



**A Guide to Handle Corporate Governance Matters
For Board of Directors and Senior Management**

Hong Kong Science and Technology Parks Corporation (HKSTP)

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Chapter One

Meeting Procedures for the Board of Directors and Committees

1. The Board of Directors is the governing body of the Corporation and is supported by six Committees. They are the Finance and Administration Committee, the Business Development and Admission Committee, the Projects and Facilities Committee, the Investment Committee, Senior Staff Administration Committee and the Audit Committee. As need arises, the Board shall set up ad-hoc task forces/working groups to handle specific projects. These Committees are operating under their terms of reference which are approved and reviewed from time to time by the Board. The terms of reference have stipulated the membership, functions and duties of the Committees.
2. Board Members are appointed for a term not more than two years and can be re-appointed upon expiry of their terms of office. Following the appointment of the new Board of Directors in July, an invitation shall be sent to Board Members inviting them to join the Committees. Based upon Members' indication of interest and further consultations among the Chairman and Members, a complete list of Committee Membership shall be compiled for approval of the Board.
3. Meeting schedule for the Board and Committees shall be prepared on a yearly/half yearly basis to facilitate timely submission of Management's proposals and advance planning of Members.
4. Meetings shall not be less than four times a year for the Board, Business Development and Admission Committee, Finance and Administration Committee, Projects and Facilities Committee, two times a year for Investment Committee and three times a year for Audit Committee. Special meetings shall be held as and when necessary. Meetings shall be held on a need basis for Senior Staff Administration Committee.
5. A quorum, representing a fixed number of Members present in a meeting, shall be required to convene a meeting and maintained throughout the entire meeting. The quorum of the Board shall not be less than one-third of the Members whereas the quorum of Committees shall not be less than one-third of the Members or three Members whichever is higher.
6. The Chief Executive Officer and the relevant Chief Officers shall normally attend Board /Committee meetings. Other staff shall attend such meetings on a need basis.
7. Notice of meeting together with the meeting agenda and papers (for information, approval and discussion) shall be circulated to the Board/Committees 7 days in advance of the meetings to facilitate Members' understanding, evaluation and decision-making. Papers shall contain adequate information to enable Members of the Board/Committees to make informed decisions. The information supplied must be complete and reliable.
8. Papers may be circulated to Members of the Board/Committee in lieu of meetings to obtain approval. Approval requires a unanimous agreement of Board/Committee Members entitled to vote.

9. Board Members are also required to declare their interests or indirect interests in any contracts or proposals to be considered by the Board and the Committees (as the case may be) and withdraw from the consideration and approval of these issues. Their declaration of interest shall be properly recorded in the minutes.
10. Papers shall not be circulated to Members of the Board/Committee, who have conflict of interests in relation to the issues mentioned in the papers.
11. When Board Members receive papers for discussion which they know present conflicts of interest, they should immediately inform the Secretary of the Board/Committees and return those papers.
12. In the event that the Board/Committee Chairman decides to conduct voting, Members shall then cast their votes and resolution shall be based on a simple majority of votes of the members present at the meeting and entitled to vote. In the event that the votes are tied, the Chairman shall have a casting vote in addition to his¹ original vote.
13. Board and Committee meetings shall be properly minuted and kept. Minutes shall record important points of discussion, the recommendations, decisions and outstanding courses of actions. Follow-up action shall be reported at the next meeting under matters arising from previous meeting. Minutes of Committee meetings shall be circulated to Board Members to facilitate the making of decisions by such members.
14. The Committee Secretary shall record the decisions, main points of discussion, and actions made at the Committee meeting and the Committee Secretary shall prepare Committee reports to the Board in the case of Senior Staff Administration Committee and Audit Committee.
15. Annual Report covering the activities of the divisions of the Corporation shall be approved by the Board on an annual basis for submission to Legislative Council. Regular operating updates including financial position shall also be circulated to the Board.
16. Any Member(s) may, upon reasonable request, seek independent professional advice in appropriate circumstances at the Corporation's expense to assist them to perform their duties to the Corporation. The request shall be presented at a Board/Committee meeting and professional advice would be obtained if there is no disagreement between Board/Committee Members. Members could also present the request to the Secretariat who will seek approval from the Board/Committee Chairman for obtaining professional advice. Advice so obtained shall be reported or circulated to the Board/Committee where applicable and appropriate. Save in exceptional circumstances such as when there is any reasonable apprehension that the independence of the advice may be compromised or seen to be compromised, such advice should be obtained from the list of professional advisers approved by the Corporation from time to time.

¹ A reference to the masculine gender in this code covers both the feminine and masculine gender.

