

TITLE Policy: FAA Anti-Corruption Policy & Procedures	Division / Unit	CEO's Office
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1.0 INTRODUCTION

1.1 BACKGROUND AND PURPOSE

- 1.1.1 This Anti-Corruption Policy and Procedures ("Policy") seeks to enhance corporate governance by outlining FAA's commitment to conduct business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in the Company's daily operations.
- 1.1.2 FAA is adopting a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts.
- 1.1.3 This Policy sets out FAA's position on bribery in all its forms and matters of corruption that might confront the company in its day to day operations.
- 1.1.4 The purpose of this Policy is to ensure compliance with the Malaysian Anti-Corruption Commission Act 2009 (MACCA) and its amendments thereafter; and provide a consistent, proportionate and effective approach to anti-bribery and corruption through an effective and viable sets of core requirements and minimum standards.
- 1.1.5 Since the nature of FAA's business requires its employees to engage in business with a wide range of parties, both internal as well as external, this Policy establishes the boundaries on interactions with all parties. This policy also provides guidance on how to act when subjected to potential acts of bribery and matters of corruption.
- 1.1.6 This Policy shall be read in conjunction with the FAA's Employee Code of Conduct (as per Employee Handbook), the Whistleblowing Policy, the Gift and Sponsorship Policy, and any other policies related to Anti-Bribery and Anti-Corruption as may be produced by the Company. It should also be read together with the Malaysian Anti-Corruption Commission Act 2009 (MACCA) and its amendments thereafter.

1.2 SCOPE

- 1.2.1 This Policy applies to all Directors and Employees of FAA.
- 1.2.2 This Policy leverages on the core principles set out in FAA's Employee Code of Conduct and FAA's values (ETIQC). i.e. Excellence, Transparency, Integrity, Collaboration and Quality. Each employee shall uphold high levels of personal and professional values in all business interactions and decisions.



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1.2.3 The scenarios provided within this Policy do not limit the boundaries of the Policy which may be extended to cover all circumstances relating to bribery and corruption. Compliance to the Policy is mandatory and will be monitored with a principle-based approach.

1.3 OVERSIGHT AND OWNERSHIP OF POLICY

1.3.1 The Risk Management and Compliance Unit has the overall responsibility for this Policy and shall oversee the implementation of this Policy. This includes the day to day responsibility for the administration and implementation of the Policy.

1.3.2 The owner of this document is the Head of RMCU who shall be responsible for incorporating any amendments and updates into this document, obtaining the approval of the Leadership Committee for those amendments and updates and distributing the same to the relevant parties.

1.4 DEFINITIONS

1.4.1 The following definitions are included in this Policy.

“Bribery” means any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACCA). In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation.

Bribery may be ‘outbound’, where someone acting on behalf of FAA attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be ‘inbound’, where an external party is attempting to influence someone within the Company such as a senior decision-maker or someone with access to confidential information.

Bribery and corruption are closely related. However, corruption has a wider remit. See ‘Corruption’ definition below.



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“Business Associate” means an external party with whom FAA has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

“CEO” means the person holding the office of Chief Executive Officer in FAA.

“Company” or “FAA” means Finance Accreditation Agency Berhad.

“Conflict of Interest” means when a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making at FAA.

“Corporate Gift” means something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the Company's brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the Company name and logo. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques and festive gifts such as hampers, oranges and dates.

“Corruption”, based on The Transparency International definition of corruption means ‘the abuse of entrusted power for personal gain.’ For the purpose of this policy, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACCA) (‘Bribery’ as defined above).

In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.



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“Directors” means the members of the Board of Directors which include all independent and non-independent directors, executive and non-executive directors and shall also include alternate or substitute directors (if any).

“Donation & Sponsorship” means charitable contributions and sponsorship payments made or received to support the community. Examples include sponsorship payments for educational events, supporting NGOs, and other social causes; and sponsorship received for FAA’s annual dinner gifts.

“Employee” means any employee or staff of the Company and shall include all individuals directly contracted to the Company on an employment basis, including permanent and temporary employees, such as contract staff, consultants and interns.

