

Code of Conduct for Hong Kong Lawn Bowls Association Councillors

I. Preamble

The Hong Kong Lawn Bowls Association (the Association) is fully committed to the principle of honesty, integrity and fair play in the conduct of its business, including selection of athletes for competitions, management of coaches and umpires, administration of membership and general administration such as procurement and staff administration. To uphold public trust and protect public interest, it is important for all Councillors to handle the Association's business in a just and impartial manner so that the Association's reputation will not be tarnished by dishonesty, impropriety or corruption. To this end, this Code of Conduct sets out the standard of behaviour expected of all Councillors.

II. General Standards

1. A Councillor shall ensure that his conduct would not bring the Association into disrepute.
2. A Councillor shall not at any time or in any respect do anything which may compromise or impair his integrity, impartiality, objectivity or ability to perform Council of Management duties.
3. A Councillor shall adhere to the spirit and the letter of any rules or orders made for the Association's practices and procedures or for Councillors' behaviour in relation to the business of the Association.

III. Specific Standards

1. Provisions of Prevention of Bribery Ordinance

Members of the Council of Management are agents of the Association governed by Section 9 of the Prevention of Bribery Ordinance (POBO, Cap. 201) (and other provisions where appropriate). A Councillor commits an offence under POBO if he, without the Council of Management's permission, solicits or accepts any advantage in connection with the Council of Management's business. **Annex 1** provides the full text of POBO Section 9 and the legal definition of an advantage.

2. Acceptance of Advantages

2.1 Gifts/souvenirs presented to Councillors in their capacity as such

- (a) A gift/souvenir presented to a Councillor in his capacity as such should be regarded as a gift/souvenir to the Council of Management (e.g. a gift/souvenir presented by the organisers to a Councillor invited in his capacity as such or representing the Council of Management to officiate at ceremonies).

- (b) A Councillor shall follow the procedures set out in **Annex 2** for the disposal of gifts/souvenirs received in the above circumstances.

2.2 Sponsorships offered to Councillors in their capacity as such

- (a) Councillors may be offered sponsorships in their capacity as such by persons/organisations other than the Council of Management itself for official purposes such as attending local/overseas conferences, conventions, product trial activities, etc. Such sponsorships should be regarded as sponsorships offered to the Council of Management and referred to the Council of Management for consideration of acceptance.
- (b) The Council of Management should consider whether it is appropriate to accept the offer based on the following general criteria :
 - (i) acceptance of the sponsorship will benefit the Association as a whole and not bring the Association into any disrepute;
 - (ii) the Council of Management will not feel obliged to do something in return for the offeror; and
 - (iii) acceptance will not give rise to any actual or perceived conflict of interest (e.g. the offeror is a supplier/contractor bidding for the Council of Management's contracts).
- (c) If the Council of Management decides to accept the sponsorship, it should then select a suitable Member to attend the sponsored activity on its behalf.

2.3 Advantages offered to Councillors in their private capacity

- (a) Where a Councillor is offered an advantage in his private capacity, he may accept it if -
 - (i) the acceptance will not affect the performance of his duties as a Councillor; and
 - (ii) he will not feel obliged to do something in return in connection with Council of Management business for the offeror.
- (b) If a Councillor feels that he would be obliged to reciprocate an advantage by returning to the offeror a favour connected with any Council of Management business, he should decline the offer.
- (c) When a Councillor is in doubt as to whether he should accept an offer of advantage, it is advisable for him to apply the "sunshine test"^{Note 2} and consult the Council of Management Chairman/Secretary.

3. **Acceptance of Entertainment**

Note 2 In the sunshine test, the person concerned should ask himself if he would be happy to openly discuss with the general public what he is doing. If he feels uncomfortable about that, what he is doing is probably conflicting with the ethical standard generally expected by society.

A Councillor should not accept frequent or lavish entertainment from persons/organisations who/which have an interest in any matters under consideration by the Council of Management or with whom/which he has official dealings, in order to avoid embarrassment or loss of objectivity when considering or giving his views on matters concerning these persons/organisations.

4. **Offer of Advantage**

Councillors are prohibited from offering advantages to any director, or staff of any company or organisation, for the purpose of influencing such person or company in any dealings, or any public official, whether directly or indirectly through a third party, when conducting the business of the Association.

5. **Conflict of Interest**

5.1 Definition

A conflict of interest situation arises when the private interest of a Councillor competes or conflicts with the interest of the Association. “Private interest” includes both the financial and other interests of Members and those of their connections, including family members, relatives, friends, clubs and societies to which they belong, as well as people to whom they owe a favour or are obligated in any way.

