Best Practice Checklist

Construction Quality Control Testing

Corruption Prevention Department
Corruption within the construction industry resulting in substandard works would not only affect the quality of buildings but also threaten public safety. In serious cases, this may give rise to possible claims on the parties concerned and damage the reputation of the construction industry.

Construction quality control involves testing and inspection of materials and works. The process is corruption prone because the cost of material and workmanship is substantial in construction projects. Hence, there is an incentive for unscrupulous contractors to cover up substandard materials or works through offering bribes to the site staff. Common malpractice revealed in past corruption cases includes manipulation in sampling of materials for testing, substitution of test samples, falsification of test reports, and false or selective reporting of field tests.

This Best Practice Checklist aims at providing persons involved in quality control of materials and works in construction projects with a practical step-by-step guide with recommendations on safeguards to prevent abuse and corruption. Users are expected to suitably adapt the recommended safeguards to meet their operational needs.

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The Advisory Services Group of the Corruption Prevention Department of the Independent Commission Against Corruption provides free, confidential, and tailor-made corruption prevention service to private companies on request. The Group also stands ready to tender further advice on how to apply the recommended practices in this Best Practice Checklist to suit individual needs. For more information, please contact the Group at:

- Telephone No. : 2526 6363
- Fax No. : 2522 0505
- E-mail Address : asg@cpd.icac.org.hk
How to Use This Best Practice Checklist

For quick and easy reference, users will find the following icons throughout this Best Practice Checklist. They serve to lead users to the information required:

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<td>Reference Guideline – standard code of conduct, procedural guideline or work manual for quick reference</td>
</tr>
<tr>
<td><img src="image" alt="Sample Form" /></td>
<td>Sample Form – samples forms for adoption where applicable</td>
</tr>
<tr>
<td><img src="image" alt="Legislation" /></td>
<td>Legislation – extracts of relevant ordinances</td>
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</table>
### Checklist of Recommended Practices

<table>
<thead>
<tr>
<th>Responsible Parties</th>
<th>Recommended Control Measures</th>
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</thead>
<tbody>
<tr>
<td><strong>Owner’s Project Team/Consultant</strong></td>
<td></td>
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<tr>
<td></td>
<td>□ Appoint Testing Laboratories to conduct quality control tests (selection and appointment preferably made by project owners or consultants) (<a href="#">Chapter 3</a>).</td>
</tr>
<tr>
<td><strong>Owner’s Project Team/Consultant/Contractor/Testing Laboratory</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>□ Issue a code of conduct (<a href="#">Appendix 1</a>) to provide guidelines to employees on ethical practices when dealing with work related to the project.</td>
</tr>
<tr>
<td></td>
<td>□ Include in the code of conduct:</td>
</tr>
<tr>
<td></td>
<td>● the organization’s or company’s core values, mission statement if appropriate, and stance on anti-corruption.</td>
</tr>
<tr>
<td></td>
<td>● the policy governing solicitation and acceptance of advantages and entertainment, with reference to the relevant provisions under the Prevention of Bribery Ordinance (<a href="#">Annex 1</a> of Appendix 1) and the procedures for handling acceptance.</td>
</tr>
<tr>
<td></td>
<td>● guidelines on reporting the gifts received (<a href="#">Annex 2</a> of Appendix 1), declaration of conflict of interest and the procedures for handling the declared conflicts (<a href="#">Annex 3</a> of Appendix 1).</td>
</tr>
<tr>
<td></td>
<td>● the policy for staff taking outside or part-time jobs and the procedures for approval, if applicable.</td>
</tr>
<tr>
<td></td>
<td>● rules for protection and use of confidential or proprietary information.</td>
</tr>
<tr>
<td></td>
<td>● rules for use of resources of the organization or company such as vehicles and computers and their disposal.</td>
</tr>
</tbody>
</table>

| Owner’s Project Team/Consultant |
| | □ Include in the contract with the appointed laboratories clauses requiring them to commit to ethical practices ([Appendix 2](#)) and require the laboratories to submit, as part of the payment application, a declaration pledging compliance with the clauses ([Annex](#) of Appendix 2). |
2 Setting up a Quality Management System

