

2023 MARCH



# BANK ON INTEGRITY

## E-newsletter of the ICAC Corruption Prevention Network for Banks

Hong Kong's success as a leading international financial centre is due in no small part to a robust and well capitalised banking system. To sustain the competitive advantage of our banking system and to protect the interest of different stakeholders through economic upturns and downturns, it is important to uphold a solid probity culture in the banking industry and entrench high ethical standards of every banking practitioner.

This issue of "Bank on Integrity" introduces the "Ethics Promotion Programme for the Banking Industry" launched by the Hong Kong Business Ethics Development Centre of the ICAC and appeals to members' support to the Programme.

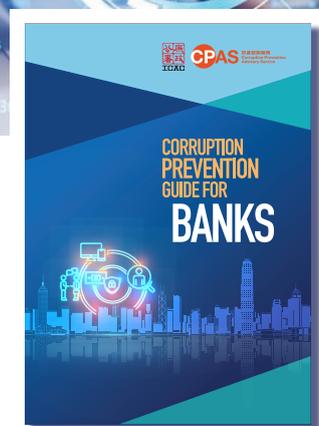
In light of the new ethical challenges brought by accelerated globalisation, new information technology and complexity of financial products, the Hong Kong Business Ethics Development Centre (HKBEDC) of the ICAC will launch the Ethics Promotion Programme for the Banking Industry (the Programme) in April to enhance practitioners' awareness of the corruption risks and entrench the importance of professional ethics in the industry. The Programme aims to enhance the knowledge of banking practitioners on the anti-corruption legislation and other statutory conduct requirements, as well as to strengthen their awareness of corruption risks and integrity issues when performing their duties. A wide range of preventive education services, targeting all levels of banking practitioners as well as bank clients, have been rolled out.

## Integrity resources

### ● *Corruption Prevention Guide for Banks*

A system of good corporate governance and robust internal controls helps ensure banks' compliance with applicable laws, regulations and internal policies. It is imperative for banks to take a proactive stance against corruption through regular risk assessment and adoption of corruption prevention measures.

To assist banks in strengthening their corruption prevention capabilities, the Corruption Prevention Department of the ICAC has developed a [Corruption Prevention Guide for Banks](#) (the Guide) in 2022, featuring the common corruption loopholes/malpractice in the core operations of banks, with case studies, red flags and recommended control measures. The Guide also includes the  Decision Making Model, a framework for practitioners to exercise moral rationality to solve their ethical dilemmas at work.



### ● *Self-learning Animation for Frontline and Junior Banking Staff Members*

Recent corruption cases have revealed there is an increasing trend of frontline and junior banking practitioners involved in bribery. In order to facilitate in-house training and enhance their knowledge of the anti-corruption legislation and alertness to corruption risks, the HKBEDC is producing a self-learning animation series titled *Unveil the Secret: Integrity Myths in the Banking Industry*. Each of the seven self-contained animation illustrations depicts a corruption scenario faced by banking practitioners, followed by explanation of relevant provisions of the Prevention of Bribery Ordinance and related regulatory requirements.

The corruption scenarios cover the following core operational areas:

#### i. Handling of bank/ investment accounts



*Investment manager asking for extra consultancy fee from client in the name of trade practice*

## ii. Handling of customer information



Bank manager leaking client information for personal gains



iii  
Loan application



iv  
Bank account opening



v  
Sales and marketing



vi  
Procurement



vii  
Staff administration



Banks can selectively use the scenarios according to their business nature and training needs. The use of animation makes the training content more digestible and engaging. It also helps to set straight some of the corruption myths in the banking industry.

### ● Leaflet for Bank Clients

With a view to educating bank clients not to cross the line inadvertently as well as fall prey to scammers posed as ICAC officers, the HKBEDC has produced a leaflet named **Bank Client Smartpedia**. Presented in a dictionary style, the leaflet aims to dispel misconceptions from bank clients' perspective, such as offering gifts in return for account opening and submitting false documents to facilitate loan applications. The "Don't Bribe" message is clearly delivered. In addition, bank clients are reminded to guard against deception by fraudsters posing as ICAC officers.

Serving as a convenient reminder to bank clients who can access the information anytime and anywhere, the leaflet is available in both printed and electronic versions and available for banks to distribute to their clients.



# Ethics Training

The ICAC has actively offered ethics training with up-to-date industry information to the banking sector. With an increasingly complex banking environment, there is a need for banks to ensure their staff members are adequately equipped with the skills to handle ethical issues properly. Hence, the HKBEDC is developing new talk contents tailored for top management and bank managers to heighten their awareness of new corruption risks and ethical issues in the industry.

Ethics training for top management who are at the helm of a bank focuses on their role of ethical leadership in shaping a sound corporate culture towards corruption prevention and implementation of good practices. Through ethics training, managers will be alerted to their managerial role in preventing corruption, acquire skills to identify and manage corruption risks at daily work, and obtain useful tips to manage staff integrity.

In addition to providing ethics training for individual banks, as part of the continuous professional development programme, from time to time the HKBEDC also arranges joint seminars with banking professional bodies for their members.



## Exchanges with Practitioners

The HKBEDC maintains the *ICAC Corruption Prevention Network for Banks (the Network)* to foster co-operation and exchange of information among banking practitioners on various aspects of integrity promotion.

With the aim of encouraging exchanges among members, regulators and practitioners, the HKBEDC organises sharing sessions for Network members. For example, in September 2022, members had productive exchanges with representatives of the ICAC, the Hong Kong Mortgage Corporation as well as their peers. Stay tuned with the Network [online bulletin](#) for upcoming events and invite your peers from banks to [join the Network](#) as well!

# The ICAC Stands Ready to Support



The [HKBEDC website](#) maintains a dedicated webpage on **Banking and Finance** which provides an online repository of preventive education resources tailored for the industry. Apart from access to integrity resources, banks or related professional bodies can also put up requests for ethics training for staff and members at the HKBEDC website.

The HKBEDC will soon reach out to all authorised institutions in Hong Kong regulated by the Hong Kong Monetary Authority to introduce the Banking Programme and invite them to join hands with the ICAC to build an ethical culture in the banking industry.



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**Stay tuned for our announcements!**

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