5.2 Managing conflict of interest

Councillors should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Association) or the perception of such conflicts. They should not use their official position or any information made available to them in the course of their duties to benefit themselves, their relations or any other persons with whom they have personal or social ties. They should avoid putting themselves in a position that may lead to an actual or perceived conflict of interest. Failure to avoid or declare such conflict may give rise to criticisms of favouritism, abuse of authority or even allegations of corruption. In this connection, Councillors shall comply with the guidelines on declaration of interests in **Annex 3**.

5.3 Councillors bidding for the Association’s contracts

As a matter of principle, Councillors should avoid entering into any business contract (e.g. for the supply of goods or services) with the Association in their personal capacity to prevent the public perception of Councillors using their capacity to obtain financial gains from the Association. Where this is unavoidable, Councillors shall adhere to the guidelines on managing possible conflict of interest in bidding for the Association’s business contracts as set out in **Annex 4**.

6. Use of Confidential or Privileged Information

- (a) A Councillor shall not take advantage of, or let any person or organisation benefit from, the confidential or privileged information obtained in his capacity as a Councillor.
- (b) A Councillor shall not disclose any confidential or privileged information of the Association to any party unless he is authorized to do so.

7. Use of Funds

- (a) Councillors shall ensure that all the Association's funds are used in a prudent and responsible manner to safeguard the Association's interest. They should only approve funds for any project/activity/expenditure item which falls within the ambit of the funds and can achieve the purpose of the funds.
- (b) Councillors shall particularly ensure that an open, fair and competitive mechanism is adopted for the procurement of goods/services and recruitment of staff for the Council of Management.

8. Misuse of Capacity as a Councillor

Councillors shall not misuse their official capacity as such to gain benefit for themselves or others, or render favour to any person/organisation.

**Extracts from the Prevention of Bribery Ordinance
(Cap. 201, Laws of Hong Kong)**

Section 9 - Corrupt transaction with agents

- (1) Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his –
- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
 - (b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

- (2) Any person who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's –
- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
 - (b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

- (3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document -
- (a) in respect of which the principal is interested; and
 - (b) which contains any statement which is false or erroneous or defective in any material particular; and
 - (c) which to his knowledge is intended to mislead the principal,

shall be guilty of an offence.

- (4) If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2).

- (5) For the purposes of subsection (4) permission shall -

- (a) be given before the advantage is offered, solicited or accepted; or

- (b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance,

and for such permission to be effective for the purposes of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

Definition of an Advantage (Section 2)

“Advantage” means :

- (a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;
- (b) any office, employment or contract;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- (e) the exercise or forbearance from the exercise of any right or any power or duty; and
- (f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e).

but does not include an election donation within the meaning of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap 554), particulars of which are included in an election return in accordance with that Ordinance.

Definition of Entertainment (Section 2)

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 as, such provisions.

Section 19 – Custom not to be a defence

In any proceedings for an offence under the Ordinance, it shall not be a defence to show that any such advantage as is mentioned in the Ordinance is customary in any profession, trade, vocation or calling.

Procedures for Handling Gifts/Souvenirs Given to Councillors in their Capacity as such

All gifts/souvenirs received by Councillors of the Association in their official capacity should be forwarded to the Secretary of the Council of Management for disposal in the following manner:

- (a) If the gift/souvenir is of perishable nature (e.g. food or drink, etc.), it may be shared among Councillors and staff on a suitable occasion, or donated to another charitable organisation.
- (b) If the gift/souvenir is a useful item, it may be retained and used by the Association, or donated to another charitable organisation.
- (c) If the gift/souvenir is suitable for display (e.g. a painting, vase, etc), it may be displayed at appropriate locations of the Association's office or premises.
- (d) If the gift/souvenir has a value below **HK\$ 1,000**, it may be donated as a prize in functions organized by the Association.
- (e) If the gift/souvenir is a personal item with a value below **HK\$ 500**, such as a plaque or pen inscribed with the name of the recipient, it may be retained by the recipient.
- (f) If the gift/souvenir is distributed to all participants in public activities, such as a ball pen, file folder or key clasp, etc, it may be retained by the recipient.

Guidelines on Declaration of Interests by Council of Management Members

General Principles

When a Councillor (including the Chairman) has an actual or potential conflict of interest in any matter under consideration by the Association, he should, as soon as practicable after he has become aware of it, make a declaration to the Chairman (or the Council of Management) through the reporting channel using a prescribed form (*Annex 5*). The basic principle to be observed is that Members' advice should be disinterested and impartial and it is the responsibility of each Member to judge and decide if the situation warrants a declaration, and to seek a ruling from the Chairman in case of doubt.

It is impossible to define or describe all the situations that would call for such a declaration, because each individual case differs, and because of the difficulty of catering for unusual and unforeseen circumstances. On the other hand, it is not intended that a Member should make a declaration of interest simply because the Council of Management is considering a matter in which he has knowledge or experience.

Potential Conflict of Interest Situations

The following are potential conflict of interest situations:-

- (1) Pecuniary interests in a matter under consideration by the Council of Management, held by either the Member or his any close relative. For example, the relative of a Councillor is the owner of a private sports venue which is rented by the Association for training. The Member himself is in the best position to judge who, in the particular circumstances, is his "close relative".
- (2) A directorship, partnership, advisory or client relationship, employment or other significant connection with a company, firm, club, association, union or other organisation which is connected with, or the subject of, a matter under consideration by the Council of Management. For example, the Councillor is a partner in a company bidding for the Association's service contract.
- (3) Some friendships which might be so close as to warrant declaration in order to avoid the situations where an objective observer may believe that a Member's advice has been influenced by the closeness of the association. For example, one of the athletes under consideration for selection to a sports game is the daughter of the Councillor's close friend.
- (4) A Member who, as a barrister, solicitor, accountant or other professional adviser, has personally or as a member of a company, advised or represented or had frequent dealings with any person or body connected with a matter being considered by the Council of Management.

- (5) Any interest likely to lead an objective observer to believe that the Member's advice may have been motivated by personal interest rather than a duty to give impartial advice.

Declaration of Interests at Meetings

- (1) If a Member (including the Chairman) has any direct personal or pecuniary interest in any matter under consideration by the Council of Management, he must, as soon as practicable after he has become aware of it, disclose to the Chairman (or the Council of Management) prior to the discussion of the item.
- (2) The Chairman (or the Council of Management) shall decide whether the 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.
- (3) If the Chairman declares an interest in a matter under consideration, his chairmanship may be temporarily taken over by the Vice-Chairman, or a Member appointed by a majority of votes if the Vice-Chairman is not present.
- (4) 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 knows presents a direct conflict of interest, he should immediately inform the Secretary and return the paper.
- (5) All cases of declaration of interests shall be recorded in the minutes of meeting.

**Guidelines on Managing Possible Conflict of Interest
Arising from Councillors
Bidding for Contracts of the Association**

- (1) When the need for a business contract is discussed, Councillors should be asked at the outset to declare whether they or any companies associated with them are interested in bidding for the contract.
- (2) The Councillors who have declared an interest to bid should not take part or be present at any subsequent discussions or meetings concerning the proposed contract, and should be prohibited from access to any information in relation to the contract (other than in the capacity of a bidder).
- (3) The Councillors who have not declared an interest to bid (and the companies concerned) should not be allowed to bid subsequently.
- (4) When a Councillor (or a company associated with him) has expressed an interest to bid, the Association should ascertain whether any information relating to the contract has already come to the possession of the Councillor in the course of his duties as a Member. If so, such information should be made available to other bidders as well to ensure a level playing field.
- (5) If a Councillor (or a company associated with him) has put in a bid, care should be taken to ensure that he subsequently has no access to the submitted tender documents which may contain commercially sensitive information.
- (6) Bidders' identities should be anonymised before the evaluation of bids if a Councillor (or a company associated with him) is one of the bidders.
- (7) If a Councillor (or a company associated with him) is successful in bidding for the contract, he should withdraw from all discussions relating to the contract, except when attending in the capacity of a supplier or a service-provider.
- (8) The fact of any Councillor being awarded a contract of the Association will be published in the Association's website and annual report for public information where practicable.

Hong Kong Lawn Bowls Association
Declaration of Conflict of Interest by Councillors

Part A – Declaration *(To be completed by Declaring Member)*

To : Chairman of the Council of Management

I would like to report the following existing/potential* conflict of interest situation in relation to the discussion item:-

| |
|--|
| i) Matter to be discussed by the Council of Management |
| |
| ii) Brief description of my connection with the matter in (i) above (e.g. directorship in a company which is connected with the matter) |
| |

(Name of Declaring Member)
(Date)

Part B – Acknowledgement *(To be completed by Chairman)*

To : (Declaring Member)

Acknowledgement of Declaration

The information contained in your declaration form of _____ (Date) _____ is noted. It has been decided that:-

- You may continue to speak and vote on the matter as described in Part A, provided that there is no change in the information declared above.
- You may continue to speak but should not vote on the matter as described in Part A, provided that there is no change in the information declared above.
- You may remain in the meeting as an observer on the matter as described in Part A, provided that there is no change in the information declared above.
- You should withdraw from the meeting and immediately return to the secretary any documents regarding the matter sent to you earlier.
- Others (please specify) : _____

(Name of Chairman)
Chairman of the Council of Management
(Date)

* Please delete as appropriate