Chapter Two
Declaration of Interest of Board of Directors and Senior Management²

(A) Two-Tier Reporting System

1. A two-tier Reporting System for declaration of interest of Board Members and Senior Management Members (collectively known as “Members”) has been adopted.
2. Members are required, on an annual basis, to complete a standard form to declare the following interests:
 - (i) proprietorships, partnerships or directorships of companies, public or private and for both local and overseas;
 - (ii) remunerated employments, offices, trades, professions or vocations;
 - (iii) interests in shareholdings in any public or private company which represent 1% or more of the issued share capital of the company; and
 - (iv) other declarable interests, taking into consideration the nature of work of HKSTP.
3. The completed form should be filed with the Secretariat of HKSTP.
4. Members are also required to inform the Board Secretary within fourteen days when there is any change in their previously reported declaration.
5. Members are also required to declare their direct or indirect interests in any contracts or proposals to be considered by the Board and/or Committees at the meeting or during the course of circulation of Board/Committee paper and withdraw from the consideration and approval of these matters.
6. The Chairman shall decide whether a Member disclosing an interest may speak, may remain at the meeting as an observer, or should withdraw from the meeting.
7. If the Chairman declares an interest in a matter under consideration, the chairmanship may be temporarily taken over by the Vice Chairman. A majority of Members at the meeting shall decide whether the Chairman disclosing an interest may speak, may remain at the meeting as an observer, or should withdraw from the meeting.
8. In the event that Members have already declared conflict of interest in relation to contracts or proposals to be considered by the Board and/or Committees, the related Board and/or Committee papers shall not be circulated by Management to those Members. Where a member is in receipt of a paper for discussion which he knows presents a direct conflict of interest, he should immediately inform the Company Secretary and return the paper.
9. All cases of declaration of interests shall be recorded in the minutes of the meeting.
10. A register of Members’ declaration of interests is kept by the Secretariat of HKSTP and made available for public inspection upon request.

² Senior Management refers to CEO and his Direct Report Senior Executives.

(B) Guidelines for Managing Possible Conflict Arising from Members Bidding for Contracts of HKSTP

11. Members, as a matter of principle, should avoid entering into any business contract with the Corporation in their personal capacity, i.e. the Member is not personally involved in the bidding process or in the supply of goods or paid services if the bid submitted by the Member (or an organization in which the Member is working or otherwise associated) is successful. Members should avoid public perception of themselves using their capacity to obtain financial gains from the Corporation.
12. A Member is personally involved in the preparation of a bid if he participates in advising, commenting, preparing, or approving his organization's specific bid for the HKSTP contract concerned; or in the case of supply of goods or provision of paid services, if he advises or comments on, approves or otherwise participates in the execution of the contract concerned.
13. Where it is unavoidable that a Member will bid for contract with HKSTP in his/her personal capacity, he/she should adhere to the following guidelines on managing possible conflict of interest. A Member, as a non-executive director of the company to be invited to expression of interest/tender/offer a quotation, should also adhere to these guidelines.
 - 13.1 When the need for a business contract is discussed, Members should be asked at the outset to declare whether they or any company associated with them are interested in bidding for the contract.
 - 13.2 Members who have declared an interest to bid should not take part or be present at any subsequent discussions or meetings concerning the proposed contract, and should be prohibited from access to any information in relation to the contract (other than in the capacity of a bidder).
 - 13.3 Members who have not declared an interest to bid (and the companies concerned) should not be allowed to bid subsequently.
 - 13.4 When a Member (or a company associated with him) has expressed an interest to bid, the Corporation should ascertain whether any information relating to the contract has already come to the possession of the Member in the course of his duties as a Member. If so, such information should be made available to other bidders as well to ensure a level playing field.
 - 13.5 If a Member (or a company associated with him) has put in a bid, care should be taken to ensure that he subsequently has no access to the submitted tender documents which may contain commercially sensitive information.
 - 13.6 Bidders' identity should be anonymised before the evaluation of bids if a Member (or a company associated with him) is one of the bidders.

- 13.7 If a Member (or a company associated with him) is successful in bidding for the contract, he should withdraw from all discussions relating to the contract, except when attending in the capacity of a supplier or a service-provider.
- 13.8 If a Member (or a company associated with him) has made a material contract with the Corporation, this material contract should be disclosed in the Annual Report.

Chapter Three
Other Corporate Governance Matters

1. The Internal Audit Division will review from time to time the corporate governance model of the Corporation with reference to the Code issued by the Hong Kong Exchange and Clearing Limited to ensure the best corporate governance practices are adopted.
2. A Corporate Governance Report, which outlines Board Membership, functions of the Board and Committees, meetings and procedures, disclosure of interest, ethical behavior and culture, remuneration policy, corporate governance, risk management and internal control, internal and external audit, budgeting and financial management, accountability, reporting and disclosure, social responsibilities and public awareness, will be included in the Annual Report.
3. The Guide to Handle Corporate Governance Matters will be included in the Directors' Manual and Directors' induction program.
4. On an annual basis, ICAC will give a talk on Code of Conduct to the employees of the Corporation.
5. The Corruption Prevention Department of ICAC has undertaken to review the operating processes of the Corporation from time to time.

Chapter Four **Code of Conduct**

1(A). Vision and Mission

HKSTP is dedicated to building a vibrant innovation and technology ecosystem to connect stakeholders, nurture technology talents, facilitate collaboration, and catalyse innovations to deliver social and economic benefits to Hong Kong and the region.