<table>
<thead>
<tr>
<th>Responsible Parties</th>
<th>Recommended Control Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner’s Project Team</td>
<td>□ Appoint a Quality Manager (at a senior level) with adequate knowledge and experience in quality assurance in the construction field.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Quality Manager</th>
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<tbody>
<tr>
<td>□ Select an accredited laboratory through competitive means and require the appointed laboratory to declare any conflict of interest with the consultants or contractors involved in the project (the same should be required of the consultant if they are tasked to select a laboratory).</td>
</tr>
<tr>
<td>□ Develop a Quality Management System and put in place effective measures to monitor compliance with the quality requirements by the Contractors.</td>
</tr>
<tr>
<td>□ Conduct technical audits on the quality of works for safety critical processes on site as appropriate and compile Quality Audit Reports, highlighting any sub-standard materials/works, for management information.</td>
</tr>
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<table>
<thead>
<tr>
<th>Owner’s Project Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Review the Quality Audit Reports and follow up on the recommendations for improvement, as necessary.</td>
</tr>
</tbody>
</table>

3 Components of a Quality Management System

<table>
<thead>
<tr>
<th>Responsible Parties</th>
<th>Recommended Control Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner’s Project Team/Consultant</td>
<td>□ Directly engage testing laboratories to perform sampling and testing of materials under the contract and avoid allowing the contractor to hire the testing laboratories direct as this would give rise to conflict of interest.</td>
</tr>
</tbody>
</table>
Accreditation

Owner’s Project Team/Consultant

☐ Appoint laboratories to provide only those testing services accredited under the Hong Kong Laboratory Accreditation Scheme.

Service Requirements

Owner’s Project Team/Consultant

☐ Define clearly in the works contract all quality requirements, testing standards and frequencies, and acceptance criteria for materials and completed works.

☐ Specify in the works contract and the quality control testing contracts the independent role of the testing laboratories and the requirement of an arm’s length working relationship between the contractor and the testing laboratories.

☐ Specify in the quality control testing contracts the requirement for the testing laboratories to protect the integrity of test samples and direct reporting of test results to the owners’ project team or consultant.

Management of Quality Control Tests

Responsible Parties

Recommended Control Measures

Job Instructions

Consultant

☐ Issue formal instructions to the testing laboratory for each test to be carried out.

☐ Obtain approval of the owners’ project team for any variations to the method or scope of tests specified in the works contract, especially those with cost implications, with the justification recorded.

Sampling Procedures

Consultant

☐ Ensure the sampling rate yields a representative sample that is statistically significant for the purpose of control.

☐ For critical structural elements, require 100% testing (e.g. radiography of critical welds) or 100% preparation for sampling tests with an actual lower percentage of sampling (e.g. sonic testing of large piles where only a proportion of the cast in tubes may be selected for testing).

☐ Bring in a degree of randomness in the sampling process.
### Integrity of Samples / Components

**Consultant**
- Prohibit the contractors and sub-contractors from taking samples or participating in the storage and transportation of samples except under supervision, and assign a person to keep all collected samples in safe custody throughout the process until handing over to the laboratory.

- Ensure proper documentation of hand-over of samples to the laboratory.

- For site tests that require a few days to set up (e.g. loading test on piles), closely monitor site activities to prevent tampering of the component selected for testing (e.g. setting up CCTV with remote access to monitor site activities at night).

**Testing Laboratory**
- Ensure that the sampling process is traceable until the stage of final testing and reporting if the laboratory is responsible for taking and transporting test samples.

### Test Component / Sample Identification and Test Data

**Consultant/Testing Laboratory**
- Ensure accurate identification and traceability of test components / samples together with the related test data, such as by using unique identifiers.

