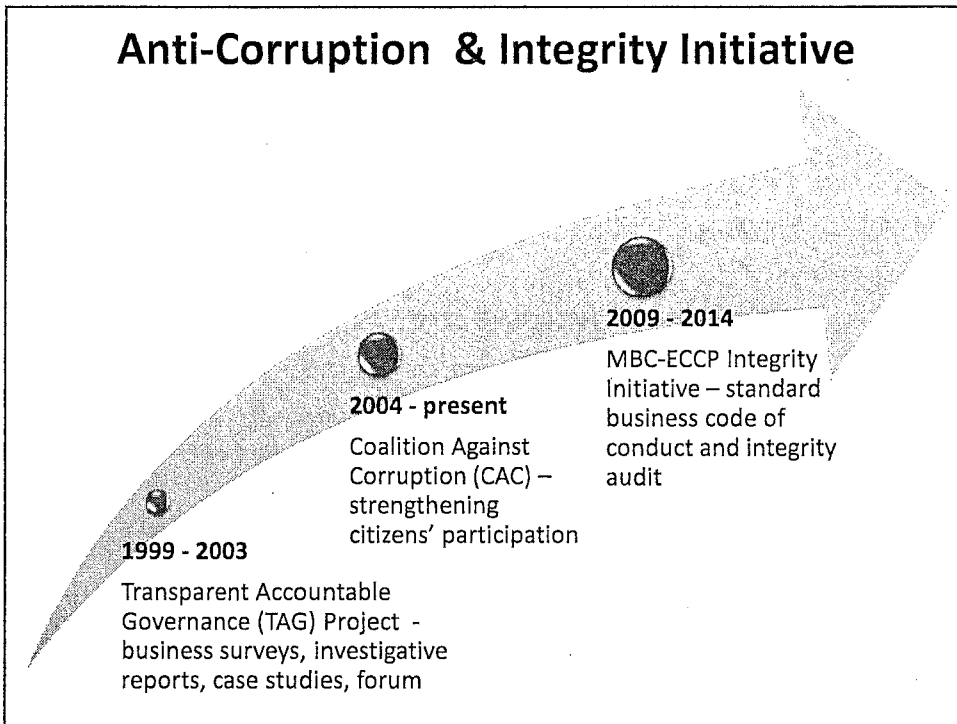
*Project Director, Integrity Initiative –SHINE Project
Executive Director, Makati Business Club*

*APEC Forum
20 September 2012, Makati City*

Topic

**Citizens' Participation
Project SHINE
Private Sector's Collective Action**

Anti-Corruption & Integrity Initiative



**INTEGRITY
INITIATIVE**



Project SHINE

Strengthening
High-level Commitment to
Integrity Initiatives and
Nurturing Collective Action of
Enterprises advocating for fair market conditions

With support from

SIEMENS



Ethical companies ...

- 1. Attract good employees and partners**
- 2. Sustain business by gaining loyal customers**
- 3. Entice government to make them preferred suppliers**

Steering Committee Members

- Ramon del Rosario Jr., Chairman (MBC)
- Hubert d'Aboville, Vice Chairman (ECCP)
- Eduardo Francisco, Vice Chairman (MAP)
- Edilberto de Jesus (Asian Institute of Management)
- Marife Zamora (American Chamber of Commerce)
- Jacky BT Chan (Siemens)
- USec. Carlo Carag (Department of Finance)
- David Balangue (Coalition Against Corruption)
- Henry Schumacher (ECCP)
- Peter Perfecto (MBC)

Wider Coalition of Organizations

- Advertising Board of the Philippines
- American Chamber of Commerce (AmCham)
- Asian Institute of Management (AIM)
- Association of Certified Fraud Examiners (ACFE)
- Australian-New Zealand Chamber of Commerce (AnzCham)
- Bishops-Businessmen's Conference of the Philippines (BBC)
- British Chamber of Commerce of the Philippines (BCCP)
- Canadian Chamber of Commerce of the Philippines (CanCham)
- Coalition Against Corruption (CAC)
- Employers Confederation of the Philippines (ECOP)
- Federation of Filipino-Chinese Chambers of Commerce & Industry (FFCCCII)
- Financial Executives Institute of the Philippines (FINEX)
- French Chamber of Commerce – Le Club (FCC)