“Exposed Position” means a staff position identified as vulnerable to bribery through a risk assessment. Such positions may include any role involving: procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the Company has identified as vulnerable to bribery;

“Facilitation payment” means a payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function.

“Gratification” is defined in the MACCA to mean the following:

- a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) any valuable consideration of any kind, any discount, commission, rebate, bonus,



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deduction or percentage;

- e) any forbearance to demand any money or money's worth or valuable thing;
- f) any other service or favour of any description, 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, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

"Leadership Committee" means the committee in FAA that consists of the Chief Executive Officer (CEO), Chief Technical Officer (CTO), Chief Development Officer (CDO) and Chief Financial Officer (CFO), involved in making day-to-day key business decisions.

"Management" means immediate supervisors, Heads of Unit, Heads of Division and the CEO.

"Personal Gift" means something given from one individual to another, with the intention of creating or enhancing a personal relationship. The gifts are given in a private setting, without the knowledge or approval of the company management of one or both parties. Personal gifts may include cash, cash equivalents such as credit cards, bitcoin or savings accounts, electronic items, watches, luxury pens, property, vehicles, free fares, shares, interest free loans, lottery tickets, travel facilities, entertainment, services, club memberships, any forms of discount or commission, jewellery, decorations, souvenirs, vouchers or any other valuable items.

"Policy" means Anti-Corruption Policy for the Finance Accreditation Agency Bhd.

"Third-Party" means any external parties other than Employees and Directors, who are acting on behalf of the Company. This includes external assessors, appointed Subject Matter Experts, outsourcing partners and vendors, amongst others.



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2.0 ANTI-BRIBERY AND ANTI-CORRUPTION

2.1 PROHIBITION OF BRIBERY AND CORRUPTION

- 2.1.1 All forms of bribery and corruption are prohibited.
- 2.1.2 FAA upholds a zero-tolerance approach. FAA is committed to adhering to the highest standards of business conduct, ethics and being compliant with law and regulatory regime and is determined to play our role to address, control and prevent the menace of bribery and corrupt practices.
- 2.1.3 Bribery may take the form exchange of money, goods, services, property, privilege, employment position or preferential treatment. Employees shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit the Company or the persons involved in the transaction. In addition to bribery, Employees must not participate in any corrupt activity, such as extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.
- 2.1.4 This Policy applies equally to its business dealings with commercial ('private sector') and government ('public sector') entities, and includes interactions with their Directors, Employees, agents and other appointed representatives at all levels. Even the perception of bribery is to be avoided.
- 2.1.5 This policy also applies to all countries worldwide (e.g. when Employees are overseas, international assessors, etc.), without exception and without regard to regional customs, local practices or competitive conditions.
- 2.1.6 Employees who refuse to pay or receive bribes or participate in acts of corruption will not be penalised even if such refusal may result in the Company losing its business or not meeting the targets.



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2.2 BUSINESS CONDUCT ON EMPLOYMENT

- 2.2.1 FAA recognises the value of integrity in its Employees and Directors. FAA's recruitment, training, performance evaluation, remuneration, recognition, and promotion for all Employees, shall be designed to recognise integrity. FAA conducts due diligence on Employees who holds or may be holding, Exposed Positions.
- 2.2.2 FAA does not offer employment to prospective Employees in return for previous favour/in exchange of improper favour.
- 2.2.3 FAA awards contracts and Employee positions purely based on merits. Support letters in all forms shall not be recognised as part of the business decision making process.

2.3 BUSINESS CONDUCT ON THIRD-PARTY ARRANGEMENTS

- 2.3.1 FAA puts the same emphasis on value of integrity with any third-parties that act on behalf of FAA. This includes external assessors, appointed Subject Matter Experts, outsourcing partners and vendors.
- 2.3.2 FAA is committed to conducting due diligence checks on prospective third-party appointments, particularly as it relates to appointments to positions where a more than minor bribery or corruption risk has been identified.

2.4 RECOGNITION OF LOCAL AND INTERNATIONAL LEGISLATIONS

- 2.4.1 FAA is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including but not limited to MACCA, Malaysian Penal Code (revised 1977) (and its amendments), the Companies Act 2016 (Malaysia), the US Foreign Corrupt Practices Act 1977 (amended 1998), the UK Bribery Act 2010, and any other international laws that prohibit bribery and corruption, in countries where FAA may have business dealings in. In cases of conflict between mandatory law and the principles contained in this Policy the law shall prevail.