Members, in leading the Corporation in its operations in line its Vision, Mission and Core Values, are expected to uphold the highest standard of conduct appropriate to the organization.

Vision: Create a vibrant innovation and technology ecosystem to deliver social and economic benefits to Hong Kong and the region.

Mission: Connect stakeholders, facilitate knowledge transfer and nurture talent to accelerate technological innovation and commercialization.

Core Values:

- Collaborative - We adopt a collaborative model to maximize synergy
- Enterprising - We embrace an enterprising spirit
- Excellence - We drive for excellence in our operation
- Integrity - We run our operation with integrity
- Proactive - We are proactive in engaging our stakeholders

1(B). Preamble

HKSTP is committed to the principle of honesty, integrity and fair play in the conduct of its business. To uphold public trust and protect public interest, it is important for all Members to handle HKSTP's business in a just and impartial manner so that HKSTP's reputation will not be tarnished by dishonesty, impropriety or corruption. To this end, this Code of Conduct sets out the standard of behaviour expected of Members in their official capacity in carrying out the activities relating to the business of HKSTP.

2. Prevention of Bribery Ordinance

- (a) HKSTP is a public body under the Prevention of Bribery Ordinance (Cap. 201) ("POBO"). All Members of HKSTP are "public servants" for the purpose of the Ordinance.
- (b) The POBO seeks, among other things, to enforce against any abuse of entrusted power or official position by public servants through the solicitation or acceptance of a bribe or an advantage. Members should thoroughly understand the legal requirements and the importance of compliance.
- (c) **Section 4** of the POBO makes it an offence for a public servant to solicit or accept, without lawful authority or reasonable excuse, any advantage *in Hong*

Kong or elsewhere as an inducement to or reward for or otherwise on account of his performing or abstaining from performing any act in his capacity as a public servant³.

- (d) “Advantage” is defined in *section 2(1)* of the POBO to mean almost anything which is of value, except entertainment which will be covered under a separate heading below. Common examples of advantages include any gift (both of money and in kind), loan, fee, reward, commission, office, employment, contract, service and favour, etc.
- (e) Members should note that one may commit an offence under the POBO irrespective of whether he, or any other person acting on his behalf, directly or indirectly solicits or accepts any advantage, and whether for himself or for any other person.

(The relevant sections of the POBO pertaining to public bodies are detailed at **Appendix 1.**)

3. Solicitation and Acceptance of Advantages

- (a) HKSTP prohibits Members from soliciting or accepting any advantage from any persons or companies having official dealings with HKSTP (e.g. service recipients, suppliers, contractors).
- (b) Even if the offeror does not have any official dealings with HKSTP, a Member should decline an offer of an advantage if the acceptance could affect his objectivity in conducting the HKSTP’s business, induce him to act against the HKSTP’s interest or place him under an improper obligation, or where he believes the offeror has such an intention, or lead to the perception or allegation of impropriety or conflict of interest.
- (c) A Member should always consider the public perception when accepting an offer of an advantage and ensure that the solicitation or acceptance of any advantages can stand up to public scrutiny and will not bring HKSTP into disrepute.
- (d) When a Member is in doubt, he should consult the Secretariat of HKSTP.

3.1 Advantages Offered to Members in Their Official Capacity

- (a) An advantage (e.g. gift, souvenir) presented to a Member by virtue of his official position or on an occasion attended in the Member’s official capacity is regarded as an advantage to HKSTP (e.g. a souvenir presented by the organizers of a ceremonial occasion to a Members representing HKSTP to officiate at ceremony).

³ The person offering the advantage may also commit an offence.

- (b) Members should as far as possible decline to accept advantages offered/presented to them by virtue of their official position. Where this cannot be done (e.g. owing to protocol reasons or the need to avoid causing offence or embarrassment, such as where a gift is offered/presented to a Member when attending a ceremonial occasion in his official capacity), he should follow the following guidelines in handling the gifts/souvenirs received:
- (i) Members may retain the following gifts/souvenirs without declaration:
- If the gift/souvenir which is a personal item with an estimated value below \$500 such as a plaque or pen inscribed with the name of the recipient, name and/or logo of organizer.
 - If the gift/souvenir which is distributed to all participants in public activities, such as a pen, file folder or key clasp etc.
- (ii) Other than the above-mentioned gifts/souvenirs, Members should forward the gifts in cash/in kind they have received to the Secretariat of HKSTP for disposal. The guidelines for disposal are provided in **Appendix 2**.

3.2 Sponsorship Offered to Members in Their Official Capacity

- (a) Members may be offered sponsorship in their official capacity by persons/organizations other than HKSTP itself for official purposes such as attending local/overseas conferences, conventions, product trial activities. Such sponsorship should be regarded as sponsorship offered to HKSTP and referred to HKSTP for consideration of acceptance.
- (b) HKSTP will consider whether it is appropriate to accept the offer and if HKSTP decides to accept the sponsorship, it will select a suitable Member/staff to attend the sponsored activity on its behalf. In considering whether or not to accept the sponsorship offer, the following general criteria are relevant:
- (i) acceptance of the sponsorship will benefit HKSTP as a whole;
- (ii) acceptance of the sponsorship will not bring HKSTP into any disrepute;
- (iii) the sponsorship is not excessive in value or frequency;
- (iv) acceptance of the sponsorship will not give rise to any expressed or implied obligation towards the offeror;
- (v) acceptance of the sponsorship will not give rise to any actual or perceived conflict of interest (e.g. the offeror is a supplier/contractor bidding for the HKSTP's contracts); and
- (vi) the sponsor will not be given or be perceived to derive an unfair advantage over other persons or organisations.

