At each Steering Group meeting, countries and jurisdictions of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific report on their recent anti-corruption reforms and progress made since the previous Steering Group meeting.

The reports are submitted to the Secretariat before the Steering Group meeting that is held once a year.

The Secretariat consolidates the reports for presentation and discussion during the annual Steering Group meeting. The Steering Group meeting focuses on items and issues on which participants wish to seek the views or advice of other members.
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MEMBER COUNTRY – AUSTRALIA

Australia has fully implemented the provisions of the UN Convention against Corruption. However, Australia is committed to continually strengthening anti-corruption efforts and has introduced several measures since July 2013 to further improve the Australian anti-corruption framework.

- In July 2014, the Australian Government established the Fraud and Anti-Corruption Centre (the FAC Centre), a multi-agency initiative designed to strengthen law enforcement capability and provide a coordinated approach to federal investigations and prosecutions of corruption and foreign bribery matters.

- The Public Interest Disclosure Act 2013 (PID Act) commenced in January 2014 and continues to be implemented across the Australian federal public sector. The PID Act provides a legislative framework for the management of public interest disclosures, including through the provision of robust protections for public sector whistle-blowers. This scheme applies to all Australian federal public officials and includes those in the private sector that contract services to the Australian Government.

- In 2014, Australia developed the APEC Guide to Mutual Legal Assistance (the Guide), an Australian-led initiative of the APEC Anti-Corruption and Transparency Working Group. The Guide is assisting APEC economies to work more effectively to fight corruption and ensure transparency and to create more effective networks and processes for cooperation, creating efficiencies in the APEC region. The Guide is available on the APEC website.

- Since the last meeting, Australia has made changes to legislation relating to international cooperation and has introduced amendments to its Foreign Evidence Act 1994. The amendments commenced on 1 December 2014 and address the difficulty of obtaining reliable and admissible evidence in conflict zones by providing Australian judicial officers with greater discretion in deciding whether to admit foreign material in terrorism-related proceedings, while still providing the appropriate judicial protection of the rights of the defendant.

- Australia is making a minor amendment to its foreign bribery offence to clarify that it does not require proof of an intention to bribe a particular official. This amendment is contained in the Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2015, which is currently before the Australian federal Parliament. The Government is also developing a proposed new false accounting offence in response to a recommendation of the OECD Working Group on Bribery, as noted in Australia’s report-back to the Working Group in December 2014.

- The Australian Government is working with state and territory governments to develop a national cooperative scheme on unexplained wealth and to enhance cooperative national efforts to use unexplained wealth laws to disrupt and undermine serious and organised crime, including corruption.
In December 2014, the Australian Government launched a free online learning module on foreign bribery, which provides advice on Australia’s anti-bribery policy, the relevant laws and how they apply, and steps that business can take to help promote compliance. The module is available online at www.ag.gov.au/foreignbribery.

In July 2015, the Senate Standing Economics Committee of the Australian Parliament commenced an inquiry into all aspects of Australia’s response to foreign bribery. This inquiry presents an opportunity to further explore ways to improve our enforcement. Hearings are expected to be held in early 2016 with the final report due in July 2016.
MEMBER COUNTRY – BANGLADESH

A. UNCAC Chapter II: Preventive Measures

UNCAC Provisions:
- Art. 5: Preventive anti-corruption policies and practices
- Art. 6: Preventive anti-corruption body or bodies
- Art. 7: Public sector
- Art. 8: Codes of conduct for public officials
- Art. 9: Public procurement and management of public finances
- Art. 10: Public reporting
- Art. 11: Strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.
- Art. 12: Private sector
- Art. 13: Participation of society
- Art. 14: Measures to prevent money-laundering

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

- The government of Bangladesh has upgraded the Administrative Reforms and Implementation Wing of the Cabinet Division into a separate Unit called ‘Coordination and Reforms Unit’ headed by a full-fledged secretary. The newly established Unit has two separate wings for Coordination and Reforms, each headed by an additional secretary to the government. As mentioned in the last year’s reports, the previous Administrative Reforms and Implementation Wing had the responsibility of implementing national integrity strategy (NIS) and other anti-corruption policies of the government. The upgraded Unit with its added manpower has been more deeply involved in enhancing transparency accountability mechanism of the government.