Wider Coalition of Organizations

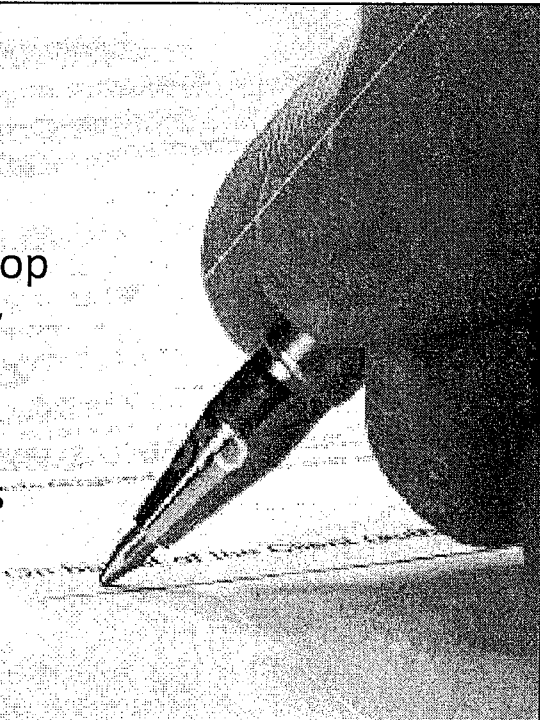
- German-Philippine Chamber of Commerce & Industry (GPCCI)
- Good Governance Advocates & Practitioners of the Phils (GGAPP)
- Institute of Corporate Directors (ICD)
- Management Association of the Philippines (MAP)
- Philippine Chamber of Commerce and Industry (PCCI)
- Philippine Constructors Association (PCA)
- Procurement and Sourcing Institute of Asia (PASIA)
- People Management Association of the Philippines (PMAP)
- Philippine Institute of Supply Management (PISM)
- Philippine Marketing Association (PMA)
- Public Relations Society of the Philippines (PRSP)
- Philippine Society for Training and Development (PSTD)



Government Signatories

- | | | |
|----------|-------------------------|--|
| 1. DOF | 14. Executive Secretary | 26. Office of the Ombudsman |
| 2. DBM | | |
| 3. DepEd | 15. COMELEC | 27. House of Representatives |
| 4. DOTC | 16. BIR | |
| 5. DOT | 17. BOC | 28. Supreme Court |
| 6. DTI | 18. MCA-P | 29. Presidential Adviser for Political Affairs |
| 7. DA | 19. COA | |
| 8. DOE | 20. NCC | 30. DOLE |
| 9. DILG | 21. PEZA | 31. Insurance Commission |
| 10. DOJ | 22. Sandiganbayan | |
| 11. DND | 23. CSC | 32. Pag-IBIG |
| 12. DPWH | 24. SEC | |
| 13. DENR | 25. NEDA | |

Integrity Pledge

- Tone from the top
 - Prohibit bribery
 - Best practices
 - Participation
 - Control systems
- 

Unified Code of Conduct for Business



Guide to implement the
Integrity Pledge
Launched September 14, 2011

INTEGRITY
INSTITUTE

Unified Code of Conduct for Business

As members of the business community, we are committed to the highest standards of integrity and ethical conduct. We have developed this Unified Code of Conduct for Business to provide a clear and concise set of principles and standards that will guide our actions and decisions in all business transactions. This code is intended to be a living document that will evolve over time as we continue to learn from our experiences and the challenges we face in the marketplace.

Our Mission
We are committed to the highest standards of integrity and ethical conduct. We will strive to be a leader in the industry by promoting a culture of integrity and ethical conduct that is recognized and respected by all stakeholders.

Our Values
We are committed to the highest standards of integrity and ethical conduct. We will strive to be a leader in the industry by promoting a culture of integrity and ethical conduct that is recognized and respected by all stakeholders.

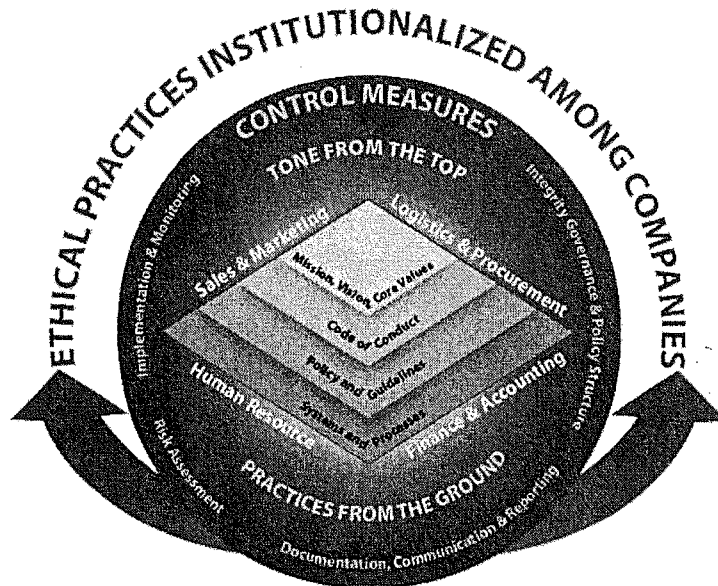
Our Principles
We are committed to the highest standards of integrity and ethical conduct. We will strive to be a leader in the industry by promoting a culture of integrity and ethical conduct that is recognized and respected by all stakeholders.

