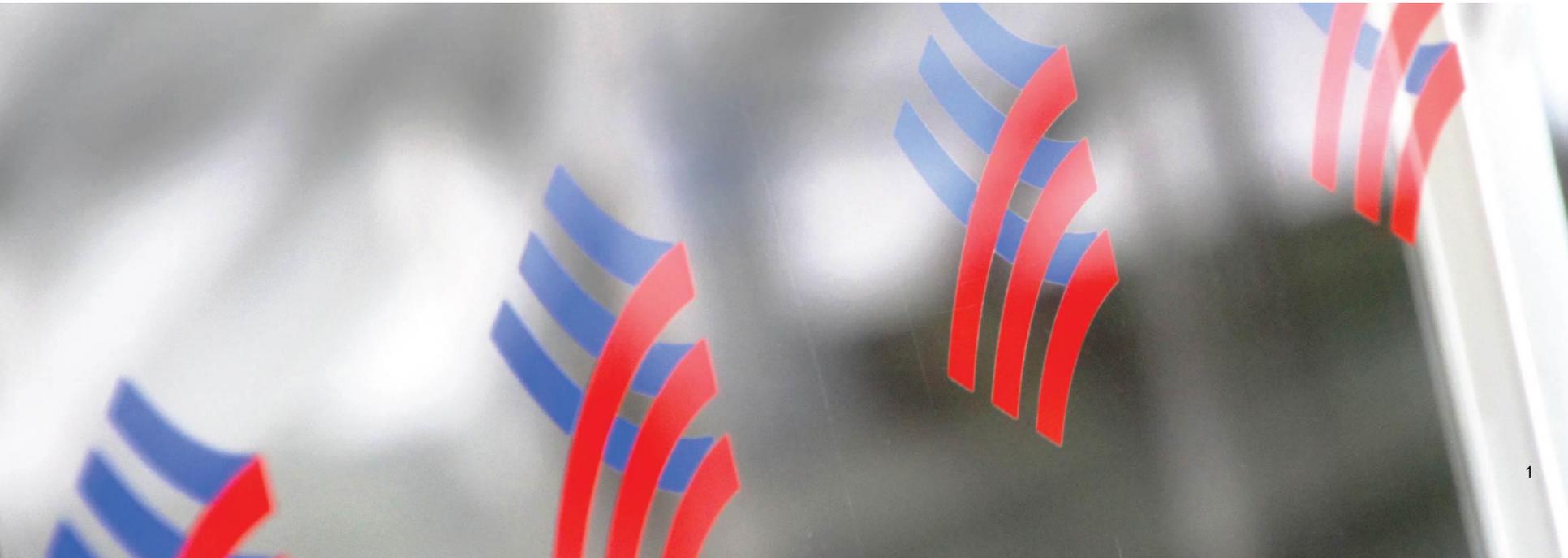


Anti-Bribery & Anti-Corruption Training Material



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1. Anti-Bribery and Anti-Corruption Regulations in Malaysia

In Malaysia, the main legislation is the **Malaysian Anti-Corruption Commission Act (MACC Act) 2009**



It led to the **official establishment of the Malaysian Anti-Corruption Commission (MACC)** as an independent, transparent and professional body

1 June 2020 - effective date of implementation of Section 17A of the MACC (Amendment) Act 2018 on **Corporate Liability**

The MACC Act 2009 **came into effect on 1 January 2009**

The MACC (Amendment) Act 2018 **came into effect on 1 October 2018** except Section 4 (Provision on corporate liability)

1. Anti-Bribery and Anti-Corruption Regulations in Malaysia

Corporate Liability



LAWS OF MALAYSIA

ONLINE VERSION OF UPDATED
TEXT OF REPRINT

Act 694

MALAYSIAN ANTI-CORRUPTION
COMMISSION ACT 2009



In 2018, the MACC Act 2009, was amended to include a Corporate Liability Provision (Section 17A).



Enforcement of Corporate Liability Provision took effect from **1 June 2020**.

Section 17A of the MACC (Amendment) Act 2018 establishes a new statutory corporate liability offence of corruption by a commercial organisation.

A commercial organisation can be held liable for their failure to prevent corrupted practices by employees / associated persons done in the interest of the organisation, **whether or not** the top level management had actual knowledge of the corrupt acts.

Commercial organisations may be acquitted of a charge if they are able to show **adequate measures** are set up to prevent employees/ associated persons from undertaking corrupt practices.