- (c) When Members in their official capacities attending sponsored events being invited for sightseeing activities, they should not accept the invitations if the activities are excessive in value and irrelevant to the events and the acceptance of which will bring HKSTP into disrepute.
- (d) If speaker fees are offered to Members for delivery of speech or training session in their official capacity, Members should inform the Secretariat of HKSTP and contribute the speaker fees to HKSTP.

4. Acceptance of Entertainment

- (a) As defined in section 2 of the POBO, “entertainment” means the provision of food or drink, for consumption on the occasion when it is provided, and any other entertainment connected with or provided at the same time as the provision of food or drink.
- (b) Although entertainment when offered by way of a favour is not an advantage per se and its acceptance is generally not subject to the POBO, a free entertainment may, in certain circumstances, amount to “a discharge of an obligation to pay” which is an advantage under section 2 of the POBO. For example, where a public servant visits a restaurant with which he has official dealings and at the end of the meal the restaurant owner waives the bill, this may amount to an acceptance of an advantage.
- (c) Members should not accept lavish, or unreasonably generous or frequent entertainment, or indeed any entertainment which is likely to give rise to any potential or real conflict of interest, put the Members in an obligatory position in the discharge of their duties, compromise their impartiality or judgement, or bring them or HKSTP into disrepute bearing in mind public perception. When offered entertainment, a Member should consider whether the entertainment offered could be regarded as:
 - excessive – taking into account its value, substance, frequency and nature;
 - inappropriate – taking into account the relationship between the Member and the offeror (e.g. whether they have any direct official dealings); or
 - undesirable – taking into account the character or reputation of the host or known attendees.
- (d) If a Member finds it unavoidable to accept an entertainment of high value in order not to cause offence or embarrassment or due to protocol reason, he can make a post-event declaration to the Secretariat of HKSTP.

5. Offering of Advantages

- (a) Members are prohibited from offering advantages to any director, or staff of any organization, for the purpose of influencing such person or organization in any dealings, or any public official, whether directly or indirectly through a third party, when conducting the business of HKSTP. It is also an offence under the POBO for any person while having dealings with a public body to offer an advantage to the public body's members and employees.
- (b) Members should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. Where it is necessary or unavoidable due to operational, protocol or other reasons, the number of gifts/souvenirs to be bestowed should be kept to a minimum and the exchange of gifts/souvenirs should be made from organisation to organisation. Gift/souvenir items should not be lavish or extravagant and standard souvenirs inscribed with the HKSTP's logo are preferred.

6. Managing Conflict of Interest

- (a) Managing conflict of interest is important to good governance and maintaining trust in public bodies. Conflict of interest if improperly managed, give rise to criticism of favouritism, abuse of authority or even allegation of corruption and undermine the integrity of Members, their decisions and eventually the Organisation.

6.1 Conflict of Interest

- (a) A conflict of interest situation arises when the "private interests" of a Member compete or conflict with the interests of the Organisation or the Member's official duties. Private interests include financial and other interests of the Member himself, and those of his connections including family and other relations, personal friends, the clubs and societies to which he belongs, and any person to whom he owes a favour or to whom he may be obligated in any way. Use of official position, use of official information, private investment and outside employment are some common areas in which a conflict of interest may arise between a Member's official duties and private interests.

6.2 Avoidance and Declaration of Conflict of Interest

- (a) A fundamental integrity requirement is that all Members should avoid situations which may compromise (or be seen to compromise) their personal judgement or integrity at work or lead to conflict of interest.
- (b) When a situation involving a conflict of interest cannot be avoided, Members should as soon as possible make full disclosure of all relevant interests which conflict, may conflict or may be seen to conflict with their official duties. The basic principle to be observed is that Members' advice should be disinterested and impartial and it is the responsibility of each Member to judge and decide if the situation warrants a declaration, and to seek a ruling from the Chairman or the Secretary in case of doubt.

- (c) There are circumstances in which a tie of kinship or friendship, or some other association or loyalty which does not give rise to a financial interest, can influence the judgement of a Member in discharging his official duties, or may reasonably be perceived as having such an influence. As such, a Member's duty to avoid or declare a conflict of interest goes beyond the disclosure of interests that are definable in pecuniary terms.
- (d) There are two systems in the declaration guidelines namely one-tier reporting system and the two-tier reporting system as set out in **Appendices 3(a) and 3(b)**. HKSTP has adopted the two-tier reporting system and details of the declaration are provided in the preceding *Chapter 2 (A) of the Corporate Governance Guide*.