- Different programmes are underway to strengthen the National Integrity Implementation Unit at the Cabinet Division. Under these programmes a Standard Operational Procedure (SOP) for the NIS focal points has been formulated and put in practice. Meanwhile, extensive training programs both at home and abroad have been organized for the heads of ethics committees and NIS focal points of all the ministries;
• One of the milestones in the history of Bangladesh administrative reforms is the implementation of Government Performance Management System (GPMS) across all the ministries and divisions of the government while also cascading it to some of the subordinate agencies. The GPMS of Bangladesh has been termed as Annual Performance Agreement (APA) which is signed by the secretaries of each ministry with the Cabinet Secretary. In the APA the secretaries make commitment for annual performance along with agreed performance targets. At the end of the year the performance of each ministry is evaluated against agreed performance indicators. One of the remarkable features of the APA is that it is signed by the secretaries in presence of the Honourable Prime Minister of Bangladesh and the other Cabinet Members. After the end of first cycle of APA in June 2015, the second cycle of APA has been signed in September this year. APA is regarded as a massive shift from process orientation to results orientation which ensures mechanism for accountability. The APA being software based, the performance of ministries can be more closely monitored. The APAs are published in the website for people ensuring more transparency and accountability. The implementation of NIS action plan, GRS, Citizen’s Charter, innovation and financial discipline etc. have been put as the mandatory objectives of the APA. Thus, the APA has been instrumental in strengthening the measures of national integrity.

• In the wake of completing a Technical Assistance Project on Grievance Redress System (GRS), Bangladesh has digitized the centralized system of grievance redressal mechanism at the Cabinet Division. In addition to the manual procedure of handling public grievances, the web based GRS has further made it easier for the citizens to lodge their complaints regarding any kind of public service delivery. So far the GRS focal points of each ministry have been imparted training on the GRS handling procedures. A GRS guideline has already been finalized. Moreover, the ministries have their own GRS even at the field level offices. People can submit their complaints in the centralized GRS when their grievances are unmitigated at the local level. In an effort to enhance accountability and to improve service delivery in the field administration, the government issued a circular requiring the head of offices to conduct public hearing on a regular basis. Most of the offices at field level specify a particular day of the week for public hearing.

• One of the other remarkable progress in improving transparency and accountability is the Citizen’s Charter which has been updated recently. Relevant personnel of each ministry have been trained on the basic principles of citizen’s charter and the standard template of it.

• The Cabinet Division conducted a research on the implementation status of NIS in different ministries of the Government; and also cooperated with Transparency International Bangladesh (TIB) in their research on NIS implementation in private and public sectors. Based on the findings of the research initiatives, the government is formulating and updating action plans for deepening the implementation of NIS in both private and public sectors.
The Ministry of Public Administration has progressed with its initiatives to revise code of conducts for public servants incorporating the principles of the NIS;

With a view to facilitating proactive disclosure of public information, the Government has launched on June 2014 the National Web Portal containing more than 25 thousand websites for the Government offices. The web-portal has been further enriched by adding websites of more public offices. Mentionable, Bangladesh achieved the prestigious World Summit on Information Society (WSIS) Prize this year.

The Government formulated Secretariat Instructions (2014) by revising 2008 version of it to enhance discipline in business procedures of the public sectors. The speciality of the Secretariat Instructions (2014) is that it emphasizes the use of ICT in order to enhance transparency and determine individual responsibility in each transaction. The enforcement of the document will reduce scopes of corruption in the public sectors and improve services quality. Therefore, the revision of the Secretariat Instruction may be regarded as an important document for prevention of corruption.

Bangladesh has taken some other initiatives for improving services to people. Such measures include the enactment of E-service Act and setting up front desks in government office for quicker service delivery. Implementation of e-services has been incorporated as an obligatory objective of APA.

An initiative of Service Process Simplification (SPS) has been implemented in 36 Departments of the government which play vital roles in reducing harassment to people.

Bangladesh has already in place the Right to Information Act along with its associated rules and regulations. In consistence with the Act the government has recently formulated specific guidelines for proactive disclosure of information. Moreover, the quality and expanse of information published in websites of ministries/divisions are being assessed. What is notable is that the NGOs such as MRDI have been collaborative partners of government in the process of evaluation.

2. Measures Being Planned to Implement UNCAC provisions:

- Bangladesh has already automated GRS, while measures are still underway to further scale up the system to manage huge number of complaints from the grassroots level.
- Digitization of land records and management system for better land management and reduction of land related disputes;
A guideline has been formulated to further encourage the culture of innovation in improving public service delivery and thereby to improve accountability. Measures are underway to implement the guideline on innovation for enhancing accountability by enriching the culture of innovation.

