



ICAC

Elevating Governance Excellence with Integrity Compliance Management System

Corruption Prevention Department, ICAC

What are driving companies to elevate governance?



- **Global Capital Shift**

- According to Bloomberg, global ESG assets are projected to surpass USD40 trillion by 2030, accounting for over 25% of projected USD140 trillion assets under management.
- Investors are investing in companies with robust corporate governance.



- **International Legal Landscape**



- Governments demand stricter compliance with anti-corruption laws
 - UK Bribery Act
 - US Foreign Corrupt Practices Act
 - Australian Crimes Legislation Amendment (Combatting Foreign Bribery) Act 2024

Anti-corruption Requirements for Listed Companies

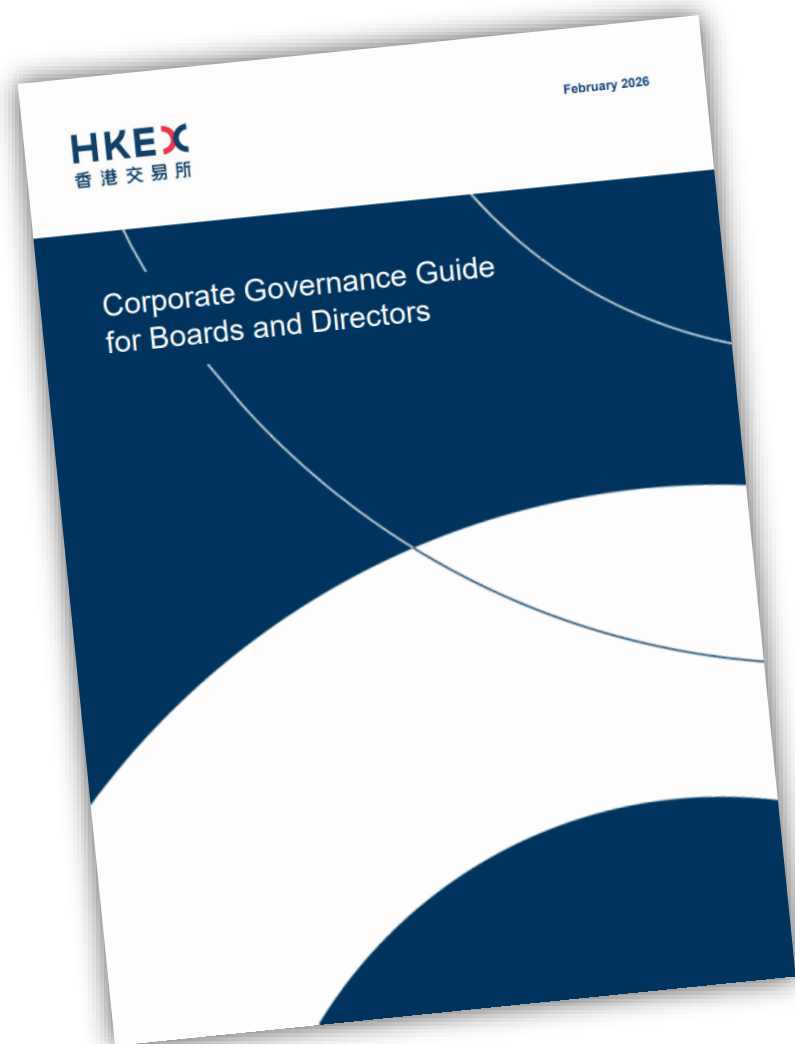


- **HKEX Listing Rules**

- Corporate Governance Code D.2.4 specifically requires issuers to “establish policy(ies) and system(s) that promote and support anti-corruption laws and regulations”.
- ESG Reporting Code Part C: Aspect B7 “Anti-corruption” requires issuers to disclose information and three KPIs on anti-corruption.



HKEX Corporate Governance Guide for Boards and Directors



Policies and Systems on Whistleblowing and Anti-corruption

- “The **ICMS** provides a comprehensive framework of integrity policies and measures to help build an issuer’s capacity to uphold integrity and detect and prevent corruption. Issuers are encouraged to adopt the ICMS...”