6.3 Examples of Conflict of Interest

- (a) Some common examples of conflict of interest are described below but they are by no means exhaustive:
 - (i) Pecuniary interests in a matter under consideration by the Organisation, held either by the Member or his close relative.
 - (ii) A directorship, partnership, advisory or client relationship, employment or other significant connection with a company, firm, club, association, union or other organisation which is connected with, or the subject of, a matter under consideration by the Organisation.
 - (iii) Some friendships which might be so close as to warrant declaration in order to avoid the situations where an objective observer may believe that a Member's advice has been influenced by the closeness of the association.
 - (iv) A Member who, as a barrister, solicitor, accountant or other professional adviser, has personally or as a member of a company, advises or represents or has frequent dealings with any person or body connected with a matter under consideration by the Organisation.

6.4 Members Bidding for the Organisation's Contracts

- (a) As a matter of principle, Members should avoid entering into any business contract (e.g. for the supply of goods or services) with the Organization in their personal capacity to prevent the public perception of Members using their capacity to obtain financial gains from the Organization. Where this is unavoidable, Members shall adhere to the Guidelines on Managing Possible Conflict of Interest in bidding for the HKSTP's business contracts which are based on the guidelines issued by the Home Affairs Bureau. Details of the guidelines are provided in the preceding *Chapter 2 (B) of the Corporate Governance Guide*.

7. Misuse of Official Position

- (a) Persons occupying public offices are placed in a position of trust and entrusted with certain powers by the public. Our society expects public officials in such a position to exercise the powers and discretions with integrity and fidelity, and in an incorrupt manner to serve the public interest, and should not subordinate the public interest to private interest.
- (b) Members should act impartially and should not use their official position for personal gains nor accord preferential treatment to organisations or persons with whom they have connections. They should not use or permit the use of their official position or title or an authority associated with their public office in a manner that is intended to coerce or induce another person to provide any benefit to himself or his relatives, friends or associates. Nor should they use their official position or title in a manner that could reasonably be construed to imply that the Organization sanctions or endorses their personal activities or those of another.

7.1 Misconduct in Public Office

- (a) A Member who misconducts himself in relation to his official duties may commit the common law offence of MIPO. The common law offence of “misconduct in public office” (“MIPO”) extends the reach of criminal law beyond bribery into various types of misconduct of public officers when discharging their official duties. The elements constituting the offence of MIPO are as follows:
 - (i) a public official;
 - (ii) in the course of or in relation to his public office;
 - (iii) willfully misconducts himself by act or omission (for example, by willfully neglecting or failing to perform his duty);
 - (iv) without reasonable excuse or justification; and
 - (v) such misconduct is serious, not trivial, having regard to the responsibilities of the office and the office-holder, the importance of the public objects which they serve and the nature and extent of the departure from those responsibilities.
- (b) The misconduct must be deliberate rather than accidental in the sense that the official either knows that his conduct is unlawful or willfully disregards the risk that his conduct is unlawful. Willful misconduct without reasonable excuse or justification is culpable.
- (c) The essential feature of the offence is an abuse by the public official of the powers, discretions or duties exercisable by virtue of his official position conferred on him for the public benefit. A public officer may commit MIPO

even if his misconduct does not involve any bribery or he does not have any pecuniary gains as a result.

- (d) Some examples of the past conviction cases are described below:
- (i) A department head of a university misused university funds to hire a domestic helper cum driver and covered up a subordinate's embezzlement.
 - (ii) A faculty dean of a university failed to declare a conflict of interest arising from his capacity as the dean and as the sole proprietor of a company. He had procured or caused donations totaling HK\$3.8 million that were intended for the university to be paid to his private company.
 - (iii) A chairperson of a public body responsible for considering licence applications improperly discussed with the applicants and their agents before convening board meetings and provided classified documents relating the licence applications to a personal friend working for the applicants. He also failed to declare the conflict of interest in respect of his relationship with the licence applicants and their agents when considering their applications.
 - (iv) A deputy head of a public body dishonestly claimed the cost of return airfares for attending meetings and overseas subsistence allowances to which he was not entitled.
 - (v) A doctor in a public hospital had sent out letters advertising the fact that he was leaving to commence private practice. Those letters contained some confidential personal particulars of patients, including those with whom he had not dealt with personally but simply patients under the management of his team.
 - (vi) A civil servant responsible for the award of service contracts had misused his office by exerting improper influence over the award of contracts to a company which was not qualified for tendering for the contracts and in which his relatives had a financial interest.
 - (vii) A civil servant responsible for conducting a registration examination assisted a friend in obtaining the registration dishonestly, and provided the latter with classified information relating to the examination.

8. Use of HKSTP's Assets and Resources

Members in charge of or having access to any assets of HKSTP, including funds, property, information, and intellectual property should use them solely for the purpose of conducting the HKSTP's business. They should make the best use of the HKSTP's assets and resources in terms of money, property, goods or services economically and effectively. Any appropriation of the HKSTP's properties for personal use or personal gain is strictly prohibited and may amount to an offence under the Theft Ordinance (Cap. 210).