Our Commitment
We are committed to the highest standards of integrity and ethical conduct. We will strive to be a leader in the industry by promoting a culture of integrity and ethical conduct that is recognized and respected by all stakeholders.

Our Promise
We are committed to the highest standards of integrity and ethical conduct. We will strive to be a leader in the industry by promoting a culture of integrity and ethical conduct that is recognized and respected by all stakeholders.

Our Vision
We are committed to the highest standards of integrity and ethical conduct. We will strive to be a leader in the industry by promoting a culture of integrity and ethical conduct that is recognized and respected by all stakeholders.

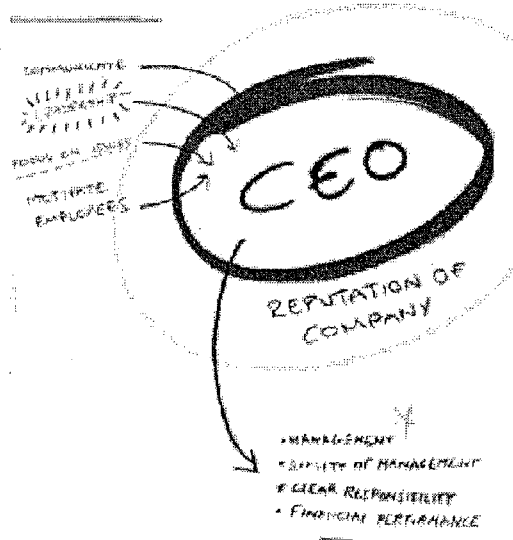
Integrity Compliance Framework



Control Measure: Focus Areas

Top Management
Human Resource Management
Procurement
Sales and Marketing
Finance
Logistics

Top Management



Sample Indicator:

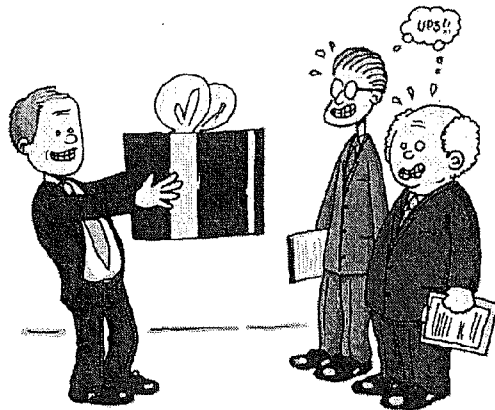
CEO's or Board's clear instructions against bribery

Human Resource Management

SOLUTION

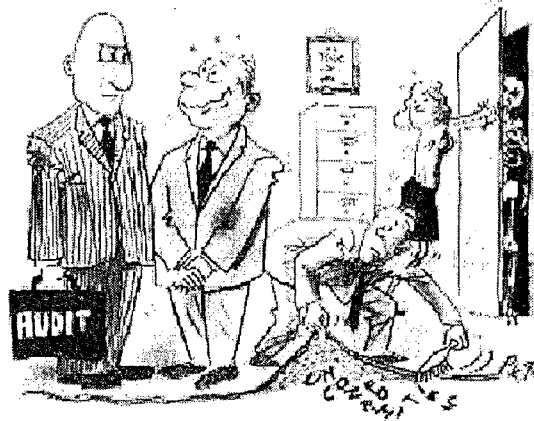
Sample Indicators:
Code of Conduct, Complaint/grievance mechanisms

Procurement



Sample indicator:
Guidelines on giving gifts/entertainment/hospitality

Sales and Marketing



Sample Indicator:
Audit rights on suppliers/clients/partners
in case of illegal activities