1. Anti-Bribery and Anti-Corruption Regulations in Malaysia

Corporate Liability – Guidelines on Adequate Procedures

The guidelines are issued pursuant to subsection (5) of section 17A of the MACC Act 2009, as stated in the MACC Amendment Act 2018.

The guidelines are designed to be **principle-based (T.R.U.S.T)** and for general application by any commercial organisation of any size and industry.



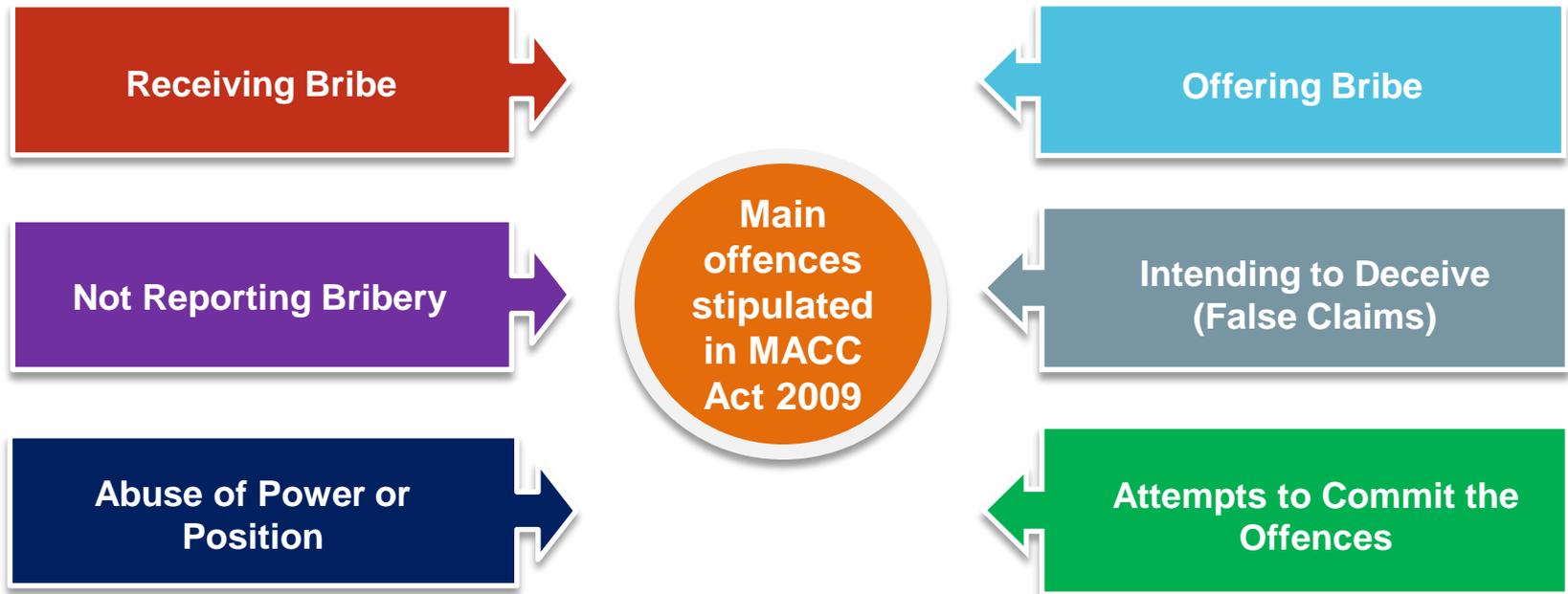
https://f.datasrvr.com/fr1/119/75252/Prime_Ministers_Department_-_Guidelines_on_Adequate_Procedures.pdf



1. Anti-Bribery and Anti-Corruption Regulations in Malaysia

Corruption Offences

Main offences stipulated in the MACC Act 2009



2. What is Corruption and Bribery?

Corruption

Corruption is the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description.