9. Confidentiality of Information

- (a) Members should not disclose any classified or proprietary information of HKSTP without authorisation or misuse any HKSTP's information. (e.g. using the information for personal gain or the benefit of others).
- (b) Members who have access to or in control of such information should at all times ensure its security and prevent any abuse, unauthorized disclosure or misuse of the information.
- (c) Special care should be taken when handling any personal data of both the Members and service recipients to ensure compliance with the Personal Data (Privacy) Ordinance (Cap. 486) and the HKSTP's data privacy policy.
- (d) Members should continue to observe their duty of confidentiality after they have left HKSTP. They should not use, or take advantage of any classified or proprietary information obtained in the course of their official duties.

10. Outside Work

A Member who intends to accept a position with any organisation (e.g. tenants, IE grantees, incubatees, contractors/consultants etc.) that could lead to a conflict of interest or situation prejudicial to the HKSTP's interests, should discuss the implications of accepting such a position with the Secretariat of HKSTP. He should consider resigning from HKSTP if the conflict or the perception of such cannot be avoided.

11. Post-Service Employment/Investment

- (a) Within a sanitization period of 6 months after ceasing service with HKSTP, Members should avoid taking up an employment or providing service or making an investment in any organizations (e.g. tenants, IE grantees, incubatees, contractors/consultants etc.) which might constitute conflict of interest with their former service in HKSTP. However, if he intends to accept a post-service employment or make an investment described in the above-mentioned situation, he should inform the Secretariat of HKSTP immediately of such an employment or investment.
- (b) After the sanitization period, a Member who intends to accept a post-service employment or make an investment which might bring HKSTP into disrepute or cause perceived impropriety from the public, he should be more cautious of taking up such an employment or making such an investment.
- (c) Post-service employment/investment of senior management members (CEO and his direct report senior executives) will be governed by their employment contracts.

12. Records, Accounts and Other Documents

- (a) Members should ensure, to the best of their knowledge, that any record, receipt, account or other documents they submit to HKSTP, gives a true representation of the events or transactions reported in the documents.
- (b) Intentional use of documents containing false information to deceive or mislead HKSTP, regardless of whether the Members may obtain any gain or advantage, may constitute an offence under the POBO.

13. Gambling

Members should not engage in frequent or excessive gambling of any kind, or any games of chance involving high stakes. Members should not gamble with persons having official dealings with HKSTP or over whom they have enforcement responsibilities.

14. Loans

Members should not accept a loan from or through the assistant of, any person or organization having official dealings with HKSTP. There is, however, no restriction on borrowing from a licensed bank or financial institution.

15. Indebtedness

- (a) Members in their personal capacity should avoid allowing themselves to get into a position where any debts they may have become unmanageable and other financial embarrassment which may bring HKSTP into disrepute.
- (b) Members are required to notify the Secretariat of HKSTP if proceedings are taken against them with a view to bankruptcy. Members who become insolvent or bankrupt⁴, even though no proceedings have been taken against them yet, should also report their case to HKSTP.

16. Use of Public Funds

- (a) Members shall ensure that all public funds are used in a prudent and responsible manner to safeguard public interest. They should only approve funds for any project/activity/expenditure item which falls within the ambit of the funds and can achieve the purpose of the funds.
- (b) Members shall particularly ensure that an open, fair and competitive mechanism is adopted for the procurement of goods/services and recruitment of staff for HKSTP.

⁴ Individual voluntary arrangement (IVA) is an alternative to bankruptcy under the Bankruptcy Ordinance. A staff member taking up an IVA is regarded as insolvent and should report the case to HKSTP.

17. Reporting Suspected Criminal Offences and Irregularities

- (a) A Member should report, either directly or through the Company Secretary as appropriate, all instances of crime or alleged crime discovered in the course of his official duty to the appropriate law enforcement authority at the first practicable opportunity. He has no discretion in deciding which cases of crime or alleged crime to report. He should avoid making any enquires or taking any action that may hinder or frustrate subsequent investigation by the law enforcement authority concerned.
- (b) Attempting to bribe a public servant is a criminal offence under the POBO. Such attempts should be reported promptly to the ICAC. All such reports should be treated in the strictest confidence.
- (c) A Member should also report other irregularities observed in the course of their official duty to the Secretariat of HKSTP. All such reports should be treated in the strictest confidence.

18. Compliance

- (a) Members should understand and comply with this Code when performing duties of HKSTP. They should adhere to the spirit and the letter of any rules or orders made for the HKSTP's practices and procedures or for Members' behaviour in relation to the business of HKSTP.
- (b) Members should comply with all local laws and regulations when conducting the HKSTP's business, and also those in other jurisdictions, when conducting business there.
- (c) Any breach of the Code by Member which came to the attention of HKSTP will be reported by CEO to the Board Chairperson of HKSTP. In case of suspected corruption or other criminal offences, a report will be made to the ICAC or the appropriate law enforcement agencies.

19. Review

This Code is subject to review and revision from time to time by HKSTP.

20. Enquiry

Any enquiries, comments or suggestions in relation to this Code may be referred to the Secretariat of HKSTP.

