

Code of Conduct for Members of the Hong Kong Deposit Protection Board and its Committees

Introduction

1. This Code is endorsed by the Hong Kong Deposit Protection Board (the Board). The Code applies to all Members of the Board and its Committees, including the Chairperson, appointed under section 7 of Schedule 2 to the Deposit Protection Scheme Ordinance.

Use of Confidential Information

2. Members shall observe the provisions in section 46 of the Deposit Protection Scheme Ordinance regarding preservation of confidentiality (see **Appendix 1**).
3. The papers and proceedings of the Board and its Committees are confidential. The papers, minutes and other documents connected with the Board and its Committees are for the private information of Members. Members shall make arrangements for keeping them safe and shall not show or divulge their contents to any other person or organisation.
4. Members shall not use confidential information given to them in connection with their membership of the Board or its Committees for the purpose of carrying out financial transactions, whether directly or indirectly, and whether on their own private account or on the account of any person, company or other organisation with which they have a connection, for personal gain or the gain of others.
5. In making comments in public (whether orally or in writing) on the work of the Board and its Committees, Members shall
 - a) avoid disclosing or commenting on confidential information, including the contents of papers connected with meetings and the substance of discussions at meetings;
 - b) make it clear, as appropriate, whether they are conveying the general views of the Board or its Committees or their own personal views;
 - c) avoid making comments that might undermine or bring into question the reputation of the Board or its Committees or of any of the Members.

Conflict of Interests

6. Members shall observe the provisions in section 8 of Schedule 2 to the Deposit Protection Scheme Ordinance concerning conflict of interests (see **Appendix 2**).
7. In addition, Members of the Board and its Committees shall follow the guidelines and principles set by the Independent Commission Against Corruption in the two-tier reporting system for declaring interests. These guidelines and principles are reproduced below:

I. Register of Members' Interests

- a) Members shall register in writing their personal interests, direct or indirect, pecuniary or otherwise, when they first join the Board or its Committee, and annually thereafter, to the Secretary of the Board. The registration shall be made on the standard form at **Appendix 3**.
- b) The types of interests required for registration shall include
 - i) proprietorships, partnerships or directorships of companies, public or private;
 - ii) remunerated employments, offices, trades, professions or vocations;
 - iii) shareholdings in a publicly listed or private company of more than 1% of the company's issued share capital; and
 - iv) other declarable interests, taking into consideration the nature of work of the Board or its Committees (including non-remunerated appointment to public councils, boards or committees, etc.).
- c) A register of Members' interests shall be kept by the Secretary of the Board which should be made available for inspection on request by any member of the public.

II. Declaration of Interests at Meetings

- a) If a Member has any direct personal or pecuniary interest in any matter under consideration by the Board or its Committee, he or she must, as soon as practicable after he or she has become aware of it, disclose to the Board or its Committee prior to the discussion of the item. (The potential conflict of interests situations are described in **Appendix 4**).

- b) The Chairperson of the Board or its Committee shall decide whether a member disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting.
- c) If the Chairperson of the Board or its Committee declares an interest in a matter under consideration, the Chairperson shall refrain from taking part in the discussion or vote on the matter.
- d) When a known direct pecuniary interest exists, the Secretary may withhold circulation of relevant papers to the Member concerned. Where a Member is in receipt of a paper for discussion which he or she knows presents a direct conflict of interest, he or she should immediately inform the Secretary and return the paper.
- e) All cases of declaration of interests shall be recorded in the minutes of the meeting.

Soliciting/Accepting/Offering Advantage

8. The Board is specified in Schedule 1 to the Prevention of Bribery Ordinance (PBO) (Cap. 201) as one of the “Public Bodies” governed by the Ordinance. All the Board members are therefore “public servants” for the purposes of the PBO and are subject to its provisions which principally deal with the acceptance of advantages.
9. All members should be conversant with the provisions of sections 2, 4, 5, 6, 7 and 8 of the PBO concerning contracts, tenders, auctions and dealings with public bodies. Extracts of the following sections are at **Appendix 5**.
 - a) Section 2(1): definition of “advantage” which includes any gift, loan, commission, employment, contract, service, etc.
 - b) Section 4 which prohibits both the offering to, and the solicitation or acceptance of any advantage by a “public servant” as an inducement to or reward for or otherwise on account of that “public servant’s” official position.
 - c) Sections 5, 6 and 7 which prohibit the bribing of “public servants” in relation to certain specific dealings with “public bodies”, namely contracts, tenders and auctions.
 - d) Section 8 which prohibits the offering of any advantage by a person having dealings with a “public body”.
10. It is the Board’s policy to prohibit members from soliciting and/or accepting and/or offering advantages or special favours from / to any bank, or any individual or organization if the member has grounds to believe that such actions will undermine the objectivity of the member in conducting the Board’s business or will incur the risk of damage to public confidence in the Board.
11. However, if there is a reasonable likelihood of improper influence or interference with a member’s duties when an advantage is accepted, then before the advantage is accepted he/she must refer the matter to the Board or its Committees who will advise on the appropriate course of action to be followed. An application in the form in **Appendix 6** should be used to refer the matter to the Board or its Committees for approval.

Gifts and hospitality received in official capacity

12. Members are responsible for the decisions connected with the offer or acceptance of gifts or hospitality in their official capacity for avoiding the risk of damage to public confidence in the Board. As a general guide, it is usually appropriate to refuse offers except:
- (a) isolated gifts of a trivial character or inexpensive seasonal gifts such as a calendar or diary, or other simple items of office equipment of modest value;
 - (b) normal hospitality associated with your duties and which would reasonably be regarded as inappropriate to refuse; or
 - (c) gifts received on behalf of the Board.
13. If Members have reasonable perception that any gift received can or would influence members' judgement, Members should apply in writing to the Board or its Committees (using the application form in **Appendix 6**) for permission to accept the gifts. The term "gift" includes benefits such as relief from indebtedness, loan concessions, or provision of service at a cost below that generally charged to members of the public.

Legal Protection

14. Section 47(1) of the Deposit Protection Scheme Ordinance (DPSO) provides immunity from liability of the Board in respect of anything done, or omitted to be done, by the staff of the Board in good faith in the performance of the functions of the Board. Legal assistance is made available to the staff of the Board when they face legal challenges in relation to the discharge of their official duties or statutory functions under the DPSO (see **Appendix 7**).