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2.5 GIFTS, ENTERTAINMENT AND TRAVEL (GET) AND DONATIONS AND SPONSORSHIPS

- 2.5.1** FAA prohibits both the giving and receiving of Gifts in all forms, including entertainment, travel, and donations to influence business decisions. Employees must comply with FAA's Policy on Gift and Sponsorship, as well as all applicable policies, procedures, laws and regulations related to the use of GET in all countries in which FAA has business dealings with.
- 2.5.2** FAA's Policy on Gift and Sponsorship does allow gifts if it is given from the Company's existing collaterals, i.e. Corporate Gifts. No Personal Gifts are allowed.
- 2.5.3** All gifts received from third party (with an estimated value of over RM100) would need to be declared by Employees. The scope of the Gift and Sponsorship policy also covers third parties acting on behalf of FAA including trainers and assessors.
- 2.5.4** Donations and sponsorships in the form of charity may be permissible depending on the circumstance but should be made directly to an official entity and be able to be disclosed publicly when required to. Reasonable sponsorship contributions by suppliers for seasonal celebrations or other types of annual parties or one-off events may be considered acceptable provided it is reasonable, proportionate, not a restricted practice and received/given in the furtherance of a normal business relationship. Any proposals or solicitations of sponsorship opportunities must be transparent and be approved by the CEO and/or the Leadership Committee.

2.6 FACILITATION PAYMENTS

- 2.6.1** FAA adopts a strict stance that disallows facilitation payments.
- 2.6.2** Employees are expected to notify their immediate superior when encountered with any requests for a facilitation payment. In addition, if a payment has been made and Employees are unsure of the nature, their immediate superior must be immediately notified and consulted. They must also ensure that the payment has been recorded transparently.
- 2.6.3** FAA upholds the safety of all Employees as priority. In the event that an Employee's safety is at stake, a facilitation payment to protect the Employee is permitted if:
- 2.6.3.1** that is the immediate available recourse to protect the safety of the Employee.
 - 2.6.3.2** the CEO's approval has been obtained; or, payment under the state of emergency had been undertaken, after which the CEO's approval must be retrospectively obtained as soon as possible.



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2.7 BUSINESS ASSOCIATES

- 2.7.1 As part of FAA's commitment to combat bribery, the Company expects all Business Associates to refrain from bribery.
- 2.7.2 If suspicion of bribery and corruption arises in the dealings with any Business Associate, the Company shall seek an alternative provider of the services / goods.
- 2.7.3 FAA expects all Business Associates acting on behalf of the Company to contractually agree to refrain from bribery and corruption, and to adhere to the Vendor Code of Business Conduct or Contract Agreement.
- 2.7.4 If FAA is not satisfied that bribery and corruption prevention has been upheld, due diligence shall be undertaken with regards to any Business Associate intending to act on the Company's behalf. The extent of the due diligence should be risk-based and shall include a bribery risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, and documenting the reasons for choosing one particular Business Associate over another.
- 2.7.5 FAA shall endeavour to include clauses in all contracts enabling the Company to terminate any contract in which bribery or corruption has been observed.

2.8 Responsibilities of Employees

- 2.8.1 Employees are responsible for understanding and complying with this Policy. In particular, the role of all Employees includes the following:
- 2.8.1.1 Be familiar with applicable requirements and directives of this policy and all other applicable policies, e.g. Employees' Code of Conduct, Gift and Sponsorship Policy, Whistleblowing Policy, etc.
- 2.8.1.2 Always raise suspicious transactions to immediate superiors for guidance on next course of action.
- 2.8.1.3 Promptly report violations or suspected violations through appropriate channels
- 2.8.1.4 If Employees received gifts which may be prohibited under the Gift and Sponsorship Policy, i.e. during festive seasons, etc. Promptly complete the Gift/Sponsorship Declaration Form if the amount is more than RM100.