21. Reporting System

The Secretariat of HKSTP will submit a report on declarations of Members in connection with their direct or indirect interests in the contracts/proposals considered by the Board/Committees, gifts/souvenirs received by Members, entertainment, outside work, post-service employment and bankruptcy etc. to the Audit Committee on a half-yearly basis.

4. Bribery

- (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.
- (2A) Any person who, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, offers any advantage to the Chief Executive as an inducement to or reward for or otherwise on account of the Chief Executive's—
- (a) performing or abstaining from performing, or having performed or abstained from performing, any act in his capacity as the Chief Executive;
 - (b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by the Chief Executive in his capacity as the Chief Executive or by any public servant in his 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. (Added 22 of 2008 s. 2)

- (2B) If the Chief Executive, 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—
- (a) performing or abstaining from performing, or having performed or abstained from performing, any act in his capacity as the Chief Executive;
 - (b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by the Chief Executive in his capacity as the Chief Executive or by any public servant in his 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,
- he shall be guilty of an offence. (Added 22 of 2008 s. 2)
- (3) If a public servant other than a prescribed officer solicits or accepts an advantage with the permission of the public body of which he is an employee being permission which complies with subsection (4), neither he nor the person who offered the advantage shall be guilty of an offence under this section. (Added 28 of 1980 s. 3. Amended 14 of 2003 s. 15)
- (4) For the purposes of subsection (3) permission shall be in writing and—
- (a) be given before the advantage is offered, solicited or accepted; or
 - (b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance,
- and for such permission to be effective for the purposes of subsection (3), the public body shall, before giving such permission, have regard to the circumstances in which it is sought. (Added 28 of 1980 s. 3)

5. Bribery for giving assistance, etc. in regard to contracts

- (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.
- (3) Any person who, without lawful authority or reasonable excuse, offers any advantage to the Chief Executive as an inducement to or reward for or otherwise on account of the Chief Executive'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 is referred to in paragraph (a),
- shall be guilty of an offence. (Added 22 of 2008 s. 3)
- (4) If the Chief Executive, 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 (3)(a), he shall be guilty of an offence. (Added 22 of 2008 s. 3)

6. Bribery for procuring withdrawal of tenders

- (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.

7. Bribery in relation to auctions

- (1) Any person who, without lawful authority or reasonable excuse, offers any advantage to any other person as an inducement to or reward for or otherwise on account of that other person's refraining or having refrained from bidding at any auction conducted by or on behalf of any public body, 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 reward for or otherwise on account of his refraining or having refrained from bidding at any auction conducted by or on behalf of any public body, shall be guilty of an offence.

8. Bribery of public servants by persons having dealings with public bodies

- (1) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with the Government through any department, office or establishment of the Government, offers any advantage to any prescribed officer employed in that department, office or establishment of the Government, shall be guilty of an offence. (Amended 14 of 2003 s. 16)
- (2) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with any other public body, offers any advantage to any public servant employed by that public body, shall be guilty of an offence.

9. Corrupt transactions with agents

- (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.
- (3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document—
 - (a) in respect of which the principal is interested; and
 - (b) which contains any statement which is false or erroneous or defective in any material particular; and
 - (c) which to his knowledge is intended to mislead the principal,

shall be guilty of an offence.

- (4) If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2). (Replaced 28 of 1980 s. 4)
- (5) For the purposes of subsection (4) permission shall—
 - (a) be given before the advantage is offered, solicited or accepted; or
 - (b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance,

and for such permission to be effective for the purposes of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought. (Added 28 of 1980 s. 4)

Section 2 - Definition

Definition of an Advantage

“Advantage” means :

- (a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;
- (b) any office, employment or contract;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- (e) the exercise or forbearance from the exercise of any right or any power or duty; and
- (f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e),

but does not include an election donation within the meaning of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554), particulars of which are included in an election return in accordance with that Ordinance.

Definition of Entertainment

The provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such provisions.

**Guidelines for Disposal of the Gifts/Souvenirs
Received by Members in their Official Capacity**

Secretariat of HKSTP should dispose of the gifts/souvenirs forwarded by Members who have received them in their official capacity in the following manner:

- (a) If the gift/souvenir is of perishable nature (e.g. food, drink), it may be shared among staff of the Organisation on a suitable occasion.
- (b) If the gift/souvenir is suitable for display (e.g. a painting, vase), it may be displayed at appropriate locations of HKSTP premises.
- (c) If the gift/souvenir is of low value, it may be donated as a prize in functions organised by the HKSTP.
- (d) Any gift/souvenir of high value should be returned to the offeror.

Declaration of Interests by Members of Public Sector Advisory and Statutory Bodies ^{Note 1}

Guidelines for a One-tier Reporting System

General Principles

When a member (including the chairman) of a public council, board or committee has a potential conflict of interest in a matter placed before the committee, he should make full disclosure of his interest. The basic principle to be observed is that members' advice should be disinterested and impartial and it is the responsibility of each member to judge and decide if the situation warrants a declaration, and to seek a ruling from the chairman in case of doubt.