### Parallel Testing

**Consultant**
- Employ a second laboratory as necessary to conduct parallel testing of materials or works on a selective basis, having regard to the nature of works (e.g. complex and safety critical) and past testing performance of the first testing laboratory.

### Supervision and Logistical Support

**Consultant**
- Depending on the nature of the required test, deploy site staff or representatives to supervise site test or sample taking for laboratory test, and provide logistical support for testing.
Recommended Control Measures

Test Certificates and Reports

- Produce valid or latest calibration certificates, test reports or test certificates for the testing equipment used for the field test.

- Report directly to the owner’s project team or consultant in the specified manner (e.g. sealed packet delivery) without routing through any intermediaries.

- Keep securely the test reports and blank certificates during all stages of reporting.

- Standardize the test report format to ensure all necessary information is included for the proper interpretation of the test results.

- Incorporate in the test reports the following key features:
  - Unique identification of the certificate or report with serially numbered pages and total page number quoted.
  - The name, title and role of the independent witness attending the test.
  - Description and precise identification of sample, component or item tested, together with any distinguishing characteristics.
  - Reference to sampling procedures adopted, if relevant.
  - Measurements and derived results supported by sketches, tables, graphs, and photographs as appropriate, together with the description of any recognized failure modes.
  - The name, signature and title of the person responsible for the test and content of the report.
  - A statement requiring that the test certificate or report should not be copied or reproduced, in part or in full, without the written permission of the issuing laboratory and client.

Test Report Amendments

- Reject the test reports and certificates if they have been altered or amended in any manner.
Accept amendments to test reports and certificates only if the amendments are submitted in the form of a separate amendment document, clearly identified as a supplement to the previous report and meeting all requirements for reporting (e.g. properly certified by a responsible staff member of the laboratory).

<table>
<thead>
<tr>
<th>6</th>
<th>Monitoring Testing Laboratories’ Performance</th>
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</thead>
<tbody>
<tr>
<td><strong>Responsible Parties</strong></td>
<td><strong>Recommended Control Measures</strong></td>
</tr>
<tr>
<td><strong>Performance Evaluation and Reporting</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Owner</strong></td>
<td>□ Set up procedures for appraisal of the testing services provided at the end of a contract if the laboratory is engaged as a term contractor or for recording of adverse performance which should be taken into account in future appointment of laboratories ( Chapters 1 and 3).</td>
</tr>
<tr>
<td></td>
<td>□ Terminate the contract if the performance is consistently unsatisfactory.</td>
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</table>

<table>
<thead>
<tr>
<th>7</th>
<th>Staff Rotation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Responsible Parties</strong></td>
<td><strong>Recommended Control Measures</strong></td>
</tr>
<tr>
<td><strong>Consultant</strong></td>
<td>□ Rotate staff in sensitive jobs, such as supervision of quality control tests on site, as far as practicable.</td>
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</tbody>
</table>
**APPENDIX 1**

**SAMPLE CODE OF CONDUCT**

**Introduction**

1. The (name of company) (hereafter referred to as the Company) regards honesty, integrity and fair play as our core values that must be upheld by all directors and staff of the Company at all times. This Code sets out the basic standard of conduct expected of all directors and staff, and the Company’s policy on acceptance of advantage and handling of conflict of interest when dealing with the Company’s business.

**Prevention of Bribery**

**Prevention of Bribery Ordinance**

2. Under the Prevention of Bribery Ordinance (the Ordinance), any director or staff member who, without the permission of his employer or principal (i.e. the Company), solicits or accepts an advantage as a reward or inducement for doing any act or showing favour in relation to the latter’s business, commits an offence. The person offering the advantage also commits an offence.

