

HONG LEONG BANK VIETNAM LIMITED

ANTI-BRIBERY AND CORRUPTION

(Training module for External Parties)

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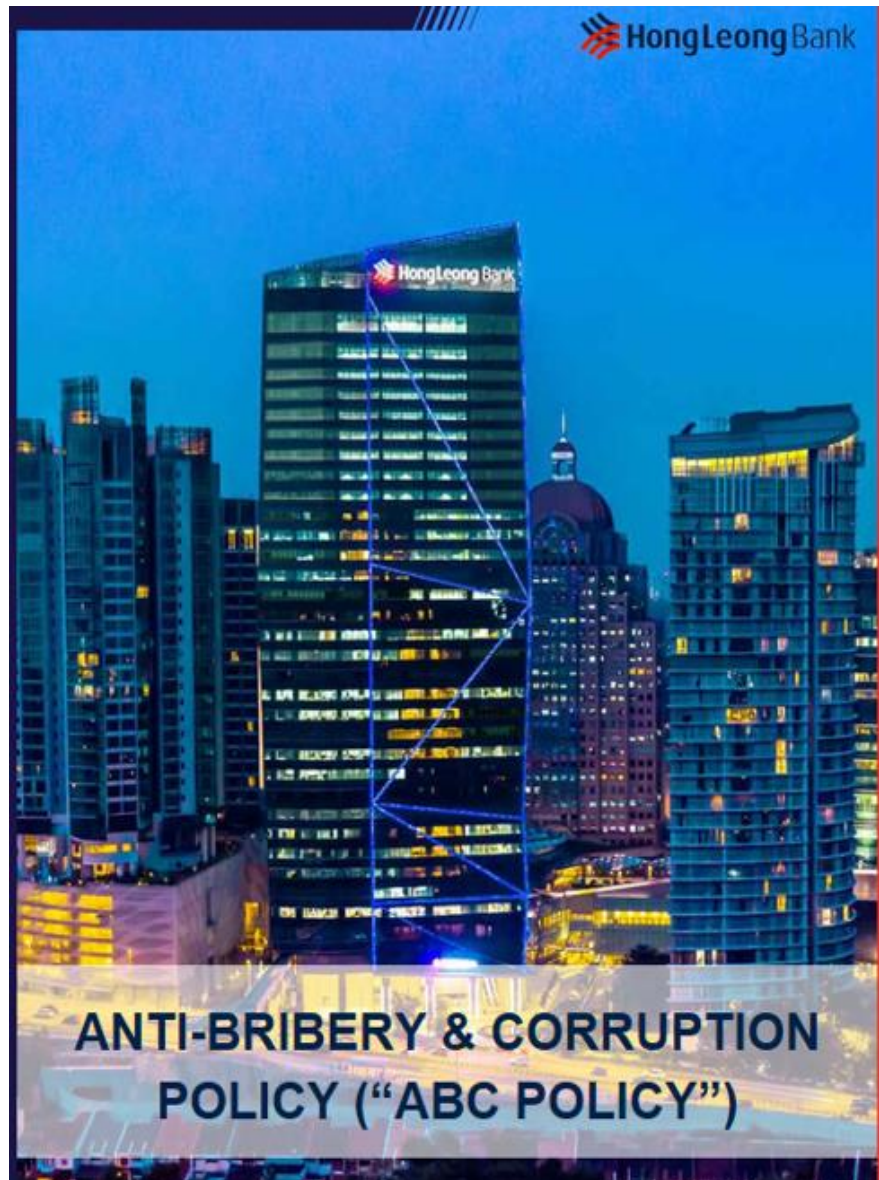
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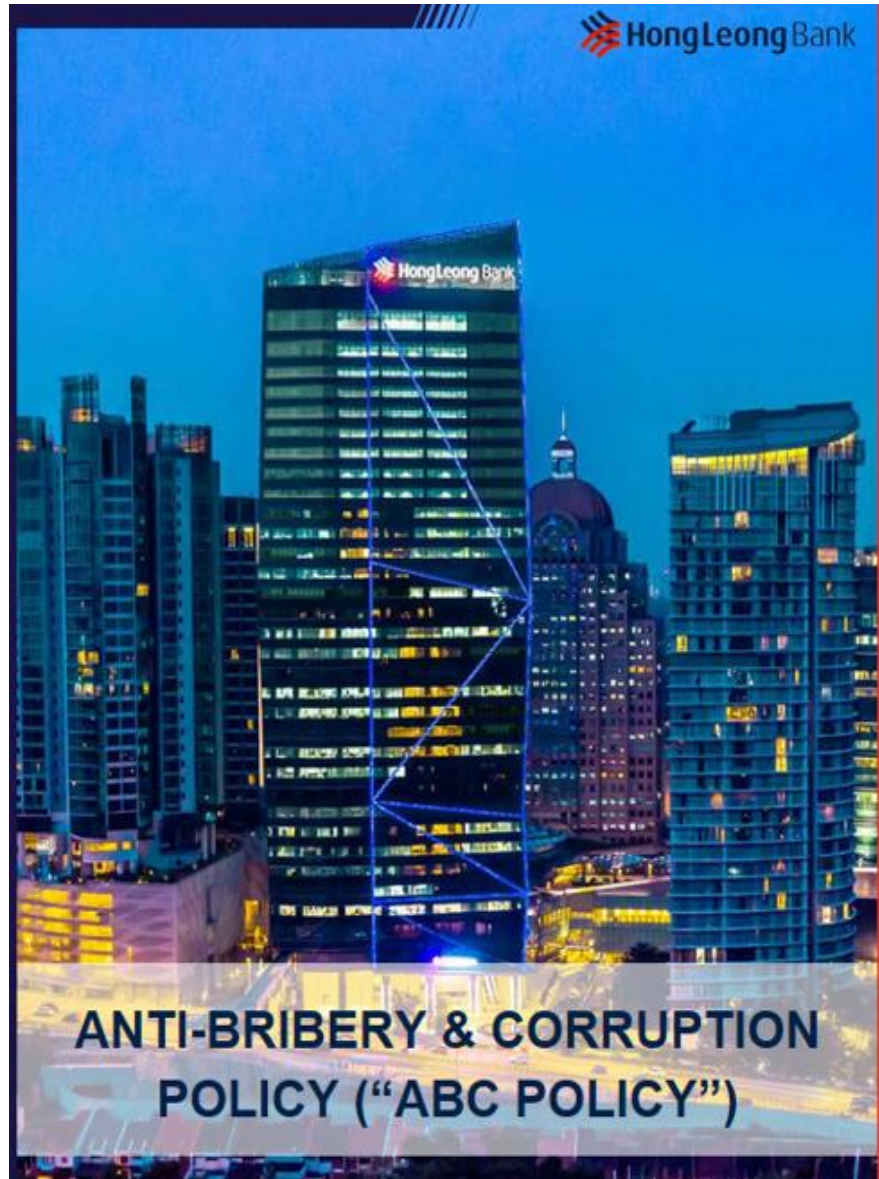


