



SMART TIPS FOR SMES

BUSTING CORRUPTION MYTHS (3)

In the midst of an intensely competitive business landscape, a good network can definitely serve as a catalyst for expanding your business. Although "it's always easy to get things done if you have connections", there are certain aspects that warrant our attention. In this feature article, the Hong Kong Business Ethics Development Centre (HKBEDC) continues to help Oscar, a young entrepreneur, and Uncle Fai, a SME proprietor, unveil the facts of common corruption myths.

Oscar
Young entrepreneur

Oscar

Uncle Fai, my cousin Ming, who is a purchasing manager at a hotel, has been tasked with sourcing a reliable food supplier. Ming approached me and mentioned that "it's better to work with someone familiar". He then asked me to submit a bid for the hotel's procurement contract at a reasonable price and "provide" several higher-priced quotations in the names of different companies, ensuring that my company secures the contract. If I agree to Ming's proposal and become his long-term business partner, it would not only significantly boost my company's revenue, but also foster mutual support for future work-related matters, given that we are relatives. What do you think?

Uncle Fai
SME proprietor

Uncle Fai

As the saying goes, "it's always easy to get things done if you have connections". Your cousin is so considerate so of course you should agree! Moreover, tendering exercise is merely a formality. Ming is simply asking you to "provide" quotations instead of offering bribes to secure the contract. I believe there should be no issues with that. After all, relying on relationships is often essential for expanding businesses in the competitive world. By becoming Ming's long-term business partner for his hotel, it would undoubtedly benefit your company's growth. Additionally, Ming is seeking your assistance solely to streamline work procedures and facilitate his future management. Just imagine, you would be doing Ming a favour by submitting a quotation at a reasonable price without offering a bribe. So why not?

Oscar and Uncle Fai have **some misconception** about the anti-corruption law in Hong Kong.
Let's help them dispel the following corruption myths.





Myth #1:
Only accepting advantages is considered corruption?

Myth-busting:

- Ming as an agent (i.e. employee of a hotel) who uses false, erroneous or defective receipts, accounts or other documents to deceive his principal (i.e. employer), such as providing quotations with false information, shall breach Section 9(3) of the Prevention of Bribery Ordinance or other fraudulent offences. Whether offering or acceptance of a bribe is involved is not an essential element for this offence.

Myth #2:
It's always easy to get things done if you have connections?

Myth-busting:

- A conflict of interest situation arises when an employee's private interests conflict with the company's interests, for example, when a staff member responsible for procurement is a relative of a bidder. Employees should avoid conflict of interest and make timely declaration to their employers.
- Employees who conceal any conflict of interest in relation to one's official duties, such as deliberately failing to make declarations in accordance with company regulations, to benefit themselves or their relatives may also violate the Prevention of Bribery Ordinance or commit other fraudulent offences. The one involved in the scam may also be liable for conspiracy to defraud.
- Company management should establish clear guidelines and declaration procedures for handling conflict of interest and ensure that employees comply with these guidelines.



Myth #3:
Just giving a favour, why not?

Myth-busting:

- When expanding a company's business, it is imperative to maintain integrity and uphold high ethical standards. This not only serves as an effective deterrent against corruption and misconduct but also helps build a positive corporate image, promoting sustainable business growth in the long run.
- Individual companies must strictly adhere to the terms and conditions set by the bidding company when participating in tendering exercises. Never provide false information or offer bribes to avoid violating the law.



ETHICS RESOURCES FOR CORPORATES

The Hong Kong Business Ethics Development Centre (HKBEDC), under the auspices of the Community Relations Department of the ICAC, offers free ethics training and consultancy services for business organisations. You are welcome to contact us for more information.

Tel: (852) 2826 3288

Email: hkbedc@crd.icac.org.hk

Website: <https://hkbedc.icac.hk>

Want to bust more corruption myths?

Please visit HKBEDC's thematic webpage "**Busted! 12 Myths about Corruption**" or scan the QR code:

