

THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA

ANTI-BRIBERY AND CORRUPTION POLICY

1. Introduction

The Institute of Internal Auditors Malaysia ("IIA Malaysia" or the "Institute") is committed to conducting its business lawfully and ethically.

IIA Malaysia has established this Anti-Bribery and Corruption Policy ("Policy") to set out the Institute's expectations for internal and external parties working for and on behalf of the Institute in upholding the Institute's zero-tolerance stance against bribery and corruption.

This Policy, which may be amended from time-to-time, is approved by the Board of Governors of IIA Malaysia. The latest version of this Policy is made available on our website. Should there be any conflicts between this Policy and applicable laws, the law shall prevail.

2. Scope

This Policy is generally applicable to the Institute's Governors, members of all Committees, Secretariat, suppliers, service providers, business associates, and any third parties acting on the Institute's behalf, unless otherwise stated in the specific policies referred to in this Policy.

3. What is Bribery?

"Bribery" refers to the act of corruptly giving, agreeing to give, authorising, promising, offering, soliciting, receiving, or agreeing to receive any gratification, whether directly or indirectly. Gratification can take various forms, including monetary, non-monetary, services, favours, or any form of benefit or advantage.

A gratification that is given or received with corrupt intent, either as an inducement to gain or provide an undue advantage or reward for having gained or provided an undue advantage is considered a bribe/ corruption.

A gratification that is given or received with the corrupt intent to influence the intended recipient's judgement, views, or conduct, is considered a bribe/ corruption.

A gratification that is given or received with corrupt intent, including to induce or reward the improper performance of a party, or to obtain or retain business advantage, is considered a bribe/ corruption.

The Malaysian law, or more specifically, the Malaysian Anti-Corruption Commission Act 2009 (amended 2018) ("MACC Act 2009 (amended 2018)") prohibits a person or a commercial organisation from giving or receiving bribes/ corruption, including via agents or associates. Contravention of the law may result in fines and/or imprisonment of up to 20 years.

[Refer to **Section 16** and **Section 17** of the MACC Act 2009, and **Section 17A** of the MACC Act 2009 (amended 2018)]

4. Our Anti-Bribery and Corruption Stances

- I. IIA Malaysia adopts a zero-tolerance approach towards bribery and corruption and will not pay or receive bribes or corrupt gratification to or from anyone for any purpose.
- II. The Institute takes the upholding of its anti-bribery and corruption stances across the Institute's business seriously and expects the same from stakeholders internal and external to the Institute's business, extending to all the Institute's business dealings and activities.
- III. Governors, members of all Committees, Secretariat, suppliers, service providers, business associates, and any third parties working for and on behalf of the Institute shall adhere to and observe the Institute's anti-bribery and corruption stances and relevant provisions of this Policy.
- IV. The Institute treats any violation of this Policy seriously and will undertake necessary actions, including, but not limited to, review of employment or appointment, disciplinary actions, dismissal, and reporting to the authorities, consistent with the relevant laws and regulations.

5. Definitions

The following definitions and interpretations shall apply to this Policy:

"bribery"	refers to the act of corruptly authorising, giving, agreeing to give, promising, offering, soliciting, receiving, or agreeing to receive any gratification, whether directly or indirectly;
"business associates"	includes the Institute's joint-venture entities, joint-venture partners and business partners;
"Committees"	include the Audit Committee, Professional Development Committee, Professional Services Committee, Certification and Academic Relations Committee and Research & Technical Advisory Committee, Internal Quality Assurance Committee and Nomination & Remuneration Committee.
"corruption"	shall have the definition consistent with that provided by <i>Transparency International</i> , which is: the abuse of entrusted power for private gain.
"facilitation payments"	shall have the definition consistent with that provided by <i>Transparency International</i> , which is: a small bribe, also called a 'facilitating', 'speed', or 'grease' payment, made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement;
"giving" or "paying" a bribe	refers to actions amounting to the act of corruptly authorising, giving, agreeing to give, promising, or offering a gratification by a person associated;
"gratification"	shall have the meaning as defined in the MACC Act 2009, i.e.: (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, 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);

"receiving" a bribe	refers to actions amounting to the act of soliciting, receiving or agreeing to receive a gratification by a person associated; and
"Secretariat"	include full-time, part-time, probationary, contract and temporary employees (including trainees or interns)
"suppliers/ service providers"	includes the vendors, consultants, trainers, assessors, financial institutions, advisors, and any person or institution which performs services for or on behalf of the Institute.
"person associated"	refers to Governors and Secretariat of IIA Malaysia or a person (individual or organisation) who performs services for or on behalf of IIA Malaysia.

