



Regulatory Update – SFC released Guidance on the Prevention of Bribery (December 2020)

On 18 December 2020, the Securities and Futures Commission (“SFC”) released a circular to remind licensed corporations (“LCs”) of their obligations to ensure that they have in place vigorous internal control systems to ensure compliance with the Prevention of Bribery Ordinance (“POBO”) when conducting regulated activities.

Regulatory Requirements

Paragraph 12.1 of the Code of Conduct for Persons Licensed by or Registered with the SFC (the “CoC”) makes it explicitly clear that LCs must have in place appropriate internal controls including policies and procedures to comply with the rules, regulations, laws and codes administered or issued by the SFC or any other regulatory authority which applies to the LC’s business activities. Paragraph 2.4 of the CoC states that LCs must be familiar with the POBO and follow related guidance issued by the Independent Commission Against Corruption (the “ICAC”).

In its circular the SFC highlights the need for LCs to comply with the relevant provisions of the POBO, and specifically emphasizes the importance for them to comply with section 8 on bribery of public servants by persons having dealt with public bodies and section 9 on corrupt transactions with agents.

Part V of the Internal Control Guidelines requires an LC to have in place clearly established up-to-date policies and procedures to ensure compliance with all applicable anti-bribery legal and regulatory requirements. The anti-bribery policy needs to have specific requirements prohibiting directors, employees and agents from gaining an “advantage” as defined under section 2(1) of the POBO.

ICAC Sample Code of Conduct

The SFC recommends LCs take guidance from the sample code of conduct that was issued by the ICAC for the private sector which:

- Requires directors and employees of a company to not solicit or accept any advantage from any person, company or organisation that the company is having business dealing with, except that they may accept (but not solicit) subject to conditions or with permission from the company’s Board or Senior Management; and
- Prohibits directors and staff from offering advantage to any director, employee or agent of another company or organisation unless such offer carries no intention of improper influence in any dealing and it is ascertained that the intended recipient is permitted by his employer or principal to accept it.

Training

LCs should provide training for all directors, employees and agents to ensure they comply with the POBO, regulatory requirements and the licensed corporation’s anti-bribery policies and procedures.

How we can help

ComplianceAsia’s dedicated projects team can assist you with reviewing and updating your anti-bribery policies and procedures to ensure that they comply with the POBO, regulatory and industry best practice requirements. We also offer in-person and online anti-bribery training courses.



CA | ComplianceAsia

About ComplianceAsia

ComplianceAsia is the longest established compliance consulting firm in Asia Pacific established in 2003 with key offices in Hong Kong, Shanghai, Singapore, Tokyo and London. We have an unmatched track record of completing complex compliance consulting projects for financial firms in the APAC region.

With over 70 staff, including compliance experts with experience in dealing with the SFC, HKMA, MAS, CSRC, JFSA and Asian exchanges, we provide independent, unbiased advice on Asian financial industry legislation and regulations. Our international client base consists of asset managers, hedge funds, private equity funds, family offices, broker-dealers, insurers, wealth managers and investment banks.

Contact Us Today

HONG KONG

Suite 1102
ChinaChem Tower
34 – 37 Connaught Road
Central

T: +852 2868 9070

SINGAPORE

137 Telok Ayer Street
#03-06
Singapore 068602

T: +65 6533 8834

MAINLAND CHINA

Room 132, Unit 1301-1308
13/F, Shanghai Tower
No.479 Lujiazui Ring Road
Pudong New Area Shanghai

T: +86 147 1431 1859

JAPAN

Level 2
Marunouchi Nijubashi Building
3-2-2 Marunouchi Chiyoda-ku
Tokyo 100-0005

T: +81 3 6837 5483

UNITED KINGDOM

1 St. Andrew's Hill
London
EC4V 5BY

T: +44 (0) 20 7213 0300
M: +44 (0) 7310 972435

www.complianceasia.com



ComplianceAsia

Philippa Allen

CEO
E: philippa.allen@complianceasia.com

Alex Duperouzel

Managing Director
E: alex.duperouzel@complianceasia.com

Cherry Chan

Regional Head of Ongoing Support
and Client Services
E: cherry.chan@complianceasia.com

Lachlan Chubb

Regional Head of Regulatory Advisory
and Projects
E: lachlan.chubb@complianceasia.com

Gerallt Owen

Regional Head of Client Relations
E: gerallt.owen@complianceasia.com

Rachel Wu

Head of Mainland China Client Engagements
E: rachel.wu@complianceasia.com

Lucia Liao

Head of Shanghai Office
E: lucia.liao@complianceasia.com

Hanae Kuroda

Compliance Consultant
E: hanae.kuroda@complianceasia.com