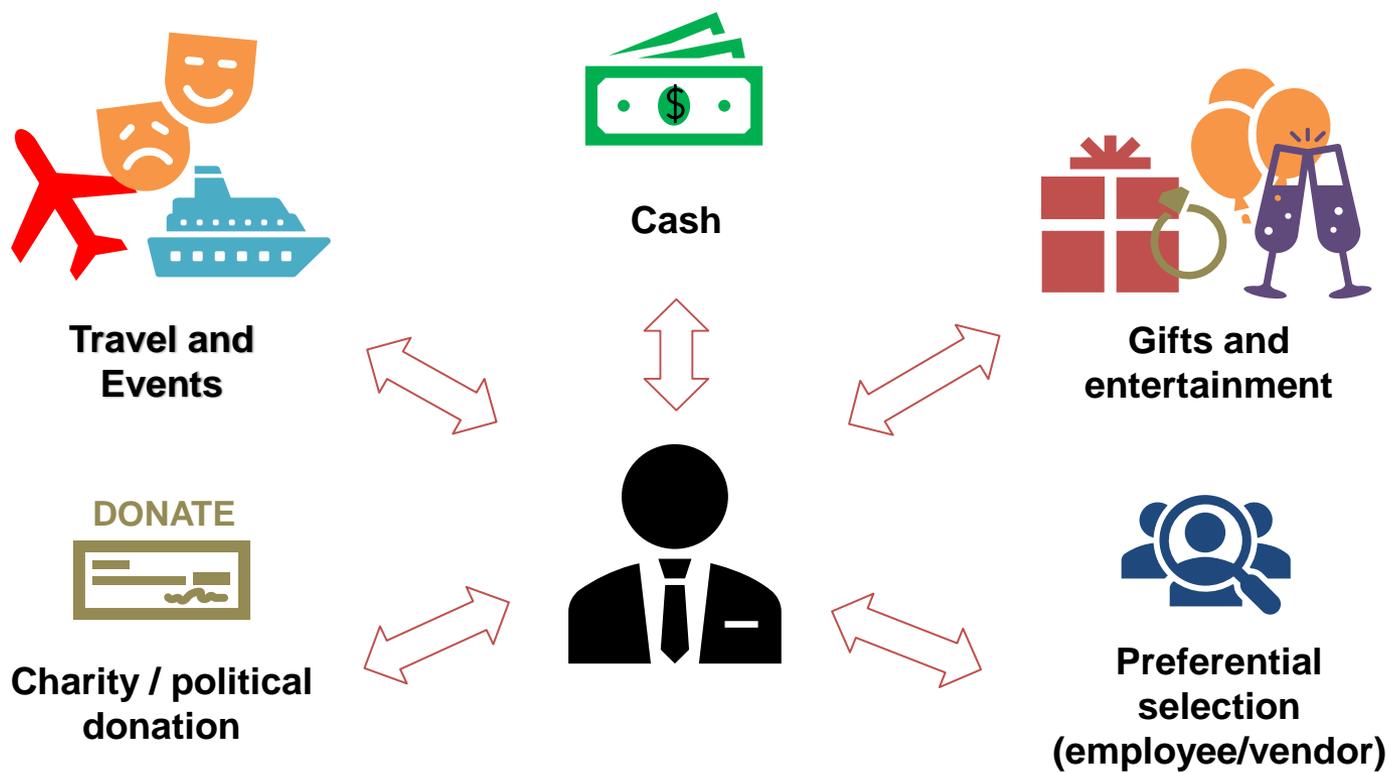
Bribery

Bribery is a type of corruption. It refers to the act of corruptly authorising, giving, agreeing to give, promising, offering, soliciting, receiving, or agreeing to receive any gratification.

2. What is Corruption and Bribery?

Types of Bribery

Bribery takes many forms. The benefit may not only be money. It can be anything of value to the person being bribed, amongst others, such as:



2. What is Corruption and Bribery?

Types of Corruption



2. What is Corruption and Bribery?

Common Excuses for Bribery and Corruption

People find various excuses for justifying bribes or corruption. None of these represent good business practice or provide any defence under the law.

“That’s the way things work here”

“We’ve always done it...”

“But my boss also does it ...”

“It was only a small hamper and a lunch treat for him and his partner...”



“If only we’d known that it would be regarded as bribe...”

2. What is Corruption and Bribery?

Who can be liable under Corporate Liability?

Director
Consultant
Clerk
Procurement Team
Vendor
Supplier
The Bank
Manager
Human Resource
Service Provider

IN SHORT, THE BANK AND YOU*

* Anyone that is performing work or services for or on behalf of the Bank

3. ABC Control Measures

Introduction

Hong Leong Investment Bank (“HLIB” or “the Bank”) has an established Anti-Bribery and Corruption Policy (“ABC Policy”) with reference to the MACC Act, which sets out strong ‘tone from the top’ against all corrupt practices, which includes the framework for implementation, and the responsibilities of the Associated Person in regards to observing and upholding the Bank’s zero-tolerance position on corruption and bribery.