*(The relevant provisions of Section 9 of the Ordinance and the definition of “advantage” are detailed at Annex 1.)*

**Acceptance of Advantage**

3. It is the Company’s policy that directors and staff, in their private capacity, should not solicit or accept an advantage from any person, company or organization having business dealings with the Company, except that they may accept (but not solicit) the following advantages when offered on a voluntary basis:

(a) advertising or promotional gifts or souvenirs of a nominal value; or  
(b) gifts given on festive or special occasions, subject to a maximum limit of $_________ in value; or

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1 “Staff” cover full-time, part-time and temporary staff, except where specified.
(c) discounts or other special offers given by any person or company to them as customers, on terms and conditions equally applicable to other customers in general; or

(d) gifts or souvenirs of nominal value presented to them in official functions.

No director or staff member should, in his/her private capacity, accept any advantage from a subordinate, except those mentioned in paragraphs (a) and (b) above.

4. Gifts or souvenirs described in paragraph 3(d) above are deemed as offers to the Company. The directors and staff members concerned should report the acceptance to the Company and seek direction as to how to handle the gifts or souvenirs from the approving authority\(^ 2\) using Form A (Annex 2). If a director or staff member wishes to accept any advantage not covered in paragraph 3, he/she should also seek permission from the approving authority using Form A.

5. However, a director or staff member should decline an offer of advantage if acceptance could affect his/her objectivity in conducting the Company’s business or induce him/her to act against the interest of the Company, or acceptance will likely lead to perception or allegation of impropriety.

6. If a director or staff member has to act on behalf of a client in the course of carrying out the Company’s business, he/she should also comply with any additional restrictions on acceptance of advantage that may be set by the client.

**Offer of Advantage**

7. Directors and staff are prohibited from offering advantages to any director or staff of another company or organization, 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 Company’s business.

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\(^2\) Specify the post of the approving authority in the Code and the Form.
**Entertainment**

8. As defined in Section 2 of the Ordinance, “entertainment” refers to food or drink provided for immediate consumption on the occasion, and any other entertainment provided at the same time. Although entertainment is an acceptable form of business and social behaviour, a director or staff member should avoid accepting overly lavish or frequent entertainment from persons with whom the Company has business dealings (e.g. suppliers or contractors) or from his/her subordinates to avoid placing himself/herself in a position of obligation.

**Records, Accounts and Other Documents**

9. Directors and staff should ensure that all records, receipts, accounts or other documents they submit to the Company, give a true representation of the events or business transactions as shown in the documents. Intentional use of documents containing false information to deceive or mislead the Company, regardless of whether there is any gain or advantage involved, may constitute an offence under the Ordinance.

**Compliance with Laws of Hong Kong and in Other Jurisdictions**

10. Directors or staff must comply with all local laws and regulations when conducting the Company’s business, and also those in other jurisdictions when conducting business there.

**Conflict of Interest**

11. Directors and staff should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Company) or the perception of such conflicts. They should not misuse their position or authority in the Company to pursue their own private interests which include both financial or personal interests and those of their family members, relatives or close personal friends. When actual or potential conflict of interest arises, the director or staff member should make a declaration to the management through the reporting channel using Form B (Annex 3).
12. Some common examples of conflict of interest are described below but they are by no means exhaustive:

(a) a staff member involved in a procurement exercise is closely related to or has financial interest in the business of a supplier who is being considered for selection by the Company.

(b) one of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the staff member involved in the process.

(c) a director of the Company has financial interest in a company whose quotation or tender is under consideration by the Board.

(d) a staff member (full-time or part-time) undertaking part-time work with a contractor whom he is responsible for monitoring.

Use of Company Assets

13. Directors and staff in charge of or having access to any Company assets, including funds, property, information, and intellectual property, should use them solely for the purpose of conducting the Company’s business. Unauthorized use, such as misuse for personal gain, is strictly prohibited.

Confidentiality of Information

14. Directors and staff should not disclose any classified information of the Company without authorization or misuse any Company information (e.g. unauthorized sale of the information). Those who have access to or are in control of such information, including information in the Company’s computer system, should at all times protect the information from unauthorized disclosure or misuse. Special care should also be taken in the use of any personal data, including directors’, staff’s and customers’ personal data, to ensure compliance with the Personal Data (Privacy) Ordinance (Cap. 486).
**Outside Employment**

15. Any full time staff who wish to take up employment outside the Company, must seek the prior written approval of the approving authority. The approving authority should consider whether the outside employment would give rise to a conflict of interest with the staff’s duties or the interest of the Company.

