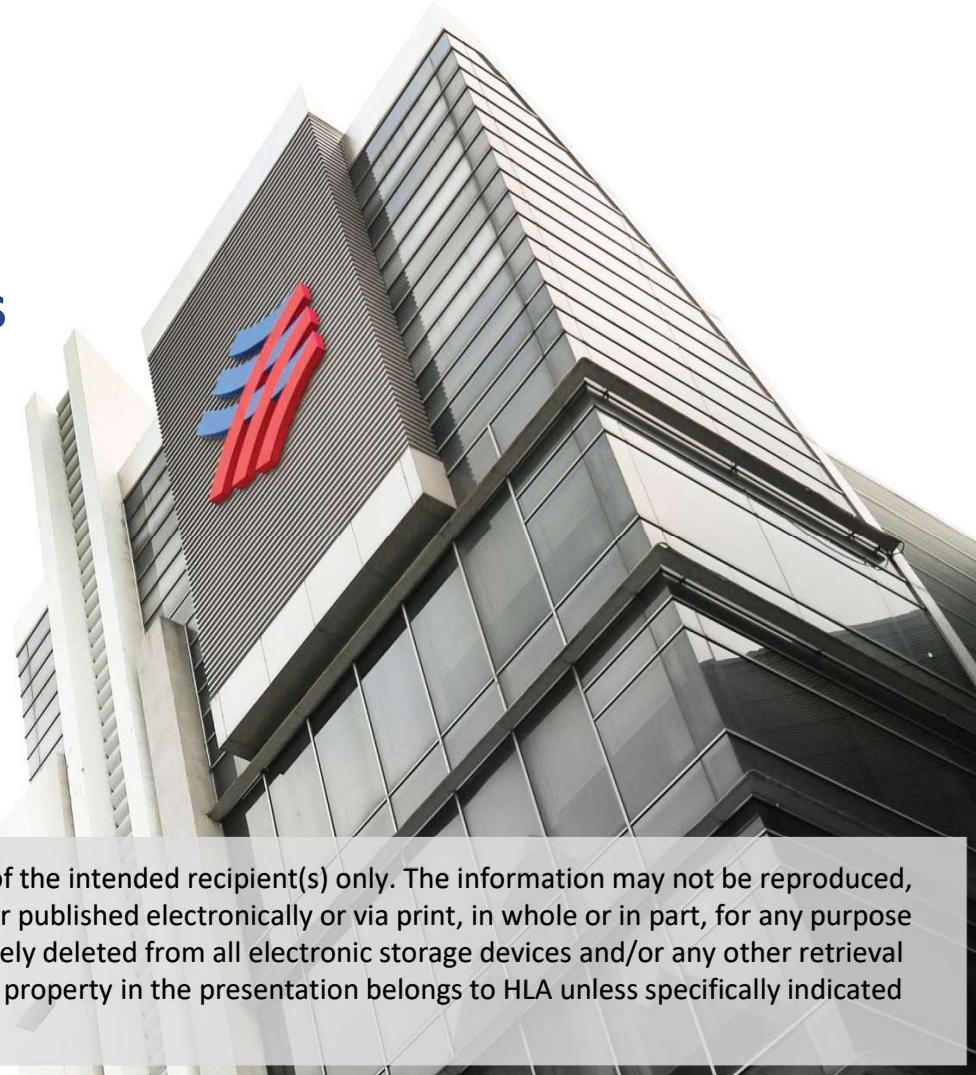


Anti-Bribery & Corruption

Training Module for External Parties



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1. Anti-Bribery & Corruption Policy

ZERO TOLERANCE on bribery and corruption



**Anti-Bribery & Corruption Policy
(ABC Policy)**

Bribery and corruption is significantly detrimental to an organisation. It negatively impacts operational efficiency and erodes the public's trust in a business. As a deterrence to instances of both bribery and corruption, Hong Leong Assurance ("HLA") is committed to uphold integrity and ethical practice. Thus, the Anti-Bribery & Corruption Policy ("ABC Policy") was issued, in which HLA takes a zero-tolerance position on bribery and corrupt activities. The ABC Policy is developed with reference to the offences stipulated in the Malaysian Anti-Corruption Commission Act 2009.