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2.9 CONFLICT OF INTEREST

- 2.9.1 Conflicts of interest arise in situations where there is a personal interest that might be considered to interfere with that person's objectivity when performing duties or exercising judgement on behalf of the Company.
- 2.9.2 Employees should avoid or deal appropriately with situations in which personal interest could conflict obligations or duties. Employees must not use their position, official working hours, Company's resources and assets for personal gain or to the Company's disadvantage.
- 2.9.3 Conflicts of interests may arise with a selected group of individuals and entities, including:
- 2.9.3.1 Dealing with suppliers, customers, agents and competitors;
 - 2.9.3.2 Personal dealings with suppliers and customers;
 - 2.9.3.3 Outside employment and activities
 - 2.9.3.4 Board membership;
 - 2.9.3.5 Family members and close personal relationships; and
 - 2.9.3.6 Investment activities.
- 2.9.4 In situations where confronted with such conflict, Employees are required to inform their supervisors accordingly. In cases where an Employee is aware of another Employee's possible conflict of interest, the Employee may report by adhering to the Whistleblowing Policy.

2.10 STAFF DECLARATION

- 2.10.1 All new recruits shall be made aware of the Employee's Code of Conduct, this Policy and any other related policies.
- 2.10.2 In addition, under circumstances of suspicious behaviour, allegations and/or investigations relating to bribery or corruption, the CEO and Human Resources reserve all rights to request the relevant Employee to declare information regarding assets owned as deemed necessary.

2.11 ANTI-BRIBERY AND ANTI-CORRUPTION COMPLIANCE

- 2.11.1 Risk Management and Compliance Unit (RMCU) shall have the oversight of the implementation of compliance controls related to this Policy.
- 2.11.2 RMCU shall conduct regular risk assessments to identify the bribery and corruption risks potentially affecting the Company. RMCU shall also review the suitability of this Policy from time to time, taking into account relevant developments in the legislature as well as evolving



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industry and international standards.

2.11.3 RMCU shall implement and effectively manage routine anti-bribery and anti-corruption measures as deemed appropriate to protect the Company against possible legislative liabilities, as well as undertake ad-hoc measures deemed required based on circumstantial requirements that presents during the course of operations.

2.12 AWARENESS AND TRAINING

2.12.1 FAA shall ensure that awareness programmes are conducted for all Employees to refresh awareness of anti-bribery and anti-corruption measures, and to continuously stress upon the importance to uphold integrity and ethics. In addition, FAA shall provide awareness on anti-bribery and anti-corruption to new recruits and Employees promoted / transferred to Exposed Positions.

2.12.2 RMCU and Human Resources (HR) may at any time recommend that certain trainings be repeated to any Employee, Unit or Division if deemed necessary based on circumstantial requirements.

2.12.3 HR shall maintain all records of trainings attended by each Employee.

2.13 REPORTING OF POLICY VIOLATIONS

2.13.1 Employees who encounter actual or suspected violations of this Policy are required to report their concerns. Each Employee has a responsibility to ensure that suspected bribery and corruption incidents are reported promptly.

2.13.2 FAA practices an open-door policy and encourages all Employees to share concerns and suggestions with superiors and colleagues who are able to address them in an appropriate manner.

2.13.3 FAA sets out secured whistleblowing channels as outlined in FAA's Whistleblowing Policy and Procedures. Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.



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2.14 NON-COMPLIANCE

2.14.1 RMCU shall conduct regular validation to ensure compliance to this Policy. Such validation exercises may be conducted either independently by RMCU or in collaboration with external consultants.

2.14.2 Non-compliance identified by the validation or identified through other risk assessments undertaken shall be reported to the Audit, Risk and Compliance Committee (ARCC).

2.15 CONTINUOUS IMPROVEMENT

2.15.1 FAA is committed to continually improve its policies and procedures relating to anti-bribery and anti-corruption.

2.16 SANCTIONS FOR NON-COMPLIANCE

2.16.1 FAA regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, up to and including termination of employment. Further legal action may also be taken in the event that the Company's interests have been harmed as a result of non-compliance.

2.16.2 FAA shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.

2.16.3 Where notification to the relevant regulatory authorities have been done, the Company shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Employees.

2.17 Waiver

2.17.1 Any deviation or waiver from this policy must be approved either by the ARCC or Board of Directors.