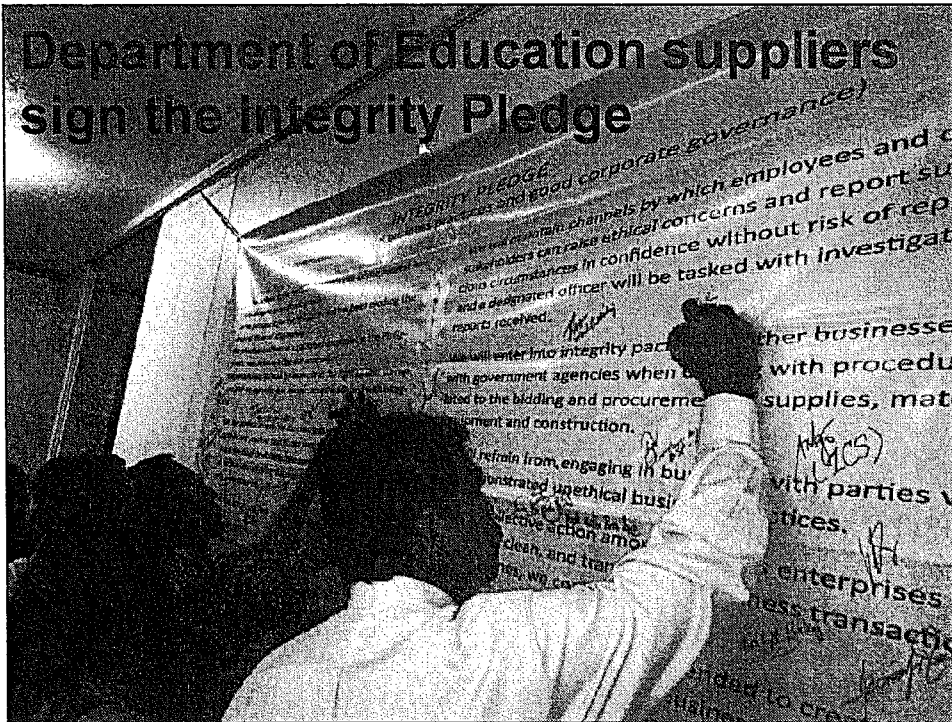
Finance



"Next time be more careful where you put the decimal point!"

Sample indicator:
Correct financial and accounting reports

Integrity Forum



Private Sector Collaboration

- 1. Sign the Integrity Pledge and invite your suppliers/partners to sign as well**
- 2. Adopt the Unified Code of Conduct for Business (UCCB)**
- 3. Learn best practices and share good practices**



Group D

Mr. Muhamad Hisham Sulaiman
Madame Chiao-Hsuan Lee
Madame Fan Yi-Kai
Mr. Mas Achmad Daniri
Mr. Elmer Nitura
Mr. Alberto Reyno
Madame Tan Chai Ying
Mr. Shaharuddin Khalid

Actions (Legal Frameworks)

- **Malaysia**
 - Malaysian Anti-Corruption Commission Act of 2009
 - Whistle Blowing Act of 2010
 - Witness Protection Act of 2010
- **Chinese Taipei**
 - Anti-Corruption Act of 1963
 - Witness Protection Act of 2000
 - Anti-Corruption Informant Reward and Protection Regulation of 1979
- **Singapore**
 - Prevention of Corruption Act
 - Confiscation of Benefits Act

- **Brunei Darussalam**
 - Prevention of Corruption Act
 - CARO – Criminal Asset Recovery Order of 2012
 - Public Service Commission Act Chapter 83
- **Indonesia**
 - Law on eradicating corruption No. 20 of 2001
- **Philippines**
 - Anti-Graft and Corrupt Practices Act
 - Law on Ethical Standards of Public Officers
 - Civil Service Law
 - Anti Red Tape Act of 2007
 - Anti Money Laundering Act
 - Law against Drugs and Narcotics
 - Revised Penal Code

Law and Program Implementation

Economy	Facilitating Factors	Hindering Factors
Malaysia	<ul style="list-style-type: none"> • Strong political will • Cooperation from the public 	<ul style="list-style-type: none"> • Public cooperation
Chinese Taipei	<ul style="list-style-type: none"> • Dedicated anti-corruption body was in place 	<ul style="list-style-type: none"> • Concern of bottom-line among companies
Indonesia	<ul style="list-style-type: none"> • Special Court of Corruption is in place • Presence of a legal framework on corruption by the enactment of the law on the protection of witness • Strong political will • Full commitment of the leaders • Public awareness 	<ul style="list-style-type: none"> • There is a need for political parties to be empowered on good governance

Law and Program Implementation

Economy	Facilitating Factors	Hindering Factors
Singapore	<ul style="list-style-type: none"> • Strong political will from the leaders • Support of the leaders and the people 	<ul style="list-style-type: none"> • Increase in complexity of the corruption offenses committed
Brunei Darussalam	<ul style="list-style-type: none"> • Strong political will • Public awareness program: Corruption prevention education in the national education system • Integrity development center establishment in 2009 • Independence of the anti-corruption bodies 	<ul style="list-style-type: none"> • Public perception that the anti-corruption agencies are not doing well (the catch of big vs small fishes) • Delays in the investigation and subsequently prosecution due to complexity of corruption cases • Political intervention

Law and Program Implementation

Economy	Facilitating Factors	Hindering Factors
Philippines	<ul style="list-style-type: none"> • Political will of the topmost official • Anti-corruption bodies and specialized courts • Increased vigilance and awareness of the private sectors • Social Media • Internationally accepted accounting principles and the requirement of the conduct of external audit for private business and for the public sector is the commission • Banks accept only audited financial statements for loan transactions 	<ul style="list-style-type: none"> • Resource/budgetary constraints to conduct investigation and prosecution • Delay in the prosecution of cases because of the procedural laws • Clogged court dockets • Literacy of SMEs on the requirements of the accounting principles and the cost of compliance • Focus on bottom-line • Absence of clear guidelines • For SMEs: Code of Conduct is unheard of • Beyond complying is the enforcement: there is a need to develop advocacies on the part of SMEs