As an **Associated Person** of the Company, you are required to observe and uphold HLA's **zero-tolerance position against bribery and corruption.**



**Anti-Bribery & Corruption Policy
(ABC Policy)**

Who is an Associated Person?

Directors, employees (whether temporary, fixed term, or permanent), trainees, seconded staff, casual workers, agency staff, volunteers, interns, agents, partners, contractors, subcontractors, consultants, representatives, and any person or entity performing work or services for or on behalf of HLA.

Hong Leong Assurance Anti-Bribery & Corruption Policy



**Anti-Bribery & Corruption Policy
(ABC Policy)**

- The Anti-Bribery & Corruption Policy (“ABC Policy”) is fully applicable at HLA entity level.
- The HLA also expects its partners, contractors, sub-contractors, consultants, representatives and any person or entity performing work or services for or on behalf of the Company, or any other person associated with HLA to comply and attest to their compliance with the ABC Policy, including the declaration of any conflict of interest, when performing such work or services.
- With the ABC Policy, HLA is committed to acting professionally, fairly, and with integrity in all its business dealings and relationships and is committed to implementing and enforcing systems that ensure corruption and bribery is prevented.

Hong Leong Assurance Anti-Bribery & Corruption Policy

The ABC Policy clarifies HLA's position in the following areas relating to Anti-Bribery and Corruption:-



- Gifts & Entertainment
- Due Diligence
- Training & Communication
- Donation & Sponsorship
- Conflict of Interest
- Reporting Channel & Whistleblowing Policy
- Facilitation Payments



2. What is Bribery & Corruption

What is 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. (source: MACC)

Corruption is the abuse of entrusted power for personal gain (Source: Transparency International)

What is Bribery?

Bribery is the offer of anything of value - such as payment, gift, favour, hiring decision or other consideration-to a person in exchange for an undeserved benefit or advantage, often in violation of the recipient's official duties.



Is cash the only form of bribery?

NO.

Bribery can also be in the form of gifts in-kind, discount offers, votes, services (including sex), job position/placement, loan and many other forms of payment for payments and purchases.

(Source: MACC)



3. Relevant Laws & Guidelines

Anti-Bribery and Corruption Law in Malaysia



LAWS OF MALAYSIA

Act 694

MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009

- ✓ In Malaysia, the main legislation on corruption and bribery is the **Malaysian Anti-Corruption Commission Act (MACC Act) 2009**
- ✓ The MACC Act 2009 **came into effect on 1 January 2009**
- ✓ It led to the **official establishment** of the **Malaysian Anti-Corruption Commission (MACC)** as an independent, transparent and enforcement body



Corruption Offences

Main offences stipulated in the MACC Act 2009



LAWS OF MALAYSIA

Act 694

MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009

Soliciting/Receiving Corrupt Gratification (Bribe)

- Section 16(a) & 17(a) MACC Act 2009

Offering/Giving Corrupt Gratification (Bribe)

- Section 16(b) & 17(b) MACC Act 2009

Intending to Deceive (False Claim)

- Section 18 MACC Act 2009

Using Office or Position for Corrupt Gratification (Bribe) (Abuse of Power/Position)

- Section 23 MACC Act 2009

Anti-Bribery and Corruption Law in Malaysia

MACC (Amendment) Act 2018 – Corporate Liability



LAWS OF MALAYSIA
Act A1567

MALAYSIAN ANTI-CORRUPTION COMMISSION
(AMENDMENT) ACT 2018

- ✓ MACC (Amendment) Act 2018 came into effect on 1 October 2018 except Section 4 (Provision on Corporate Liability)
- ✓ 1 June 2020 - effective date of implementation of Section 17A of the MACC (Amendment) Act 2018 on Corporate Liability
- ✓ Key rationale for MACC Amendment Act 2018:-
 - Address existing gaps concerning corrupt gratification or offering of bribes.
 - Extend the net to haul in organisations and those charged with governance.