Integrity Compliance Management System (ICMS)



Origin



- **First joint research** of ICAC & Tsinghua University
- Dovetail national policy: “...encourage enterprises to establish an **effective and comprehensive integrity compliance management system**” (Principle 13 of High-level Principles on Belt and Road Integrity Building)
- Echo international advocacy: “...States parties...to promote the adoption of **comprehensive integrity programmes** in the private sector...” (10th Conference of the States Parties to United Nations Convention against Corruption)
- **A comprehensive, practical and sustainable integrity management standard for every company**
- First target group: **listed companies**

ICMS Five Components



Component 1: Integrity Policy & Code of Conduct



Establish an Integrity Policy covering core elements of the sample policy



Establish a Code of Conduct covering core elements of the sample code



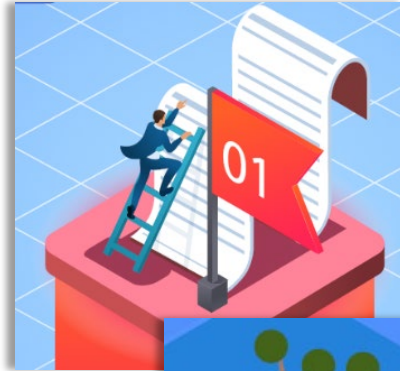
Communicate the integrity standards & requirements

Explanatory Note:

The company may...

- make reference to ICAC samples
- use its own language
- establish separate docs., or integrate them into a single one

Component 2: Integrity Capacity & Culture Building



Provide regular integrity training for directors and staff



Cultivate an integrity culture



Engage stakeholders

Component 3: Integrity Risk Management



1 Identify & prioritise functional / business areas with material integrity risks



2 Assess the integrity risks and device risk-mitigation measures



3 Monitor the implementation of measures

Explanatory Note:
The company may develop its own methodology for managing integrity risks

Component 4: Corruption Detection & Reporting Mechanism (CDRM)



1 Devise measures for detecting corruption



2 Establish a corruption reporting policy covering core elements of the sample policy



3 Implement CDRM

Explanatory Note:

Company may...

- make reference to ICAC sample
- use its own language
- enhance the whistleblowing policy

Component 5: ICMS Audit



Conduct periodic audits / reviews



Implement recommendations arising from audits / reviews



Monitor implementation of recommendations

ICMS: Your Pathway to Elevate Governance Excellence



- Corporate Governance Code D.2.4 specifically requires issuers to “establish policy(ies) and system(s) that promote and support anti-corruption laws and regulations”.
- ESG Reporting Code Part C: Aspect B7 “Anti-corruption” requires issuers to disclose information on (a) the policies; and (b) compliance with relevant laws and regulations relating to bribery, etc., as well as three KPIs on anti-corruption -
 - **KPI B7.1 - Number of concluded legal cases** regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases;
 - **KPI B7.2 - Description of preventive measures and whistleblowing procedures**, and how they are implemented and monitored; and
 - **KPI B7.3 - Description of anti-corruption training** provided to directors and staff.



ICMS Roadmap



Launching ceremony
of ICMS



Sep 2026

ICMS Professional
Certification Course



Nov 2026

First ICMS
Cohort



2027 Q1

More
initiatives to
come



2027 Q2 & beyond

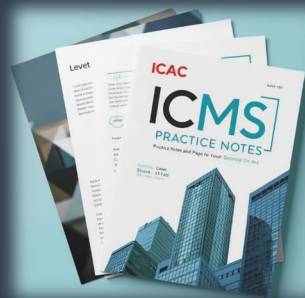


Stay Tuned for Updates on ICMS

Dedicated website (to be launched) with various ICMS resources



Playbook



Practice Note



Marketing Videos



Digital Tools

Free, confidential and tailor-made service

- Provide corruption prevention advice on -
 - strengthening internal controls / establishing ICMS
 - formulating company's code of conduct
- Offer integrity training



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Thank you