List of Suggested Programs

Program	Responsible Agency/Organization
Installation of External Audit Mechanism for the private sectors	Independent/Professional Associations and Chambers
Education awareness program on Ethics and Integrity for the public and private sector	Government agency in partnership with private organizations
Community Outreach	Government agency in partnership with private organizations
Establishment of monitoring entities (using PPP approach)	Government regulatory agencies in collaboration with chambers, NGOs professional associations, and Development Partners
Continuous capacity building program on APEC member economies on ethics and integrity	Professional associations and chambers in cooperation with Development Partners

List of Suggested Programs

Program	Responsible Agency/Organization
Development, implementation and monitoring of programs on cost-effective training and enforcement mechanisms for SMEs	Professional associations and chambers in cooperation with Development Partners
Harmonized Code of Conduct for SMEs in partnership and consultation with the SMEs (PPP approach) – The APEC code of conduct is the template	Government regulatory agencies in collaboration with chambers and professional associations
Incentives Program for Compliant SMEs (i.e., tax incentives, "Green Lanes")	Government regulatory agencies in collaboration with chambers and professional associations
Integrity Pledge and Integrity Pact signed by all SMEs	Anti-Corruption Agency (Integrity Institute) and the NGOs
Recognition of companies/offices who exemplified integrity and ethics	Public Sector: Government Regulatory Agency Private Sector: Professional Organizations

Group C

Workshop Output

Group C

- Facilitator: Dr. Jean Franco
- Documentor: Day Tantungco
- Members:

Mr. Shao Chunbao – People's Republic of China

Mr. Zhou Congyuan – People's Republic of China

Mr. Zhong Qingming – People's Republic of China

Ms. Miranda Tanjung – Indonesia

Mr. Jones Campos – Philippines

Mr. Steven Kilanda – Papua New Guinea

Mr. Nipon Thamassri - Thailand

Country Prospects and Experiences in Combating Corruption

People's Republic of China

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • National Integrity System • Anti-corruption is one of the priorities of the government • There is a Special Committee on Anti-Corruption that works together with the ministries and departments for anti-corruption work • Special Campaign to counter Commercial Bribery 	<ul style="list-style-type: none"> • Legislative branch and ministries work together on anti-corruption • Anti-Corruption Academy was recently opened – training for State Owned Enterprises on Prohibition of Commercial Bribery • Strong political will of government • Involvement of civil society: media, private sector, NGOs 	<ul style="list-style-type: none"> • Traditional culture such as gift giving • Increasing public expectations

Country Prospects and Experiences in Combating Corruption

People's Republic of China

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • Companies are required to have a Code of Conduct • Internal auditing mechanisms for State Owned Enterprises; inspection tour from central government to inspect companies especially leaders • Whistleblowing protection • Training program for employees on Anti-Corruption Laws and Regulations 		

Country Prospects and Experiences in Combating Corruption

Philippines

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • Government platform to eradicate corruption • Internal Revenue examiners look into books of private companies – improvement on how they conduct themselves • Integrity Initiative • Information campaign on how to properly deal with law enforcement agencies 	<ul style="list-style-type: none"> • President is model of anti-corruption • Consistent communication campaign of laws and regulations 	<ul style="list-style-type: none"> • Culture: paternalistic, values that can be both positive and negative (“give and take” relationship); accommodation can sometimes go beyond what is legal; some circumvent laws • Lack of Education: people forget to abide by the laws

Country Prospects and Experiences in Combating Corruption

Thailand

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • Collective action to fight corruption: 70 companies have signed the pledge • Anti-Corruption Day • Code of Ethics for Public Sector; serious offense if the Code is breached • Government officials cannot receive more than USD 100 (3,000 Baht) in gifts per occasion • prohibition on abuse of authority of political persons 	<ul style="list-style-type: none"> • Thai Chamber of Commerce and network of private companies work together for anti-corruption in private sector • SMEs are informed about regulations by a Special Unit 	<ul style="list-style-type: none"> • Culture: “Tea Money” – grease payments

Country Prospects and Experiences in Combating Corruption

Papua New Guinea

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • Law prohibiting bribery • recently set-up Task Force Swift to investigate corruption 	<ul style="list-style-type: none"> • There is a law to make the Task Force an independent body • A politician was recently prosecuted for illegal transaction with a private company (Tribal Air) 	<ul style="list-style-type: none"> • Public servants are not being looked after well (low salary, no benefits) • Underpaid private employees which leads to bribery

Country Prospects and Experiences in Combating Corruption

Indonesia

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • There is an agency for anti-corruption • Whistleblowing policy and witness protection program 	<ul style="list-style-type: none"> • 100% conviction rate) prosecution including 90 persons from private sector and 60 parliament members • Prevention campaign: educate students • Partnership with Chamber of Commerce 	<ul style="list-style-type: none"> • Bad political system