It is impossible to define or describe all the situations that would call for such a declaration, because each individual case differs, and because of the difficulty of catering for unusual and unforeseen circumstances. On the other hand, it is not intended that a member should make a declaration of interest simply because the committee is considering a matter in which he has knowledge or experience.

Potential Conflict of Interest Situations

The following are potential conflict of interest situations :

- (1) Pecuniary interests in a matter under consideration by the committee, held either by the member or by any close relative of his. Members are themselves the best judge of who, in the particular circumstances, is a "close relative".
- (2) A directorship, partnership, advisory or client relationship, employment or other significant connection with a company, firm, club, association, union or other organisation which is connected with, or the subject of, a matter under consideration by the committee.
- (3) Some friendships which might be so close as to warrant declaration in order to avoid situations where an objective observer might believe a member's advice to have been influenced by the closeness of the association.
- (4) A member who, as a barrister, solicitor, accountant or other professional adviser, has personally or as a member of a company, advised or represented or had frequent dealings with any person or body connected with a matter under consideration by the committee.

^{Note 1} *The guidelines were issued by the Home Affairs Bureau on vide its memo HAB CR 7/15/379 dated 17 August 2005 to all Government Bureaux/Departments.*

- (5) Any interest likely to lead an objective observer to believe that the member's advice might have been motivated by personal interest rather than a duty to give impartial advice.

Declaration of Interests at Meetings

The following are guidelines governing declaration of interests at meetings :

- (1) If a member (including the chairman) has any direct personal or pecuniary interest in any matter under consideration by the committee, he must, as soon as practicable after he has become aware of it, disclose to the chairman (or the committee) prior to the discussion of the item.
- (2) The chairman (or committee) shall decide whether the member disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting.
- (3) If the chairman declares an interest in a matter under consideration, the chairmanship may be temporarily taken over by a vice-chairman.
- (4) When a known direct pecuniary interest exists, the secretary may withhold circulation of relevant papers to the member concerned. Where a member is in receipt of a paper for discussion which he knows presents a direct conflict of interest, he should immediately inform the secretary and return the paper.
- (5) All cases of declaration of interests shall be recorded in the minutes of the meeting.

**Declaration of Interests by
Members of Public Sector Advisory and Statutory Bodies** ^{Note 1}

Guidelines for a Two-tier Reporting System

General Principles

Some public councils, boards and committees are autonomous and have extensive powers over policy and financial matters. To maintain public confidence in the integrity of members (including the chairman), as well as in the impartiality of their advice tendered to the committee, it is important that all members of such committees should disclose their general pecuniary interests on appointment to the committee, in addition to the report of conflicts of interests as and when they arise. To achieve greater transparency, such declarations should be made available for public inspection. By adopting this two-tier reporting system, members of these committees can be protected from criticism or embarrassment arising from the existence of any undeclared general financial interest which may have potential conflict with the work of the committee. The two-tier reporting system consists of the following :

(A) Register of Members' Interests

- (1) The chairman and members shall register in writing their personal interests, direct or indirect, pecuniary or otherwise, when they first join the committee, and annually thereafter, to the secretary of the committee. The registration shall be made on a standard form.
- (2) The types of interests required for registration shall include :
 - (i) proprietorships, partnerships or directorships of companies;
 - (ii) remunerated employments, offices, trades, professions or vocations; and
 - (iii) shareholdings in a publicly listed or private company (e.g. 1% or more of the company's issued share capital); and/or
 - (iv) other declarable interests, taking into consideration the nature of work of individual committees.
- (3) A register of members' interests shall be kept by the secretary which should be made available for inspection on request by any member of the public.

^{Note 1} *The guidelines were issued by the Home Affairs Bureau vide its memo HAB CR 7/15/379 dated 17 August 2005 to all Government Bureaux/Departments.*

(B) Declaration of Interests at Meetings

The following are guidelines governing declaration of interests at meetings :

- (1) If a member (including the chairman) has any direct personal or pecuniary interest in any matter under consideration by the committee, he must, as soon as practicable after he has become aware of it, disclose to the chairman (or the committee) prior to the discussion of the item.
- (2) The chairman (or committee) shall decide whether a member disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting.
- (3) If the chairman declares an interest in a matter under consideration, the chairmanship may be temporarily taken over by a vice-chairman.
- (4) When a known direct pecuniary interest exists, the secretary may withhold circulation of relevant papers to the member concerned. Where a member is in receipt of a paper for discussion which he knows presents a direct conflict of interest, he should immediately inform the secretary and return the paper.
- (5) All cases of declaration of interests shall be recorded in the minutes of the meeting.

Criteria for Adopting the Two-tier Reporting System

Public sector advisory and statutory bodies which have the following functions and characteristics should adopt the two-tier reporting system :

- (1) high degree of management and financial autonomy;
- (2) extensive executive powers in matters of public interest;
- (3) instrumental in shaping major government policies;
- (4) award of major government contracts;
- (5) access to market sensitive information (e.g. land development fees, charges and other forms of revenue, and licensing procedures);
- (6) control and disbursement of substantial public funds.