**Relationship with Suppliers, Contractors and Customers**

**Gambling**

16. Directors and staff are advised not to engage in frequent gambling activities (e.g. mahjong) with persons having business dealings with the Company.

**Loans**

17. Directors and staff should not accept any loan from, or through the assistance of, any individual or organization having business dealings with the Company. There is however no restriction on borrowing from licensed banks or financial institutions.

*[The Company may wish to include other guidelines on the conduct required of directors and staff in their dealings with suppliers, contractors, customers, and other business partners as appropriate to specific trades]*

**Compliance with the Code**

18. It is the responsibility of every director and staff member of the Company to understand and comply with this Code, whether performing his company duties in or outside Hong Kong. Managers and supervisors should also ensure that the staff under their supervision understand well and comply with this Code.

19. Any director or staff member in breach of this Code will be subject to disciplinary action, including termination of appointment. In cases of suspected corruption a report should be made to the ICAC and other criminal offences, to the appropriate authority.
20. Any enquiries about this Code or reports of possible breaches of this Code should be made to (post of designated senior staff).

__________________________________

(Name of Company)

Date:
Section 9

(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 purpose 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 purpose of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

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.
‘Entertainment’ means –

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

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

REPORT ON GIFTS RECEIVED

Part A – To be completed by Receiving Staff

To :  (Approving Authority)

Description of Offeror :

Name & Title of Offeror :  

Company :  

Relationship (Business / Personal) :  

Occasion on which the gift was / is to be received :  

Description and (assessed) value of the gift :  

<table>
<thead>
<tr>
<th>Suggested Method of Disposal</th>
<th>Remark</th>
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</thead>
<tbody>
<tr>
<td>(      ) Retain by the Receiving Staff</td>
<td></td>
</tr>
<tr>
<td>(      ) Retain for Display / as a Souvenir in the Office</td>
<td></td>
</tr>
<tr>
<td>(      ) Share among the Office</td>
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<tr>
<td>(      ) Reserve as Lucky Draw Prize at Staff Function</td>
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<tr>
<td>(      ) Donate to a Charitable Organization</td>
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<tr>
<td>(      ) Return to Offeror</td>
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<tr>
<td>(      ) Others (please specify) :</td>
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</tbody>
</table>

________________________________________________________________________

(Name of Receiving Staff)

(Date)  (Title)

Part B – To be completed by Approving Authority

To :  (Name of Receiving Staff)

The recommended method of disposal is *approved / not approved.  *The gift(s) concerned should be disposed of by way of :  

________________________________________________________________________

(Name of Approving Authority)

(Date)  (Title)

* Delete as appropriate.
(Company Name)

DECLARATION OF CONFLICT OF INTEREST

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

To: *(Approving Authority) via (Supervisor of the Declaring Staff)*

I would like to report the following actual / potential* conflict of interest situation arising during the discharge of my official duties:-

<table>
<thead>
<tr>
<th>Persons/companies with whom/which I have official dealings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>My relationship with the persons / companies (e.g. relative)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Relationship of the persons / companies with our Company (e.g. supplier)</td>
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<td></td>
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<tr>
<td>Brief description of my duties which involved the persons / companies (e.g. handling of tender exercise)</td>
</tr>
</tbody>
</table>

_______________________________
(Name of Declaring Staff)
(Date) (Title / Department)

Part B – Acknowledgement *(To be completed by Approving Authority)*

To: *(Declaring Staff) via (Supervisor of the Declaring Staff)*

Acknowledgement of Declaration

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

- You should refrain from performing or getting involved in performing the work, as described in Part A, which may give rise to a conflict.
- You may continue to handle the work as described in Part A, provided that there is no change in the information declared above, and you must uphold the Company’s interest without being influenced by your private interest.
- Others (please specify): ________________________________