Recommendations

- Education and Communication Campaign to counter corruption and bribery
 - Start with basics of good manners and right conduct among young people
 - review of curriculum to see if anti-corruption is integrated
 - advocate through Public Relations/ advertisement the Code of Conduct
- International Cooperation
- Volunteerism
- Public-Private Partnership
- Improve Tax Administration

Programs to Promote the APEC Code of Conduct for Business

- Document Best Practices in Combating Corruption (from Private Sector, Public Sector and Civil Society), as well as Types/Examples of Corruption in every country
- Mentoring program for countries that do not have anti-corruption programs
- Continued meetings/ forums and include representatives from companies
- Sharing of information on Code of Conducts among SMEs in the region

TIME DOCUMENTATION TEMPLATE FOR DISCUSSIONS 1-3

CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
	<p>Vietnam: Anti-corruption law passed in 2005 with provisions on anti-corruption on specific fields</p>	<p>VCCI helps in the promotion and awareness building of anti-corruption initiatives</p>	
<ul style="list-style-type: none"> Vietnam Chamber of Commerce and Industry (VCCI) conducts the following: <ul style="list-style-type: none"> Annual Survey on the Current State of Anti-Corruption 			
<ul style="list-style-type: none"> Provincial Competitiveness Index (PCI) a critical tool for measuring and assessing the standards of economic governance in Vietnam's 63 provinces 	<p>VCCI conducts the PCI yearly. The provincial level results of the survey initiated competition among provinces and consequently encourage transparency and effectiveness of the business environment.</p> <p>Results can be used as indicator for foreign investors to invest in good performing enterprise.</p>		
<ul style="list-style-type: none"> VCCI conducts Survey on Ministerial Effectiveness Index regarding the issuance and implementation of business laws of ministries 	<p>Vietnam Prime Minister issued a directive allowing business enterprises to give feedback on government ministry performance</p>		<p>Negative reception by heads of government</p>



CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
<p>Prohibition of Bribery (cont'd)</p>	<p><u>Vietnam:</u> There is low awareness of the APEC Code of Conduct in Vietnam, however, there are internal regulations against corruption through enterprise-level Business Code of Conduct with provisions on gift giving, promotion, and charitable contributions.</p>	<p>More programs in enhancing awareness of leaders of companies Improve capacities of companies Some programs to aid companies in drafting internal regulations</p>	
	<p><u>Russia:</u> Drafted Anti-corruption Chapter for Business for the Russian Business Associations The document seeks to provide guidance on business ethics for all association member enterprises. Membership to the commission is voluntary but once a member, business enterprises are required to adhere to the provision of the Anti-corruption Chapter for Business.</p>	<p>The initiative is independent from the government. The document is adopted and signed in the International Investment Forum</p>	
	<p><u>Philippines, Indonesia and Singapore:</u> Laws to prevent anti-corruption are in place</p>		
	<p><u>Thailand:</u> The Thai Chamber, Thai Industry and Thai Banks collaborated on the fight against corruption</p>		

CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
<p>2. Program to Counter Bribery</p>	<p><u>Philippines:</u> 1500 business enterprises including AFE signed to an Integrity Pledge which includes provisions for enterprise to adopt a Unified Code of Conduct</p> <p>Private organizations such as the Makati Business Club and the Management Association of the Philippines conducts advocacy for judicial reform in partnership with the Supreme Court.</p>	<p>The Department of Education required their suppliers to sign the pledge. Other government agencies such as the DPWH plan to follow suit.</p> <p>Signatories to the Integrity Pledge will be subject to an independent evaluation later on to monitor the extent of implementation of the Unified Code of Conduct</p>	<p>There is a need to parallel efforts from both private and public sector</p>
	<p><u>Indonesia:</u></p> <p>Enterprises have specific corporate governance manuals and rules and regulations for employees</p>		<p>In reality, it is difficult to implement policies</p>



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CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
	<p><u>Thailand:</u> Corporate Governance Award as joint project of NAC with the Thai Chambers Integrity Awards for companies in the private sector conducted by the NAC Promoting of Code of Conduct by a Committee in the Thai Chamber.</p>		
3a. Charitable Contributions	<p><u>Singapore:</u> Corrupt Practices Investigation Bureau of the Singapore government strictly monitors the implementation of anti-corruption laws</p>		Problems on corruption are more complex due to advancement in technology
3b. Gifts, Hospitality, and Expenses	<p>Indonesia: Specified in the Code of Conduct developed in cooperation with Commission on Anti-Corruption ,</p>		
3c. Facilitation Payments	<p>Indonesia: Specified in the Code of Conduct developed in cooperation with Commission on Anti-Corruption Singapore: There is an existing law regarding political contributions</p>		Facilitating payments are hard to control
3d. Political Contributions			