MACC (Amendment) Act 2018 - Corporate Liability Provision



LAWS OF MALAYSIA
Act A1567

MALAYSIAN ANTI-CORRUPTION COMMISSION
(AMENDMENT) ACT 2018

- ✓ In effect, the provision states that commercial organisations can be held liable for failure to prevent corrupt practices by associated persons done in the interest of the organisation, whether or not the management had actual knowledge of the corrupt acts.
- ✓ Commercial organisations may be acquitted of a charge if they are able to show adequate measures against corrupt practices.

Implication of MACC (Amendment) Act 2018 - Corporate Liability Provision

Before MACC (Amendment) Act 2018

An associated Person of HLA commits a bribery or corrupt practice



HLA is not liable for the offence

After MACC (Amendment) Act 2018

An associated Person is charged and convicted of giving/offering gratification corruptly and involves getting business/ advantage for HLA



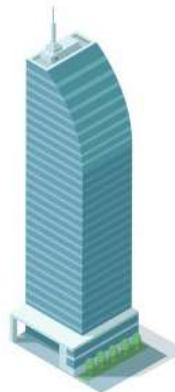
No “Adequate Procedures” in place



HLA is liable for the offence

Corporate Liability Example: Scenario

1



2



3



Commercial Organisation

 HongLeong Assurance

The HLA engaged Best Signboards Sdn Bhd to get a signage made for a newly opened branch in Lavender Town.

The service order included design, installation and obtaining permits for the sign from the local authority, Majlis Bandaraya Lavender Town (MBLT).

Commercial Organisation

Best Signboards Sdn Bhd

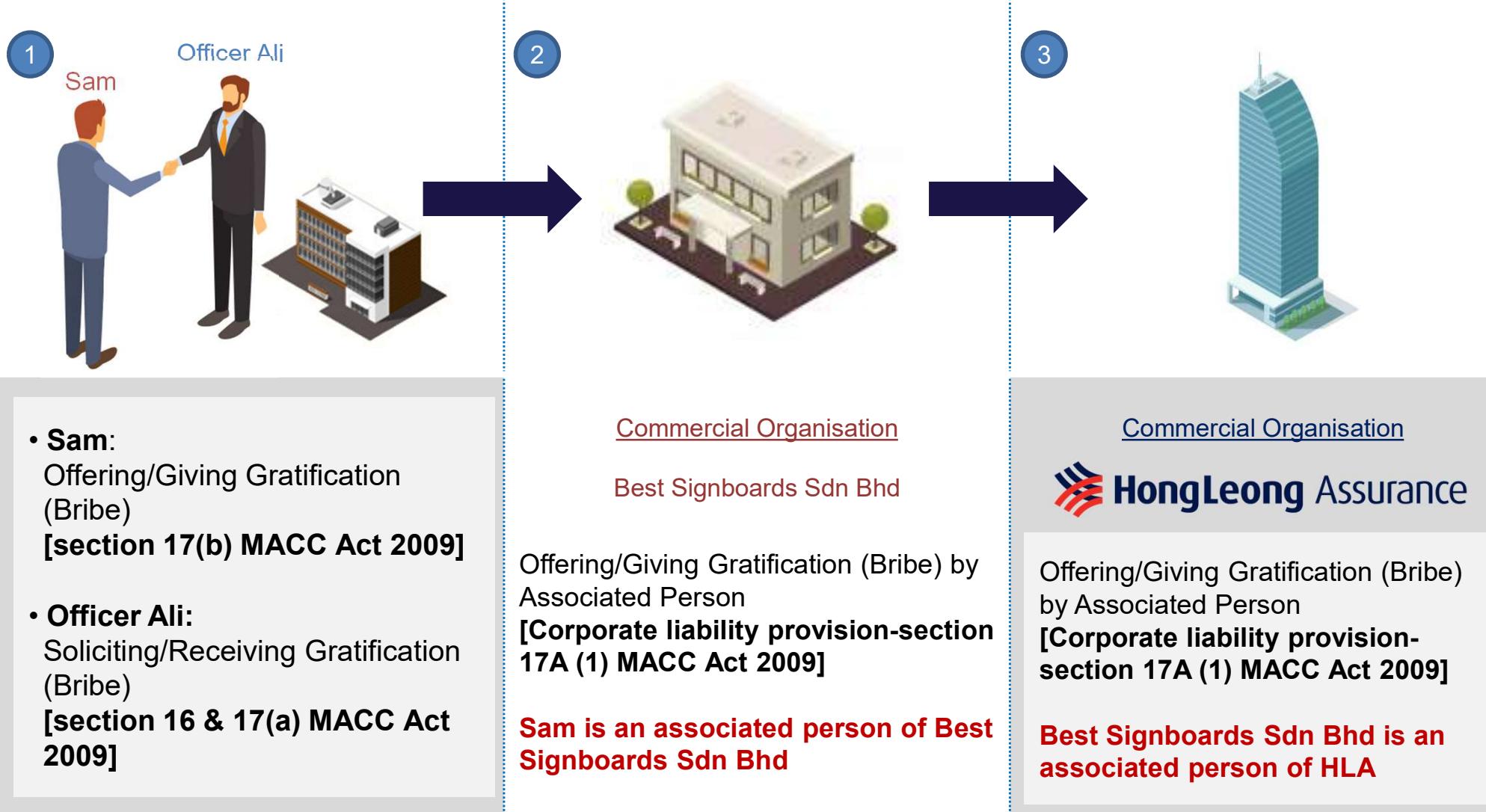
Best Signboard Sdn Bhd accepted the job and proceed with the work.