1. Anti Bribery & Corruption Policy



ZERO TOLERANCE on bribery and corruption

Bribery and corruption is significantly detrimental to an organization. It negatively impacts operational efficiency and erodes the public’s trust in a business. As a deterrence to instances of both bribery and corruption, Hong Leong Bank Vietnam Limited (HLBVN) committed to uphold integrity and ethical practice. Thus, the Anti-Bribery and Corruption policy (“ABC Policy”) was issued, in which Hong Leong Bank Group (“HLBG”) including HLBVN takes a zero-tolerance position on bribery and corruption activities. The ABC Policy is developed with reference to the offences stipulated in the applicable Vietnamese Anti-Corruption Laws.

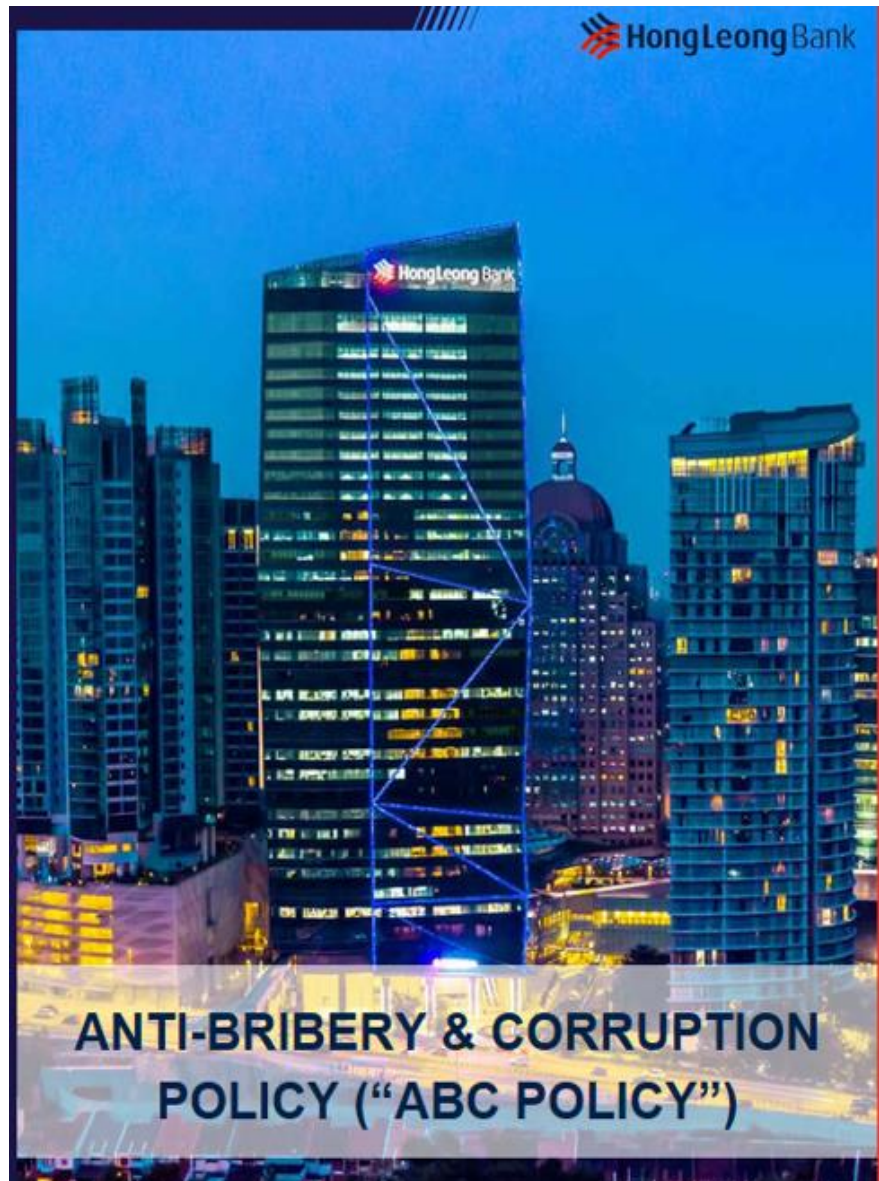


As an **Associated Person** of the Bank, you are required to be aware of the HLBG including HLBNV’s **zero-tolerance position against bribery and corruption.**

Who is an Associated Person?