_______________________________
(Name of Approving Authority)
(Date) (Title / Department)
* Delete as appropriate.
Information not to be Divulged

(A) The Testing Laboratory shall not use or divulge, except for the purpose of the Contract, any information provided by [name of the Project Owner] (hereafter referred to as the Project Owner) in the Contract or in any subsequent correspondence or documentation. Any disclosure to any person or agent for the purpose of the Contract shall be in strict confidence and shall be on a "need to know" basis and extend only so far as may be necessary for the purpose of this Contract. The Testing Laboratory shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that information is not divulged for purposes other than that of this Contract by such person or agent. The Testing Laboratory shall indemnify and keep indemnified the Project Owner against all loss, liabilities, damages, costs, legal costs, professional and other expenses of any nature whatsoever the Project Owner may suffer, sustain or incur, whether direct or consequential, arising out of or in connection with any breach of the aforesaid non-disclosure provision by the Testing Laboratory or his directors, employees or agents.

Prevention of Bribery

(B) The Testing Laboratory shall prohibit his directors, employees and agents who are involved in this Contract from offering, soliciting or accepting any advantage as defined in the Prevention of Bribery Ordinance, Cap 201 when conducting business in connection with this Contract.

Declaration of Interest

(C) The Testing Laboratory shall require his directors, employees and agents who are involved in this Contract to declare in writing to the Testing Laboratory any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract. In the event that such conflict or potential conflict is disclosed in a declaration, the Testing Laboratory shall forthwith take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed.

(D) The Testing Laboratory shall prohibit his directors and employees who are involved in this Contract from engaging in any work or employment other than in the performance of this Contract, with or without
remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract. The Testing Laboratory shall also require their agents to impose similar restriction on their directors and employees by way of a contractual provision.

(E) The Testing Laboratory shall take all necessary measures (including by way of a code of conduct or contractual provisions and where appropriate) to ensure that his directors, employees and agents are aware of the prohibitions in this clause.

Testing Laboratory’s Declaration

(F) The Testing Laboratory shall also submit a signed declaration in a form (Annex) prescribed or approved by the Project Owner to confirm compliance with the provisions on ethical commitment as stated in the aforesaid sub-clauses (A), (B), (C), (D) and (E). If the Testing Laboratory fails to submit the declaration as required, the Project Owner shall be entitled to withhold payment until such declaration is submitted and the Testing Laboratory shall not be entitled to interest. To demonstrate compliance with the aforesaid sub-clauses (A), (B), (C), (D) and (E) on confidentiality, prevention of bribery, and declaration of interest, the Testing Laboratory is required to deposit with the Project Owner a code of conduct issued to their directors and staff.
Declaration Form by Testing Laboratory on Their Compliance with the Ethical Commitments Requirements

To: [Name of the Project Owner]

Contract No.: ………………………
Title: ……………………………….

In accordance with the Ethical Commitment clauses of the Contract, we confirm that we have complied with the following provisions and have ensured that our directors, employees, agents are aware of the following provisions:

(a) Prohibiting our directors, employees and agents who are involved in this Contract from offering, soliciting or accepting any advantage as defined in section 2 of the Prevention of Bribery Ordinance, Cap 201 when conducting business in connection with this Contract;

(b) Requiring our directors, employees and agents who are involved in this Contract to declare in writing to us any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract. In the event that a conflict or potential conflict is disclosed, we will take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed;

(c) Prohibiting our directors and employees who are involved in this Contract from engaging in any work or employment other than in the performance of this Contract, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract;

(d) Taking all measures as necessary to protect any confidential/privileged information or data entrusted to us by or on behalf of the Project Owner from being divulged to a third party other than those allowed in this Contract.

(Name of the Testing Laboratory) ………………….
(Name of the Signatory) …………………
(Position of the Signatory) ………………….
(Date) ………………….