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CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
4a. Business Relationships	<u>Philippines</u> : Contained in the provisions of the Unified Code of Conduct		
4b. Communication			
4c. Leadership			
4d. Financial Recording and Auditing	<u>Philippines</u> : Contained in the provisions of the Unified Code of Conduct		
4e. Human Resources			
4f. Monitoring and Review	<u>Philippines</u> : Contained in the provisions of the Unified Code of Conduct		
4g. Raising Concerns and Seeking Guidance	<u>Indonesia</u> : Specified in the Code of Conduct developed in cooperation with Commission on Anti-Corruption		
	<u>Philippines</u> : Whistleblowing Tool (Proactive) was pilot tested by some signatories to the pledge. The tool was developed by an auditing firm		
	<u>Vietnam</u> : Conduct of training programs on increasing awareness of private enterprise on the effects of corruption	Partnerships with donors to provide funding support	Employees are not sent in unfunded training programs



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CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
4h. Training	<p>Vietnam: Increasing awareness of enterprises on the importance of fighting corruption in the private sector through trainings, forums</p> <p>Vietnam: Research handbooks for enterprise were developed. All VCCI initiatives are published in the website</p>		
	<p>Philippines: Contained in the provisions of the Unified Code of Conduct</p>		
	<p>Thailand: A convention on anti-corruption in the private sector was held in 2011 and this year a National Anti-corruption Day is held</p>		
	<p>Awareness of business ethics and developing Code of Conducts in Business are introduced in universities</p>		
4i. Organization and Responsibilities	<p>The Office of the National Anti-Corruption Inc. conduct information dissemination and education of the private sector on anti-corruption</p>		
General			



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REAL-TIME DOCUMENTATION TEMPLATE FOR DISCUSSION 5

CODE PROVISION	PROGRAM	RESPONSIBLE AGENCY/ORGANIZATION
1. Prohibition of Bribery	Harmonize macro and micro action plans on anti-corruption programs prior to the APEC Summit in 2013	APEC Secretariat
2. Program to Counter Bribery		
3e. Charitable Contributions		
3f. Gifts, Hospitality, and Expenses		
3g. Facilitation Payments		
3h. Political Contributions		
4j. Business Relationships		
4k. Communication		



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CODE PROVISION	PROGRAM	RESPONSIBLE AGENCY/ORGANIZATION
4l. Leadership		
4m. Financial Recording and Auditing		
4n. Human Resources		
4o. Monitoring and Review	Organize an independent body to monitor the implementation of anti-corruption provisions in business enterprises	
4p. Raising Concerns and Seeking Guidance		
4q. Training	Increasing awareness and build capacity on the APEC Code of Conduct	Chamber of Commerce and associations of different APEC economies
	Sharing of best practices on promoting the Code of Conduct and Ethics in educational institutions	
4r. Organisation and Responsibilities		



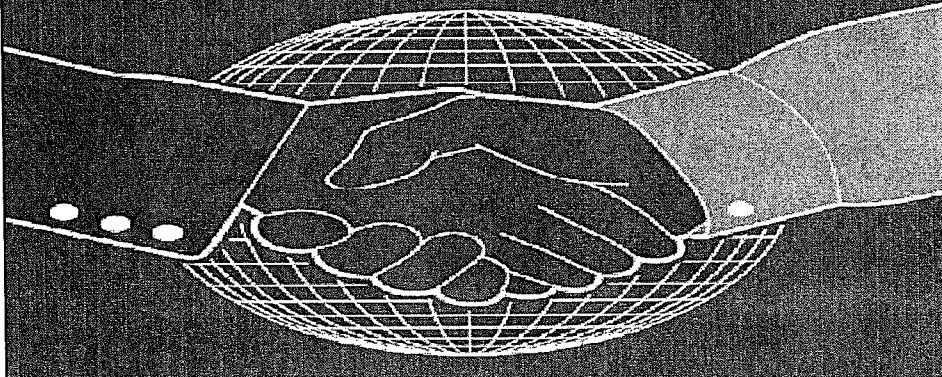
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CODE PROVISION	PROGRAM	RESPONSIBLE AGENCY/ORGANIZATION

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**SHARING OF PROSPECTS AND EXPERIENCES
IN IMPLEMENTING THE APEC ANTI-CORRUPTION
CODE OF CONDUCT FOR BUSINESS
AND DEVELOPING AN OPERATIONAL PROGRAM**

Group A Members

- Mr. Pablo Gomez (Chile)
- Mr. Jujur Hutabarat (Indonesia)
- Ms. Nurdiarti (Indonesia)
- Mr. David Chua (Malaysia)
- Mr. Anton Tronin (Russia)
- Dr. Nattacha Wongwanich (Thailand)