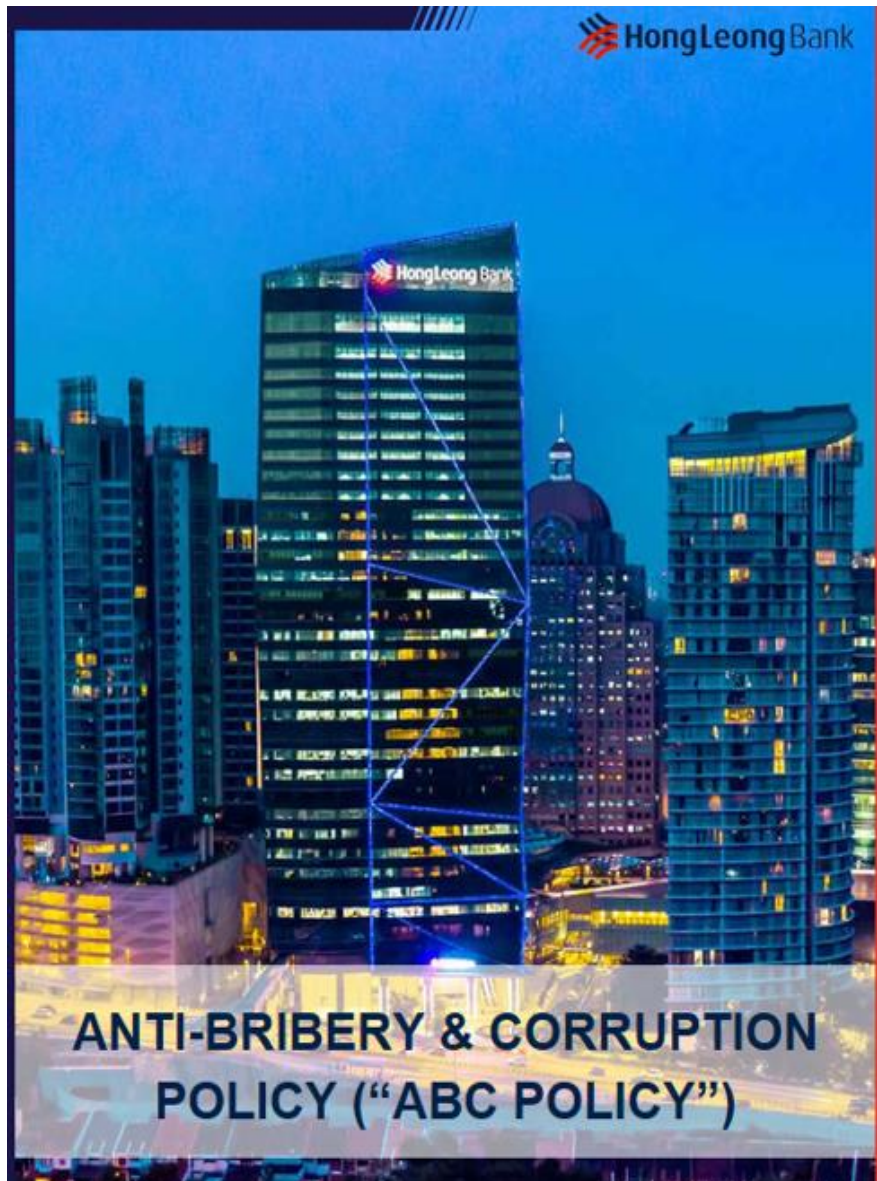


Directors, employees (whether temporary, fixed term, or permanent), trainees, seconded staff, casual workers, agency staff, volunteers, interns, agents, partners, contractors, subcontractors, vendors, suppliers, service providers, consultants, representatives and others performing work or services for or on behalf of HLBNV.



HLBVN Anti-Bribery and Corruption Policy

- The Anti-Bribery and Corruption Policy ("ABC Policy") is fully applicable at HLBG entity level including HLBVN.
- The Bank also expects its partners, contractors, sub-contractors, consultants, representatives and other performing work or services for or on behalf of the Bank, or any other person associated with HLBVN to comply and attest to their compliance with the ABC Policy, including the declaration of any conflict of interest, when performing such work or services.
- With the ABC Policy, HLBVN is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, and is committed to implementing and enforcing systems that ensure corruption and bribery is prevented.