### 3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

- After the implementation of a framework of performance management in the public sectors, it is a challenge to device appropriate modalities for linking the performance of the ministries with the individual performance of the employees and provide performance related pay and rewards.
- Adoption of a code of conduct for the Members of Parliament;
- Specify qualification for appointment of the Supreme Court judges;
- After the creation of Anti-Corruption Commission and automation of the GRS, the issue of establishing the office of ombudsman has lost its relevance to some extent. It has become a crucial policy question whether to further enhance the GRS to compensate the need for an ombudsman though the constitution provides for appointing an ombudsman. Thus, the issue of establishing office of ombudsman is still considered with importance.
- Ensuring the transparency and accountability in the private sector organizations and motivating them to introduce a culture of moral and ethical practices.

### 4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II

- Bangladesh has emphasized the use of ICT for improving the quality of public services by ensuring transparency, accountability and effectiveness. It has automated the performance management system, the GRS and most of the services. It has also introduced e-file management in the official works. A quick shift from the traditional system to the management based on information technology has increased the need for more IT based training. There is still much scope to enhance training measures for the officials to properly cope with the digitized system.
- Sensitizing the media, NGOs, educational institutions, private sector and political parties about NIS;
- Seminar and opinion sharing meetings with stakeholders at ministry and field administration;
- Exchange of experiences and best practices with other countries in implementation of NIS and other accountability mechanism.
B. UNCAC Chapter III: Criminalization and Law Enforcement

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### Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

- Bangladesh has been taking measures to implement the provisions of the revised Anti-Terrorism Act for tightening up the prevention of funding in terrorist activities and other crimes;
- Bangladesh is very strict in enforcing the law on Multi-Level Marketing business for prevention of such multi-level marketing and thereby reducing the potential scopes for circulation of black money;
- A committee has been formed in the Bangladesh Bank for proper implementation of the Money Laundering Prevention Act 2012;
- In order to provide institutional supports to the informants under the Whistle Blower Protection Act 2009, the Anti-Corruption Commission has already formulated a draft rule for protecting the whistle blowers. A number of consultation meetings have been held with stakeholders for making the Act operational;
- Bangladesh has substantially automated the administration of judicial procedures. Such automation includes introduction of e-court, Judiciary Portal, digital cause list and service process simplification for the judiciary.
- Side by side with the development and expansion of ICT the instances of cybercrimes show a rising tendency. With a view to curbing corruption and illegal transfer of criminal proceeds by use of cybercrimes, the government has formulated cyber security strategy and information security policy guidelines.
- In order to strengthen the enforcement of different laws including the laws on prevention of corruption, terrorism and money laundering the government has significantly increased the number police. Measures are still underway to further increase the number of police personnel, their logistic supports and modernizing its equipment.

### Measures Being Planned to Implement UNCAC provisions

- Creation of permanent of attorney service instead of ad-hoc appointment of prosecution officials on political consideration;
- The government is taking measures to enhance the accountability of the judges;
- The management of legal procedures are being automated for speeding up disposal of law suits including those related with corruption.

- Separation of investigation and enforcement departments in the police;
- Modernizing the accountability mechanism for the members of law-enforcement agencies;
- Bringing law enforcement agencies under wider coverage of NIS;
- Timely disposal of cases in the courts;

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III

- Against the backdrop of increase in cybercrimes relating to corruption and money laundering seminars may be organized on:

  A) ‘Corruption and Money Laundering by use of ICT and Mobile Technologies – Effective Measures for Prevention’
  B) ‘Steps for Establishing Meaningful Accountability and Ethical Behaviours in Private Sectors and NGOs’
C. UNCAC Chapter IV: International Cooperation

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1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014
   - Extradition Treaty has been signed between Bangladesh and India. It has been effective since 2013 with the exchange of accords between the two countries.

2. Measures Being Planned to Implement UNCAC provisions
   - More frequent exchange of information on money laundering and other related matters with international organizations.
   - Cooperation with Bangladesh Bank, Ministry of Finance, NBR and law enforcing agencies
   - Discussions are underway between Bangladesh and USA to exchange criminals under extradition treaty.
3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

- Complicated and lengthy procedures in international cooperation in prevention of money laundering.
- Coping with the IT based skills of the criminals in money laundering.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV

- Drafting and implementing agreements/treaties for international cooperation on prevention of money laundering;
- The modern techniques of detecting illegal flow of money abroad.
D. UNCAC Chapter V: Asset Recovery

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1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014
   - The conventional law of the country permits recovery of the proceeds of crime and confiscating it in favour of the state authority or handing it over to the appropriate persons or entity having rightful claim over the assets;

   - A number of instances are there to recover proceeds of corruption transferred to other countries.