Local Authority

Majlis Bandaraya Lavender Town (MBLT)

Sam, a representative of the vendor realized that the process for permit application will take a long time and will surpass the target delivery date. To expedite the process, he decided to pay a "token" of RM1,000 to officer Ali to approve the application immediately. Ali accepted the money and approves the application.

Corporate Liability Example: Potential Offense



Corporate Liability – Guidelines on Adequate Procedures



- TRUST are the 5 Principles set out by the Prime Minister Office to assist commercial organizations in understanding what are the adequate procedures that should be implemented as lines of defense.
- The HLA was guided by the TRUST principles when developing its ABC Policy and procedures against corruption and bribery.



LAWS OF MALAYSIA

Act 694

MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009



LAWS OF MALAYSIA

Act A1567

MALAYSIAN ANTI-CORRUPTION COMMISSION (AMENDMENT) ACT 2018

Fines and Penalties for Offenses

Penalties for Bribery and Corruption Offences (Individual)

The MACC Act 2009 Sections 16, 17, 18 and 23

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 per offense



Penalties for 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 per offense.





4. Facilitation Payment

FACILITATION PAYMENT



The HLA shall not make, and expects those who provide services to the Company not to make, any facilitation payment

What is Facilitation Payment?

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

➤ Fees paid in exchange for a **lawful express or preferential service** **are not considered as Facilitation Payments** provided that they fulfil the following conditions:

1. The service is open and available to everyone

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

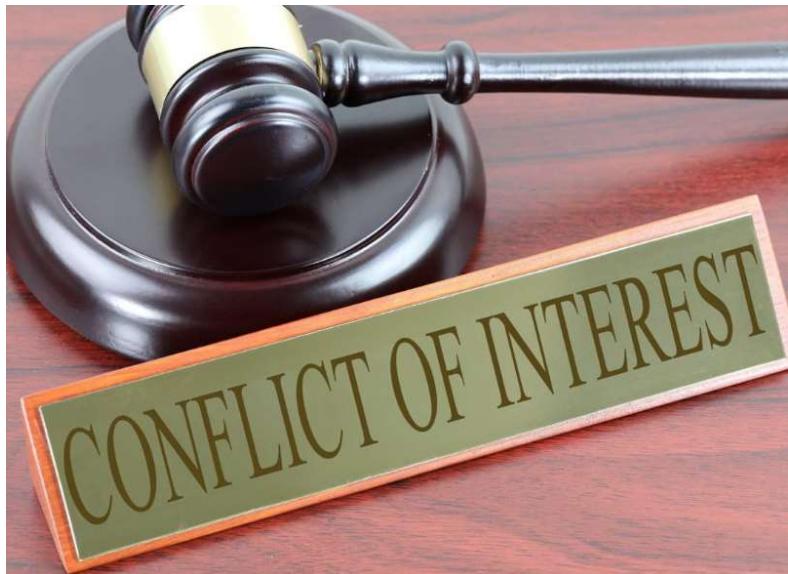
3. The fee is not payable to individuals, but to the organisation or entity