HLBVN Anti-Bribery and Corruption Policy

The ABC Policy was developed with controls and procedures in line with the applicable Vietnamese ABC regulations. Among others, it explains HLBVN’s position in the following areas relating to Anti-Bribery and Corruption:-

- Gifts and Entertainment
- Donation and Sponsorship
- Facilitation Payments
- Due Diligence
- Conflict of Interest
- Reporting Channel & Whistleblowing Policy



Please read the HLBVN ABC Policy summary by clicking [here](#)

The Bank treats any violation of the ABC Policy seriously and will undertake necessary actions including but not limited to review of appointment, dismissal, stop third party contractions/service providers from further business dealings etc., as well as report to the relevant authorities any wrongdoings, consistent with the requirements of the relevant laws and regulations.



2. What is Bribery & Corruption

What is Corruption ?

Corruption means an office holder's abuse of his/her official capacity for personal gain
(Source: Law on Anti-Corruption 2018)

Corruption is the abuse off entrusted power for personal gain
(Source: Transparency International)



What is Bribery ?

Bribery is the offer of anything of value – such as payment, gift, favour, hiring decision or other consideration-to a person in exchange for an undeserved benefit or advantage, often in violation of the recipient's official duties.

Is cash the only form of bribery?



NO.

Bribery can also be in the form of gifts in-kind, discount offers, votes, services (including sex), job position/placement, loan and many other forms of payment for payment and purchases



3. Relevant Laws & Guidelines



- **Penal Code 2015 and its amendment**
- **Law on Anti-corruption 2018**
- **Decree No.59/2019/NĐ-CP elaborating on a number of articles and measures for implementation of the Law on Anti-corruption 2018**

Applicable Vietnamese Anti-Corruption Laws

Penal Code 2015 was passed by the 13th National Assembly of the Socialist Republic of Vietnam, at its 6th session on 27 November 2015 and was amended by the Law on Amendments to the Penal Code which set the new effective date for both on 01 January 2018 (hereinafter referred to as **Penal Code 2015**).

Anti-corruption Law No.36/2018/QH14 was passed by the 14th National Assembly of Socialist Republic of Vietnam during its 6th meeting on 20 November 2018 and came into force on 01 July 2019 (hereinafter referred to as **Law on Anti-corruption 2018**)

Decree 59/2019/NĐ-CP was issued on 01 July 2019 to elaborate on the number of articles and measures for implementation of the Law on Anti-corruption 2018 and came into effect on 15 August 2019.



- **Penal Code 2015 and its amendment**
- **Law on Anti-corruption 2018**
- **Decree No.59/2019/NĐ-CP elaborating on a number of articles and measures for implementation of the Law on Anti-corruption 2018**

Key highlights for non-state organizations

Penal Code 2015

Chapter XXIII – OFFENCES RELATED TO ABUSE OF POWER

Article 353 – Embezzlement

Article 354 – Taking bribes

Article 364 – Giving bribes

Article 365 – Brokering bribes

The act of directly **giving bribes** or **acting as intermediary in giving bribes** to either public or private officials shall be subject to **criminal liability**

- General threshold for the amount constituting a bribe remains VND2 million
- On giving bribes, the giver may be subject to penalty of:
 - Up to **20 years imprisonment**, AND
 - Monetary fine from **VND10 million to VND50 million**
- Only **individuals (natural person)** who are found to be responsible may be held culpable for **corruption-related crimes committed by an entity**



- **Penal Code 2015 and its amendment**
- **Law on Anti-corruption 2018**
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Key highlights for non-State organizations

Law on Anti-corruption 2018

Article 2.2: Acts of corruption committed by office holders in non-State organizations include:

- a) *Embezzlement;*
- b) *Taking bribes;*
- c) *Bribing or brokering bribery for taking advantage of one's influence over the operation of the enterprise or organization, or for personal gain.*

Article 78 Professional ethics & business ethics

Article 79 Development of code of conduct & internal control mechanism for inhibition of corruption

Article 80 Implementation of anti-corruption measures in non-State enterprises and organization

Article 81 Inspection of implementation of anti-corruption law by non-State organizations