6. Gifts, Entertainment, Hospitality and Travel

While the giving and receiving of gifts, entertainment, hospitality or travel are not prohibited, they must not be made with the intention to, or perceived to be able to, improperly influence any business-related decisions or outcome. Gifts, entertainment, hospitality or travel which may improperly influence any business-related decisions or outcome is construed as a bribe or corruption.

Hence, Governors, members of all Committees, Secretariat, suppliers, service providers, and business associates must avoid giving or receiving gifts, entertainment, hospitality or travel which may be construed as a bribe or corruption. IIA Malaysia's business dealings, such as purchase orders, sales, and contracts, shall be conducted based on business merits, such as price competitiveness, quality of goods and services, and track records.

All gifts, entertainment, hospitality and travel provided or received, either in a personal capacity or the Institute's capacity, shall be authorised, processed, and recorded in accordance with the Institute's **Gift, Entertainment, Hospitality and Travel Policy**.

7. Facilitation payments

Facilitation payments include unofficial and improper payments or benefits, such as gifts or entertainment, provided to secure or expedite a routine or necessary action to which the

Institute is legally entitled. Facilitation payments are bribes and they could be small in value and solicited by both the public and private sectors.

The Institute, its Governors, members of all Committees, Secretariat, suppliers, service providers, and business associates are prohibited from, directly or through a third party, give or receive facilitation payments. The Institute has formalised a **Facilitation Payments Policy** to provide guidance in relation to facilitation payments.

8. Donations and Sponsorships

Donations and sponsorships made by the Institute, if any, are philanthropic in nature and must never be made with the intention to, or perceived to be able to, influence any business-related decisions or outcome.

To avoid situations where there could be an actual or perceived conflict of interest, the Institute shall not make contributions or donations to, or sponsor any events of, an interested or related party, including but not limited to, Governors, members of all Committees, Secretariat, suppliers, service providers, business associates, authorities, auditors, customers and persons connected with these parties except in such situation where the Board's specific approval is obtained.

The Institute has no political affiliations and it shall not make any political contribution or donations to, or sponsor any events of, political parties. Whilst Governors, members of all Committees and Secretariat are not prohibited from making personal political contributions or donations to political parties, the said contributions or donations shall never be associated with the Institute and must always be made under their personal capacity.

All donations and sponsorships shall be authorised, processed, and recorded in accordance with the Institute's **Policy on Donation and Sponsorship**.

9. Business Incentives

The Institute will not provide business rewards, rebates, commissions, or other incentives which are questionable in nature or are contradictory with anti-bribery and corruption laws and regulations. All business incentives shall be made in accordance with the Institute's **Business Incentives Policy**.

10. Business Dealings with Integrity

The Institute, in selecting its Governors, members of all Committees, Secretariat, suppliers, service providers and business associates, places great emphasis on business ethics and integrity. As such, the Institute has established internal procedures which require due diligence checks to be performed prior to appointment or engagement. Parties intending to conduct business with the Institute is expected to adhere to the Institute's due diligence procedures.

The Institute's **Due Diligence Procedures** are formalised in the Institute's **Anti-Bribery and Corruption Framework**.

Suppliers, service providers and business associates of the Institute are highly encouraged to have in place adequate procedures to prevent the conduct of bribery activities in doing business, especially when performing work or service for or on behalf of the Institute.

For business arrangement or conduct of business activity which bears a higher bribery risk, as assessed and determined by the Institute from time-to-time, the Institute shall require the supplier or business associate involved to have in place adequate procedures, including

policies and procedures, to prevent the conduct of bribery activities. For the same reason, the Institute may retain the rights to audit a supplier or business associate as a condition of the business.

11. Records

It is important that proper and complete records and documentation of all transactions made by the Institute, its suppliers, service providers and business associates be maintained as these would serve as evidence that the transactions made were bona fide, and were not made with a corrupt or unethical intent.

All records, including timesheets, work records, supply records, bank statements, accounts, receipts, invoices and other supporting documentation, shall be prepared and maintained with accuracy and completeness. These records shall be retained for at least seven (7) years following the period to which they relate.

12. Compliance support and reporting of violation

Compliance with this Policy by the Institute, its Governors, members of all Committees, Secretariat, suppliers, service providers and business associates are mandatory. Concerns or queries pertaining to compliance with this Policy may be raised to the respective internal reporting lines, liaison or the Institute's Executive Director.

Any person, including the general public, who knows of, or suspects, a violation of this Policy shall report their concerns through the whistleblowing mechanism set out under the **Whistleblowing Policy**, which is made available in the Institute's website.

No individual will be discriminated against or suffer any sort of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated confidentially.

13. Review of this Policy

This Policy is approved by the Board of Governors of IIA Malaysia on 28 May 2020.

It shall be reviewed by the Institute at least once in three (3) years and may be amended from time to time.