

Integrity - Our Winning Edge  
**CORRUPTION PREVENTION**



# RETAIL INDUSTRY

## Integrity - Our Winning Edge

The tourism industry is one of the important pillars of Hong Kong's economy. To maintain the city's competitive edge as an international tourist destination, every practitioner should put customers first and serve them with sincerity. In addition to delivering high-quality services to enhance their travel experience, upholding professional integrity is essential for earning tourists' trust and confidence. This commitment ensures the healthy and sustainable development of the tourism industry and strengthens Hong Kong's position as a world-class premier destination.

To enhance the integrity of practitioners in the retail industry, this pamphlet uses simple and easy-to-understand scenarios to illustrate common corruption and malpractice pitfalls in the industry, anti-corruption laws and practical tips for preventing corruption. It aims to raise awareness of corruption risks and encourage practitioners to uphold integrity in their work, collectively safeguarding the good reputation of Hong Kong's tourism industry.





## Reserving goods

Knowing the high demand for limited-edition sneakers, the supervisor of the sneaker store wants to take this opportunity to earn extra money. He accepts red packets from a parallel goods trader for disregarding the company's sales guidelines and assisting the latter in reserving the limited-edition sneakers.

### ★ Smart tips

As a retailer staff, accepting advantages from customers for reserving goods without the permission of the retailer may violate the Prevention of Bribery Ordinance (POBO). It not only ruins one's career but also brings unfairness to other customers and damages the company's reputation.

## Staff management

A regional manager of a chain retail store is responsible for overseeing the business operation and staff management of several shops. She abuses her position by accepting gifts and cash from a number of subordinates for arranging their transfers, leaves or promotions.

### ★ Smart tips

Both supervisors and subordinates should fulfil their respective duties diligently and refrain from offering gifts for flattery or abusing power for personal gain. If an employee misuses the authority to accept advantages, he may violate the POBO, and the offeror of the bribe would also commit an offence.



## Handling of discounts

A sales representative employed by an AV equipment company accepts red packets from customers for offering wholesale prices on AV products. In addition, he abuses his position by providing company gifts to customers, even when the specified purchase amount has not been met.

### ★ Smart tips

Staff should follow company guidelines when selling products and providing company gifts. Failure to do so may lead to misunderstanding or dissatisfaction, negatively affecting the company's reputation. Accepting advantages from customers without the company's approval may violate company policies. If the acceptance of advantage relates to the abuse of position, it may also be an offence under the POBO.



## Inventory and financial management

Several employees at a boutique conspire to conceal customers' purchase records and withhold the profits from goods sold at regular prices. They record the sold goods as discounted items during the sales period in order to embezzle the difference in the sales amount.

### ★ Smart tips

Employees should exercise prudence and integrity in managing all records. It is a criminal offence to intentionally tamper with any records or embezzle money or goods.

# INTEGRITY QUIZ

- If someone in your company has committed an act of corruption, you will:
  - turn a blind eye
  - gossip with your “buddies” in the company and secretly look for another job
  - report to your supervisor and the ICAC
- You attended a client’s spring gathering on behalf of your company and won a \$5,000 cash coupon in a lucky draw. You will:
  - treat your colleagues to dinner
  - report the cash coupon to your company for disposal
  - keep the cash coupon for yourself
- When asked to lie to the supervisor to cover up for your colleague, who left the office earlier in order to moonlight, you will:
  - hesitate to give a definite answer
  - agree to help
  - turn him down right away
- You are responsible for receiving goods in your daily work. Recently, the supplier often treated you to dinner, and offered samples of goods and concert tickets, you will:
  - accept them happily because treating others and offering gifts are common social practices in the business world
  - handle the entertainment and gifts in accordance with your company’s code of conduct
  - join the feast since entertainment is not counted as an advantage, but reject the other gifts

Scores: 1. A(1) B(2) C(3) 2. A(2) B(3) C(1)  
3. A(2) B(1) C(3) 4. A(1) B(3) C(2)

## Quiz Results (Add up your scores for the four questions and see the following analysis)

12 marks	Based on the score you attain, you are a prudent and cautious person who is able to adhere to the professional code of conduct, legal requirements and company rules when making decisions. Keep this up and continue to put professional ethics into your daily practice.
9-11 marks	According to your score, you incline to judge from your intuition and your decisions can easily be influenced by others. You are advised to make reference to the relevant Ordinances and company code of conduct before taking any action.
4-8 marks	Your score reflects that you are vulnerable to temptation and will easily fall prey to the persuasion of those behaving unlawfully. You are strongly advised to revisit the related Ordinances and your company’s code of conduct immediately because you tend to focus too much on personal benefits and pay too little attention to the requirements of Ordinances and company rules. Beware not to breach the law inadvertently and clarify with your company or the ICAC if in doubt.

Model Answer: 1-C, 2-B, 3-C, 4-B

# WHAT IS BRIBERY?

## Section 9 of the Prevention of Bribery Ordinance (POBO)

- Any agent (e.g. employee of a retailer)
- Without the principal’s approval (e.g. retailer)
- Solicits or accepts any advantage
- An act in relation to his principal’s affairs or business
- Both the offeror and recipient shall be guilty of the offence



### Advantage

Includes, irrespective of the value, any gift, loan, fee, reward, commission, office, contract, service, favour and discharge of loan or liability, but does not include entertainment.



### Entertainment

Refers to 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.

## Section 9(3) of the Prevention of Bribery Ordinance (POBO)

Any agent who, with intent to deceive his principal, uses false, erroneous or defective receipt, account or other document shall be guilty of an offence.



### Penalty

The maximum penalty is a fine of HK\$500,000 and 7 years’ imprisonment.

## Tips for being a professional and smart staff -

Be alert to corruption risks

Enquire if in doubt

Say no to temptations

Must declare conflict of interest

Avoid over-socialisation with business associates

Report any suspected corruption

Total compliance with the law and company code of conduct

**BE  
SMART**

## Adopt zero tolerance! Report corruption!

In Person: ICAC Report Centre (24-hour service); or any Regional Offices

By Phone: 25 266 366 (24-hour hotline)

By Mail: G.P.O. Box 1000, Hong Kong



Regional Offices