Article 82 Discovery of corruption in non-State enterprises and organizations



- Penal Code 2015 and its amendment
- Law on Anti-corruption 2018
- Decree No.59/2019/NĐ-CP elaborating on a number of articles and measures for implementation of the Law on Anti-corruption 2018

Key highlights for non-State organizations

Law on Anti-corruption 2018

Chapter IX: Actions against corruption & other violations of Anti-Corruption Laws

Article 92 Penalties against corrupt individuals

Article 95 Actions against other violations against anti-corruption law in non-State enterprises and organizations

The penalties include:

- *Administrative penalties on the organization => **Corporate liability on corruption***
- *Holders of managerial positions in enterprises/organization will be dealt with in accordance with its rules and regulations*
- *If no actions are taken against holders of managerial positions, name of enterprise, address and violations will be published by inspecting authority*

Guidelines on Adequate Procedures for HLBN, pursuant to Hong Leong Bank Berhad (HLBB)'s ABC Policy

T **R** **U** **S** **T**

T **Top level commitment**

R **Risk assessment**

U **Undertaking of control measures**

S **Systematic review, monitoring and enforcement**

T **Training and communication**

- TRUST are the 5 Principles stated in the HLBB ABC Policy that HLBN will follow to ensure the adequate procedures that should be implemented as lines of defense.
- The Bank was guided by the TRUST principles when developing its ABC policy and procedures against corruption and bribery.



4. Facilitation Payment

Facilitation Payment



Associated Persons of HLBG including HLBVN shall not make any facilitation payment for or behalf of the Bank

What is Facilitation Payment?

➤ Payment made to **secure or expedite** the performance of an action or a service that the Bank is entitled to, example: where a government official is given money or goods to perform (or speed up the performance of) an existing duty.

➤ Fees paid in exchange for a **lawful express or preferential service** are not considered as Facilitation Payments provided that they fulfil the following conditions:

1. The service is open and available to everyone

2. The fee is in accordance with an official and published price list

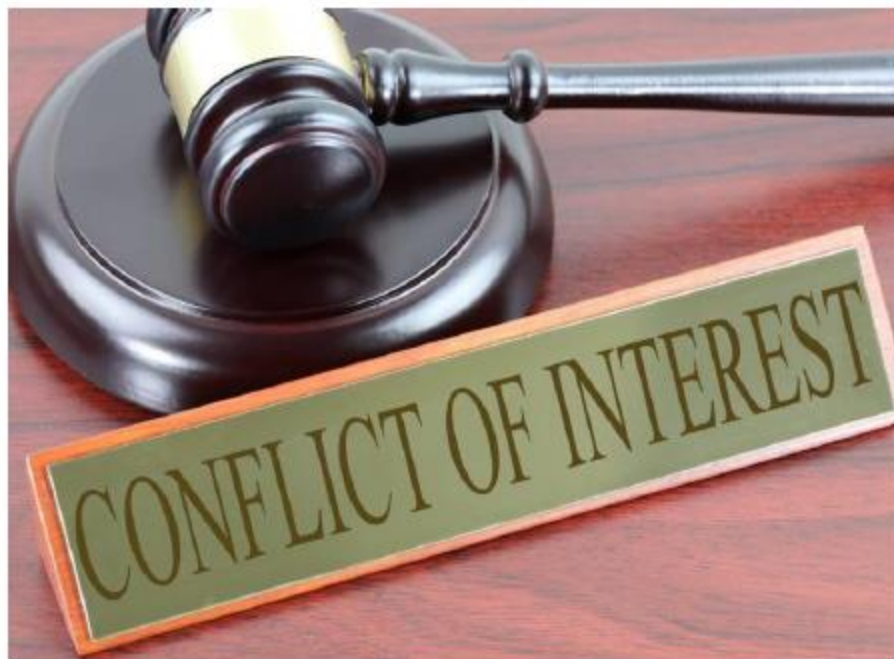
3. The fee is not payable to individuals, but to the organisation or entity

4. A legal and official receipt by the organisation or entity can be provided.



5. Conflict of Interest

What is conflict of interest?



A situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest could conflict against another.

The Bank seeks to ensure that a conflict of interest does not affect the interests of the Bank, its shareholders, clients and other stakeholders through the identification, prevention and management of the conflict of interest.

Conflict of Interest



- Associated Persons or persons connected to the Associated Person shall **declare any personal interest** they may have in any of the Bank's matter that they are involved in.
- Associated Persons of the Bank **must not be influenced** by friendship or association in performing their role.
- Decisions must be made on a strictly **arms-length business basis**.
- As an **Associated Person** of the Bank, you must not allow any conflict of interest, bias or undue influence of others to override the Bank's business and professional judgment.



The Bank's employees are not allowed to engage directly or indirectly in any personal or business activity that competes or conflicts with the interest of the Banking Group.



6. Due Diligence

Due Diligence



- The Bank shall undertake due diligence to assess the integrity of the Associated Persons, which include **background checks, document verification or conducting interviews**, prior to entering into any formalized relationship.
- Where the Associated Person is a company, due diligence shall be conducted on its directors and senior management as well.



7. Reporting and Escalation

Reporting and Escalation



- If you witness or are improperly instructed to carry out illegal or unethical act, by the Bank's employees, customers or other business partners, you are required to submit a report even if you are not involved in the act
- You can be held responsible for failing to report the actions or inactions of others if you knew or should reasonably have known that they are in violation of any applicable law, regulation or regulatory requirements
- Subject to conditions specified in the HLBNV Whistleblowing Policy and to the extent permitted by law, you will be protected from retaliation, adverse employment action or legal action and where feasible, from disclosure of your identity, provided your report is made in good faith (even if you are genuinely mistaken in the concerns you raise)



Please read HLBNV Whistleblowing Policy by clicking [here](#)

Reporting and Escalation



Who can raise concerns ?

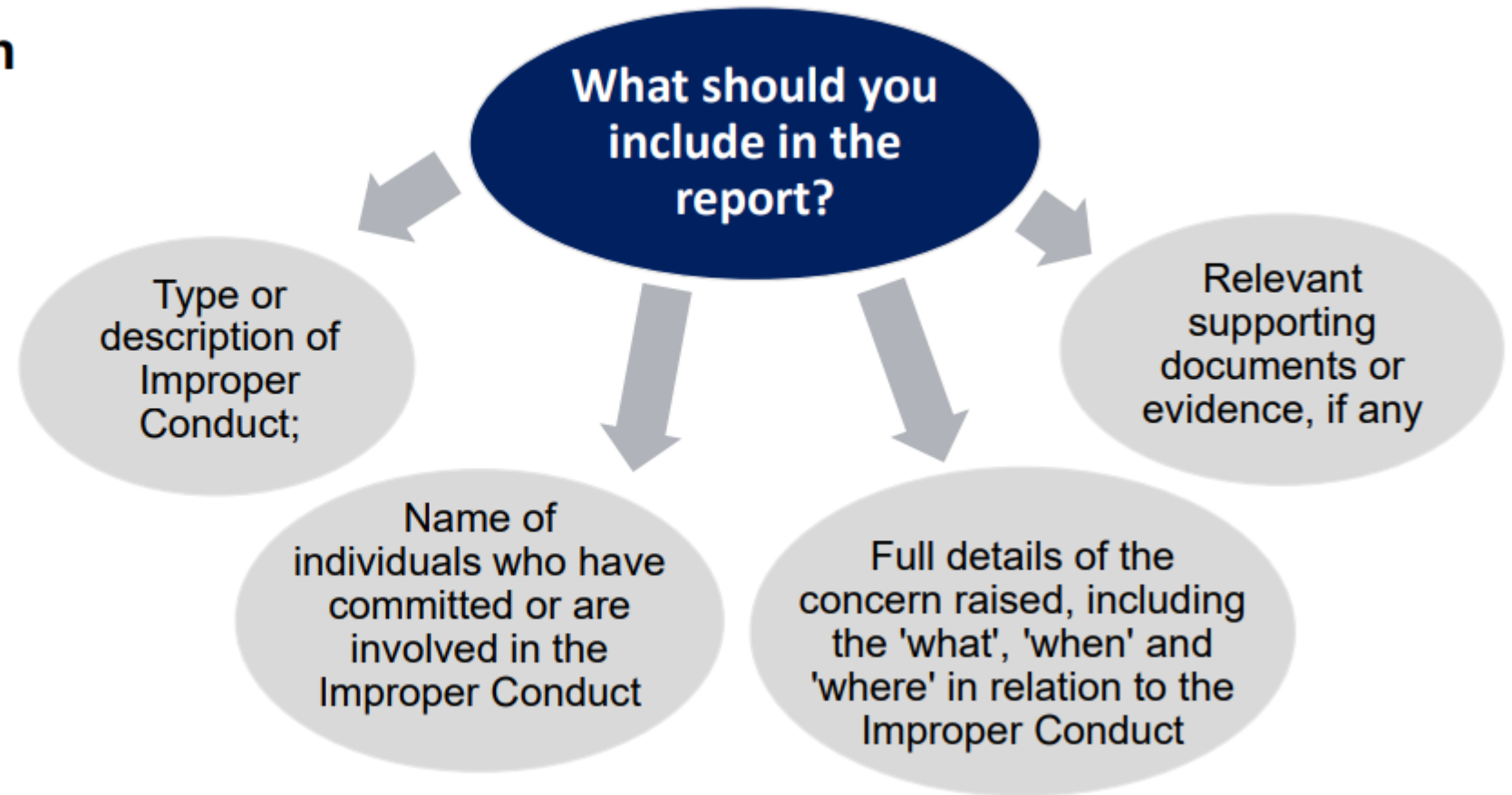
- Any (legal or natural) person including those providing services to, or having a business relationship with the Bank; and
- All employees of HLBVN