The Bank’s ABC Policy applies to all directors, employees (whether temporary, fixed-term, or permanent), trainees, seconded staff, casual workers, agency staff, volunteers, interns, agents of the Bank.

The Bank also expects its partners, contractors, sub-contractors, consultants, representatives and others performing work or services for or on behalf of the Bank, or any other person associated with the Bank to comply with the Bank’s ABC Policy when performing such work or services.

The Bank’s Anti-Bribery and Corruption Policy can be found at <https://www.hlib.com.my/> for your reference.

3. ABC Control Measures

Bank's Policy on Anti-Bribery and Anti-Corruption

The policy document is issued in April 2020 and it sets out the framework and responsibilities of all, employees and others performing work or services for or on behalf of the Bank (“Associated Person”) in regards to observing and upholding the Bank’s **zero-tolerance position on corruption and bribery**.

- It outlines the Bank’s commitment to uphold all laws and regulatory requirements relating to anti-bribery and anti-corruption.
- Violation of this Policy will be taken seriously and the Bank will undertake necessary actions, including the review of employment or appointment, disciplinary actions, dismissal, stop third party contractors/service providers from further business dealings etc. and report to the relevant authorities, consistent with the requirements of the relevant laws and regulations.

3. ABC Control Measures

Bank's Policy on Anti-Bribery and Anti-Corruption

The policy documents highlights the following principles on anti-bribery and anti-corruption

1 Code of Conduct & Ethics
This Policy must be read in conjunction with the Bank's Code of Conduct & Ethics.

2 Responsibilities and Commitments of:
● Board of Directors and its respective Committees
● Senior Management
● Associated Persons

3 Role of Bank's Compliance Function
Roles of Compliance division in handling ABC matters.

4 Risk Assessment
Frequency, intent and review of ABC risk assessment report

5 Control Measures
Control measures shall be implemented by the Bank includes Due Diligence, Reporting Channel, Conflict of Interest, Gifts and Entertainment, Donation and Sponsorship, Facilitation Payments, Financial Controls, Procurement and Record Keeping

6 Review, Monitoring and Enforcement
● Review of ABC programme by Internal Audit and Compliance
● Monitor performance of personnel in relation to this Policy
● Enforcement - appropriate action to be taken as against non-compliance of this Policy

7 Training and Communication
The bank shall develop appropriate training and communication plan on anti-bribery and corruption for relevant parties.

3. ABC Control Measures

Due Diligence

- In accordance to the Bank's ABC Policy, the Bank shall ensure and expect that **Associated Persons** share the Bank's zero-tolerance position against bribery and corruption.

Associated Person



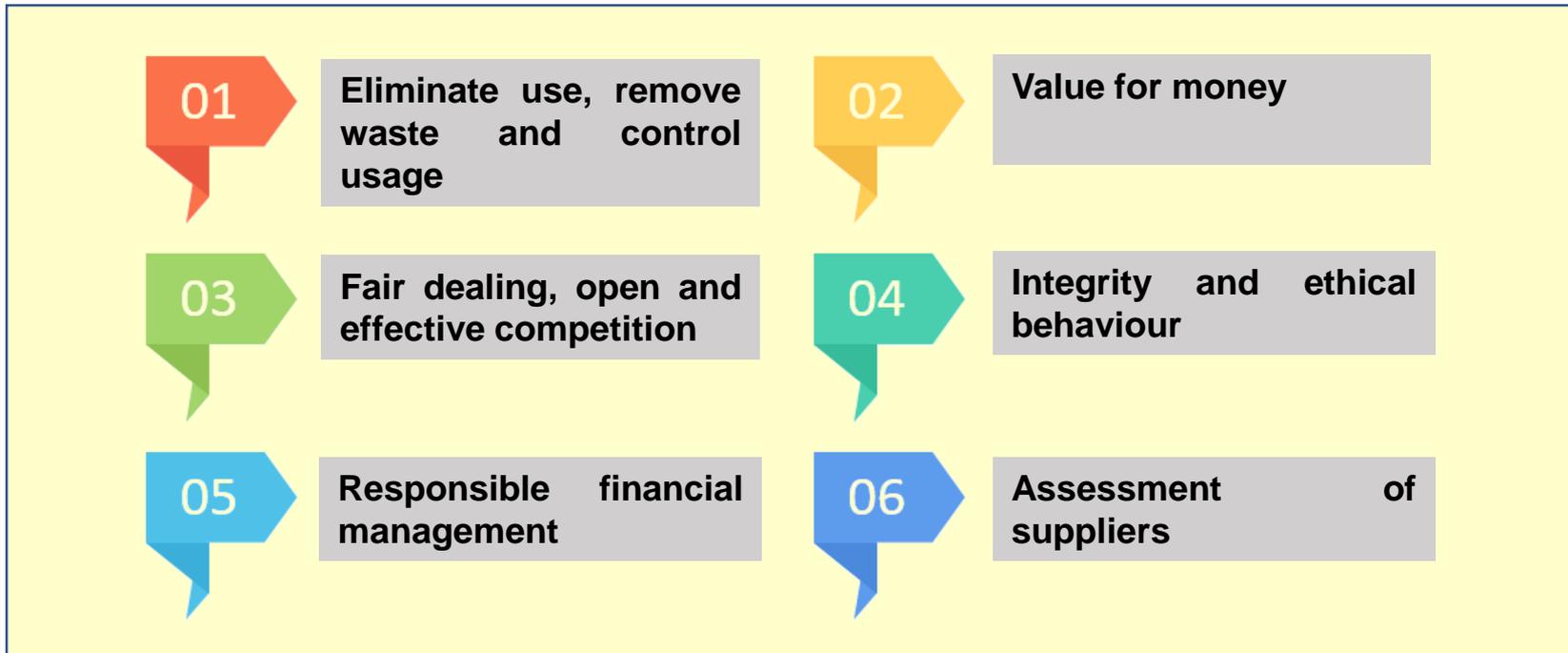
Directors, staff (whether temporary, fixed term, or permanent), trainees, interns, seconded staff, agency staff, casual workers, volunteers, agents, partners, contractors, subcontractors, vendors, suppliers, service providers, consultants, representatives and others performing work or services for or on behalf of the Bank.

- Hence, the Bank shall undertake due diligence to assess the **integrity** of the Associated Persons, which shall include **background checks or document verification or conducting interviews**, prior to entering into any formalized relationship with them and periodically thereafter.

3. ABC Control Measures

Procurement - Guiding Principles

The Bank will ensure that appropriate Guiding Principles and controls are implemented to govern the conduct of the procurement activities of the Bank. These will include:



3. ABC Control Measures

Conflict of Interest

**What is
Conflict of
Interest?**



A conflict of interest is a situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest could conflict against another.

The Bank seeks to ensure that a conflict of interest does not affect the interests of the Bank, its shareholders, clients and other stakeholders through **the identification, prevention and management of the conflict of interest.** Hence,

- We must not allow any conflict of interest, bias or undue influence of others to override our business and professional judgment.
- We must not be influenced by friendship or association in performing our role.
- Decisions must be made on a strictly arms-length business basis.
- All Associated Persons shall declare any personal interest he/she or persons connected to the Associated Person may have in any Bank's decision or matter he/she is involved in.

3. ABC Control Measures

Conflict of Interest

DOs



Ensure that no other staff should misuse their position.



Discourage customers and brokers from offering them gifts, favours or services.



Report misuse of position or such irregularities in confidence to the Bank.

DON'Ts



Take advantage of any information obtained in the course of duty for personal benefit.



Make use of your position to solicit or receive favours from customers.



Use the Bank's name or facilities for personal advantage in political, investment or retail purchasing transaction, or in similar types of activities.

3. ABC Control Measures

PROHIBITED GIFTS & ENTERTAINMENT

The following gifts and entertainment are prohibited to be accepted or offered by the Bank's staff:

- ✘ Any amount of cash or cash equivalent as a form of a monetary gift (angpows, gift cards, vouchers etc.)
- ✘ Any other forms of gifts and/or entertainment, in exchange for an act by the Bank or an act for the benefit of the Bank
- ✘ Any other forms of gifts and/or entertainment for purposes which are prohibited under the laws of Malaysia, e.g. bribery and corruption

Gifts or entertainment received that are not approved will be returned or refunded back to the person who provided the said gift or entertainment.

3. ABC Control Measures

Donation and Sponsorship - Do's and Don'ts

DOs

-  Ensure recipients are of **reputable standing**
-  Ensure donations and sponsorships are **permitted by law**
-  Conduct proper **due diligence on the recipients** of the donations or sponsorships
-  Ensure necessary **internal approval** is obtained
-  Ensure it is **declared** and **documented**

DON'Ts

-  Give or accept **political donations and sponsorships**
-  Give donations and sponsorships that are **not permitted by law**
-  Give or accept donations and sponsorships **without obtaining internal approval**
-  Allow a **party connected to the recipient** to participate in the approval of donations and sponsorships
-  Give or accept donations and sponsorships **without proper due diligence**

3. ABC Control Measures

Facilitation Payment

What is Facilitation Payment?



Payment made to **secure or expedite** the performance of an action or a service that the Bank is entitled to, example: where a government official is given money or goods to perform (or speed up the performance of) an existing duty.

The Bank will not make any facilitation payment.

Fees paid in exchange for a **lawful express or preferential service**, e.g. quick turnaround visa and passport services or police escort services **are not considered as Facilitation Payment** provided that they fulfil the following conditions:

The service is open and available to everyone

The fee is in accordance with an official and published price list

- The fee is not payable to individuals, but to the organisation or entity

A legal and official receipt by the organisation or entity can be provided.

4. Reporting and Escalation



To whom you should escalate and report if you witness a misconduct or wrongful act?

Senior Management

1

Escalate the issue to senior management in verbal and writing

Human Resource Division

2

Raise & report the misconduct to HR Division

Whistleblowing Channels

3

Fill up and send the bank's whistleblower form to the bank



Whistleblowing

Whistleblowing is the act of reporting of suspected wrongdoing, misconduct, unethical activity within public, private or third-sector organisations.



Whistleblowing

Who can raise concerns?

- Any employee of Hong Leong Investment Bank.
- Any (legal or natural) person including those providing services to, or having a business relationship with the Bank.

What to raise and escalate?

- Any criminal offences, including fraud, corruption, bribery and blackmail.
- Any failure to comply with legal or regulatory obligations.

Will there be any action taken against you?

No! You will be protected from retaliation and from disclosure of your identity, provided your disclosure was made in good faith

Whistleblowing

Reports of suspected wrongdoing, misconduct or unethical activity concerns may be made to the following person:

Chairman of the Board Audit and Risk Management Committee



Level 28, Menara Hong Leong, No. 6, Jalan Damanlela,
Bukit Damansara, 50490 Kuala Lumpur



BARMCChairman@hlib.hongleong.com.my



5. Consequences of Non-Compliance

Fine and Penalties for Offenses



Receiving and giving of corrupt gratification (bribery)

The MACC Act 2009 Sections 16 and 17

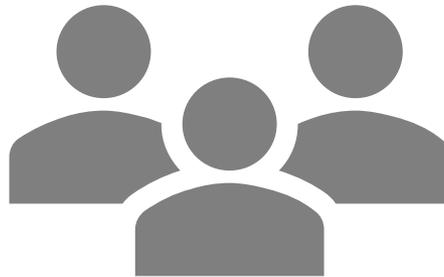
- Fine of not less than 5 times the amount of the bribe or RM10,000 whichever is higher; and
- Jail sentence not exceeding 20 years.

Corporate Liability on corruption

MACC (Amendment) Act 2018 Section 17A

- Fine of not less than 10 times the amount of the bribe or RM1 million whichever is higher; and/or
- Jail sentence not exceeding 20 years.

6. Our Responsibilities



What are our responsibilities?

Ensure and follow proper policies and procedures

Do not participate in bribery

Be familiar with the law

Report your concerns to relevant parties in the event of bribery or corruption

Understand where the risk of bribery or corruption is in our organization, industry, and country

Understand the impact of a bribery incident to our organization

USEFUL LINKS

1. MALAYSIAN ANTI-CORRUPTION COMMISSION WEBSITE

<https://www.sprm.gov.my/en/enforcement>

2. MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009

https://www.sprm.gov.my/images/Akta-akta/SPRM_act_BI.pdf

3. MALAYSIAN ANTI-CORRUPTION COMMISSION (AMENDMENT) ACT 2018

http://www.federalgazette.agc.gov.my/outputaktap/20180504_A1567_BI_Act%20A1567.pdf

4. NATIONAL ANTI-CORRUPTION PLAN 2019-2023

https://www.pmo.gov.my/wp-content/uploads/2019/07/National-Anti-Corruption-Plan-2019-2023_.pdf

5. WHAT IS CORRUPTION

<https://www.sprm.gov.my/index.php/en/education/what-is-corruption>

6. BANK'S ANTI-BRIBERY AND CORRUPTION POLICY

<https://www.hlib.com.my/Files/HLIB%20ABC%20Policy.pdf>

7. BANK'S WHISTLEBLOWING POLICY

<https://www.hlib.com.my/Files/HLIBWhistleblowingPolicy.pdf>