CHILE

CURRENT EFFORTS

- APEC Anti-Corruption Code of Conduct for Business not yet been implemented
- But there is an ethical code for private companies
- Law No. 20.39 introduced criminal responsibility for bribery
- Existing rules on giving and acceptance of gifts for public officials

CHILE

HINDERING FACTORS

- Difficult to investigate cases due to absence of other enabling mechanisms

INDONESIA

CURRENT EFFORTS

- There is an existing law against bribery
- Enterprise-level initiatives to promote good corporate governance (PERTAMINA)
- Established Codes of Conduct, Corporate Governance and Gratification
- Existing system on reporting the acceptance of gifts over 1 million Rp.
- Enter into an annual agreement with employees to adhere to the code

INDONESIA

FACILITATING FACTORS

- There is an existing law against bribery
- PERTAMINA entered into a memorandum of understanding with provincial anti-corruption body
- Created a unit responsible for promoting corporate governance
- Online system accessible to company personnel

THAILAND

CURRENT EFFORTS

- Enabling anti-corruption laws (Thai Constitution, Penal Code 157, NACC Organic Law and rules on unfair competition)
- There are anti-corruption and anti-conflict of interest programs that capture most of the provisions of the code but no provision on charitable contributions
- Pledge of private companies not to pay bribe
- Active anti-corruption drive initiated by the government (i.e. business ethics integration, good citizenship program for elementary pupils)
- There is an existing witness protection program but no whistleblower program

THAILAND

FACILITATING FACTORS

- Widespread support from Thai citizens
- High public awareness

HINDERING FACTORS

- Backlogs strain the limited staff handling complaints
- Whistleblowing law not yet passed
- Use of grease payment found to be deeply rooted in Thai culture
- Some of the SMEs are so small that the government cannot get to them
- Difficult to catch the “big fish”

MALAYSIA

CURRENT EFFORTS

- Punitive and preventive actions have been taken
- Public education and awareness; To inculcate anti-corruption sentiment
- Ensure that there is no trade-off against charitable contributions
- Non-deductible expenses for Malaysia (e.g. gifts for pure entertainment); but certain gifts are allowed for promotional purposes
- Political parties or individuals receiving political contributions must have accountability
- To ensure proper procedures are followed and transparency and accountability are upheld
- We must have clear and effective communication
- Effective and visionary leadership is important
- Proper keeping of financial and auditing records in a timely manner should be made mandatory

MALAYSIA

FACILITATING FACTORS

- Work procedures, systems and SOPs created to guide responsible persons
- Continuing education, media publicity and publication of cases as a deterrent measure
- Recipients (whether organization or individuals) to ensure that they do not indulge in counter-offer or trade offs
- Promotional activities enhance business development
- Political parties are to monitor receipt of contributions and be over-all accountable
- Should have clear standard operating procedures
- Use of IT enhancers to ensure timely and effective communication
- Line of command needs to be clearly developed and understood
- Use of IT and proper accounting systems and periodic auditing should be given due emphasis

MALAYSIA

HINDERING FACTORS

- Certain aspects of work that require judgment (e.g. inspection)
- Tendency to seek short-cuts;
- tempted to use corrupted means as a means of achieving an end
- Difficult to overcome subtle means of trade-off arrangements
- Possible abuse due to classification and treatment
- Depends on the giver and recipient to own up specially if it is a strictly private arrangement
- Matters that require decision-making involving personal judgment may compromise its implementation
- Avoid misrepresentation or non-disclosure
- Difficulty in seeking senior personnel with good leadership qualities
- Ensure that there is no backlog in the upkeep of record

RUSSIA

CURRENT EFFORTS

- There is a pledge and code of conduct among business associations
- Draft law on the control of expenses of government and state-owned corporations
- Criminal liability for intermediation in bribery
- Government adopted a new Anti-Corruption Action Plan for 2012-2013 and ratified international conventions on anti-corruption

RECOMMENDED PROGRAMS

Chile

- Improve prosecution by promulgating special rules in investigating bribery
- Establish a protection program for witnesses
- Government recently adopted an Anti-Corruption Plan and ratified international conventions on anti-corruption

Indonesia

- Agreement (MOU) among state-owned enterprises to initiate anti-corruption/corporate governance efforts similar to PERTAMINA to be coordinated by Commission Against Corruption/KPK (Komisi Pemberantasan Korupsi)
- Develop punish and reward system to improve enforcement of the rule

RECOMMENDED PROGRAMS

Thailand

- Development of learning tools and sharing of experience among APEC member economies in prosecution and asset recovery

Malaysia

- Development of an over-all key performance indicator (KPI) of the anti-corruption initiative of APEC
- Conduct of Regular meetings to focus on specific anti-corruption issues

RECOMMENDED PROGRAMS

Russia

- Promote the Vladivostok Declaration Against Corruption

THANK YOU!