What type of concerns should you raise?

You should raise any concerns about any improper conduct or wrongful act (“Improper Conduct”) that may adversely impact the Bank, including but not limited to:

- Any integrity/honesty or criminal offences, including fraud, theft, criminal breach of trust, corruption, bribery and blackmail;
- Any failure to comply with legal or regulatory obligations
- Violations of the Bank’s Policies, Procedures and Standards
- Any improper conduct which would be a disciplinary offence; or
- Any gross mismanagement of the Bank’s affairs

Reporting and Escalation



If you wish to raise concerns of any Improper Conduct, you may use the Bank's [Whistleblower Form](#) to provide the details required

Reporting and Escalation

You may raise any Improper Conduct that concerns the Bank to any of the relevant Designated Person through the communication channels (Email or Letter) as set out below:



Via Email



OR

Via Letter



Chief Controller, Board of Controller	Or	Fulltime Member of Board of Controller
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whistleblowing@hlbvn.hongleong.com

**To: Any of the relevant Designated Person above
Hong Leong Bank Vietnam Ltd
First floor, Centec Tower
72 – 74 Nguyen Thi Minh Khai Street, Vo Thi Sau ward,
district 3, Hochiminh city, Vietnam**



8. Do's and Don'ts

Do's and Don'ts of Anti-Bribery and Corruption

Do's

- ✓ Be familiar with HLBVN's ABC Policy and relevant ABC laws
- ✓ Ensure cooperation of the Bank's due diligence process
- ✓ Understand the risk and impact of bribery & corruption
- ✓ Raise concerns through the Whistleblowing channels in relation to any suspected or real corruption incidences
- ✓ Ensure that you declare any conflict of interest



Don'ts

- ✗ Participate in bribery or corruption
- ✗ Perform facilitation payments
- ✗ Offer monetary gifts to the Bank's representatives
- ✗ Offer gifts or entertainment that are against the Bank's ABC Policy
- ✗ Provide false or misleading information in the due diligence process



THANK YOU