Banking Industry Integrity Charter
Subscription Guidelines

All banks in Hong Kong are welcomed to join the Banking Industry Integrity Charter

Objectives of the Charter

- Combat and prevent corruption through public-private partnership
- Help to implement an effective integrity management system (IMS)
- Strengthen awareness and capability of banks in corruption prevention
- Establish a platform for exchange of good practices
- Facilitate development of an ethical business environment
- Promote integrity in support of the Belt & Road Initiative

Charter Commitments

Banks joining the Charter will adhere to the following **fundamental principles** to promote integrity management in the banking industry –

a. Promote a **sound bank culture** and conduct banking business with a high degree of integrity;
b. Establish a **code of conduct**[1] and enforce it effectively, making reference to the core elements of the **Model Integrity Policy**;
c. Assign a staff member with independence, competence, experience, integrity and seniority[2] as the bank's **Integrity Officer** to assist the bank in the oversight and implementation of the code of conduct, good corporate governance and banking practices;
d. Provide **integrity management training** to staff to enhance their anti-corruption awareness, and arrange for the Integrity Officer or his or her representative(s) to attend **ICAC integrity management training** at least **once** each year; and
e. Promptly **report** allegations or suspicion of bribery, corruption, fraud, deception, or other illegal activities to the ICAC or other appropriate law enforcement agencies.

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[1] The code should be comprehensive, covering all legal, regulatory and ethical issues. Alternatively, relevant policies, guidelines and/or codes could be developed to cover various topics.

[2] Examples of staff suitable for the appointment include the bank's heads of internal audit, fraud risk management, anti-bribery and corruption, AML Compliance Officer / Money Laundering Reporting Officer, or the Code of Conduct Officer.

Participating banks are required to oversee the implementation of the Charter, while the Charter Secretariat will conduct random checks on the integrity management training records of Integrity Officer (or his or her representative(s)). If the bank fails to meet the training requirements or other commitments of the Charter, appropriate follow-up actions including delisting from the Charter will be taken.

The "3As" benefits of joining the Charter

1. **Amplifying Business and Commercial Values**
   Banks are entrusted with holding and managing their clients' financial assets and deposits. Clients therefore attach great importance to integrity and corporate governance, which are factors of considerations in selecting business partners. Joining the Charter explicitly demonstrates your bank's commitment in adhering to the highest standards of integrity as well as boosting customer confidence in your bank's integrity and reliability, and therefore amplifies your business and commercial value.
2. **Attracting Investors**
   Environmental, social and governance (ESG) is a red-hot element gaining prominence in investing globally. With integrity being part and parcel of governance, implementing IMS makes your bank stands out as a good choice for investors all over the world (including the Belt and Road countries), and helps to expand your businesses.
3. **Adding Resistance against Corruption and Integrity Violations**
   Local and overseas authorities accord utmost importance to business entities' anti-corruption systems and performance. Joining the Charter and implementing IMS increase the bank's resistance against corruption and integrity violations. By self-improving the enterprise management system, your bank can share your good experience to other banks and institutions (including those in the Belt and Road countries), thereby telling the good story of Hong Kong's clean business environment.

What Support Can You Get?

Subscription to the Charter is free of charge. The following support will be provided to participating banks by ICAC for free, including –

1. Advisory Services

Assist you in drawing up or exceling the bank's integrity policy, and providing corruption prevention advice on business processes upon request

2. Training

Organise integrity training

3. Corruption Prevention Resources

Provide corruption prevention publications and tools for different functions

For details, please visit our dedicated website - *cpas.icac.hk/EN/Info/TP_Index?cate_id=10030*

For enquiries, please send email to the Banking Industry Integrity Charter Secretariat - *biic@cpd.icac.org.hk*

Subscription Procedures

Step 1 – The bank appoints an Integrity Officer to ensure that the policies and procedures of the bank are comparable to the Model Integrity Policy.

Step 2 – The bank sends a subscription form[3] to the Charter Secretariat by email.

Step 3 – The bank receives a confirmation e-mail, a statement of commitment and an electronic logo together with its usage guidelines from the Charter Secretariat. Name of the participating banks will be published on the Charter's official website for general information.

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[3] Banks may approach HKAB for obtaining the subscription form (email: info@hkab.org.hk).