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



5. Conflict of Interest

What is conflict of interest?



- ✓ 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 Company seeks to ensure that a conflict of interest does not affect the interests of the Company, its shareholders, clients and other stakeholders through the identification, prevention and management of the conflict of interest.

Conflict of Interest



- ✓ Associated Persons or persons connected to the Associated Person shall declare any personal interest they may have in any of the HLA's matter that they are involved in.
- ✓ Associated Persons of the HLA must not be influenced by friendship or association in performing their role.
- ✓ Decisions must be made on a strictly arms-length business basis.
- ✓ As an Associated Person of the HLA, you must not allow any conflict of interest, bias or undue influence of others to override the HLA's business and professional judgment.

! The HLA's employees are not allowed to engage directly or indirectly in any personal or business activity that competes or conflicts with the interest of the Company.



6. Due Diligence



- ✓ The HLA shall conduct screening of employees and APs prior to entering LC1 into any formal relationship and/or when there is suspicion of bribery and corruption, regardless of the amount of gratification involved.
- ✓ Due diligence on APs shall be conducted upon entering into contracts of service or contracts for service, as the case may be, and throughout the course of the contracts.



LC1

ex:

The HLA shall undertake due diligence to assess the integrity of the Associated Persons, which include background checks, document verification or conducting interviews, prior to entering into any formalized relationship.

Where the Associated Person is a company, due diligence shall be conducted on its directors and senior management as well.

Lee Chun Keat, 19/12/2023



7. Reporting and Escalation



Reporting and Escalation

- ✓ Should you witness or you are improperly instructed to carry out illegal or unethical act, including wrongdoing by the HLA's employees or third parties (such as customers, vendors or business partners), you are required to submit a report whether or not you are involved in the act.
- ✓ You can be held responsible for failing to report the actions of others if you knew or should reasonably have known that they are in violation of any applicable law, regulation or regulatory requirements.

Reporting and Escalation



What should you include in the report?

details of your concern

any **supporting documents** that you consider relevant

full name and **contact details**



Reports may be lodged through **Whistleblowing channels** as described in the HLA's Whistleblowing Policy which you may refer to via the following link below :

https://www.hla.com.my/CMS/HLA/media/PDF/About%20HLA/HLA_Whistleblowing_Policy_2.pdf

Reporting and Escalation



Who can raise concerns?

- Any (legal or natural) person providing services to, or having a business relationship with, HLA
- Any employee of HLA

Who can raise concerns?



- You should raise any concerns about any improper conduct or wrongful act that may adversely impact HLA, including but not limited to:
 - Any criminal offences, including fraud, corruption, bribery and blackmail
 - Any failure to comply with legal or regulatory obligations
 - Any concerns about malpractice



8. Do's and Don'ts

Do's and Don'ts of Anti-Bribery and Corruption

Do's

- ✓ Be familiar with HLA's ABC Policy and relevant laws
- ✓ Ensure cooperation of the HLA's due diligence process
- ✓ Understand the risk and impact of bribery & corruption
- ✓ Report your concerns to relevant parties in the event of bribery or corruption
- ✓ Ensure that you declare any conflict of interest



Don'ts

- ✗ Participate in bribery/corruption
- ✗ Perform facilitation payments
- ✗ Offer monetary gifts to the HLA's representatives
- ✗ Offer gifts or entertainment that are against the HLA's ABC Policy
- ✗ Provide false or misleading information in the due diligence process



Thank You