   - There has been signed a cooperation agreement between Bangladesh and Maldives to replicate the Bangladesh model of Access to Information – locally known as a2i – in Maldives. The cooperation will significantly contribute in reducing possibilities of corruption by enhancing transparency and accountability in the government machineries.

2. Measures Being Planned to Implement UNCAC provisions
   - Enhancing international and bilateral cooperation for recovery of proceeds of corruption.
3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

- The use of modern sophisticated techniques by the criminals for transfer of proceeds of corruption is the main challenge to detect such cases;
- Lack of effective bilateral agreement between countries for transfer of corruption related assets.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V

- Capacity building of the law enforcing agencies for detecting instances of illegal transfer of proceed of corruption by IT.
E. Additional Developments

1. Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)
   - The initiative’s knowledge is shared among the relevant authorities during inter-ministerial meetings. Especially these are reflected in the policy making and enactment of relevant laws and regulations. The Local Consultative Groups on Governance is an important forum of government and the development partners to discuss the issues on integrity and prevention of corruption.

2. Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC
   - The issues are shared with other countries by way of exchanging experience of best practices in governance in various event and occasions. One of such events is the SAARC Cabinet Secretaries’ Meeting which was held Dhaka in 2013 and In Islamabad in 2014 where the issues of NIS, GPMS etc. were discussed.
20th Steering Group Meeting – Ulaanbaatar, Mongolia  
18 November 2015

MEMBER COUNTRY – BHUTAN

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1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September, 2014

   - The National Integrity and Anti-Corruption Strategy (NIACS), adopted in June, 2014, is the national anti-corruption strategy that outlines multi-pronged approaches of preventing corruption in the spirit of collaboration and partnership with multi-faceted stakeholders- public or private. Since its adoption, Government and the Anti-Corruption Commission (ACC) have been making concerted efforts in mainstreaming integrity promotion and corruption prevention measures in all sectors. Following are some of the important developments (prevention programs and activities) in mainstreaming the strategy:

   i. The report on “Review of Ethics and Integrity Infrastructure in Bhutan” was launched in March, 2015. The review was conducted to consolidate and build a more effective system of ethics and integrity management. The review highlights the effectiveness of the existing anti-corruption programmes like e-Learning course on ethics and integrity, Code of Conduct, Conflict of Interest, Asset Declaration, Gift Rules, corruption risk management, integrity diagnosis etc.; adequacy of institutional capacities; its monitoring and evaluation; and recommend improvements. Some of the recommendations have been implemented and some are underway.

   ii. Conducted workshop on managing Conflict of Interest (CoI) for parliamentarians, judges, civil servants, corporate and private entrepreneurs including
media and CSOs, resourced by an international expert. The workshop sensitized on the implications of weak management of CoI and the need to strengthen the management of CoI in public and private institutions. A total of 120 participants from 52 public and private agencies attended the workshop.

CoI is becoming one of the key ethical issues in public and private management calling a need to put in place robust measures to manage and resolve such conflicts appropriately. General guidelines for managing CoI in public service have been developed (yet to be adopted). ACC is also exploring possibilities of incorporating CoI as part of Asset Declaration System that focuses only on illicit enrichment.

iii. As reported in the earlier reports, e-learning on Ethics and Integrity Management of the Civil Servant has been initiated with a long term goal of building a clean civil servant that upholds integrity, honesty, justice and rule of law. Since December 2011, more than 14,881 civil servants have undertaken the course.

iv. The Royal Government of Bhutan has embarked on e-Governance initiatives and as part of it, the Ministry of Finance is working on developing the Electronic Government Procurement System (e-GP). This is towards promotion of transparency, efficiency and value for money in the conduct of Procurement Process. The e-GP system shall serve as single window and a primary source of information and communication technology in all Government procurement.

v. The Royal Civil Service Commission (RCSC) has embarked on five major reforms in the civil service of the country to enhance the morale of the civil servants; improve public service delivery; create small, compact and efficient merit based civil servants guided by the highest standards of ethics and integrity. This in a whole is towards promoting good governance. The five main reforms are: i) Organizational Development Exercise; ii) Performance Management System; iii) Succession Planning and Leadership Development; iv) Bhutan Civil Service System; and v) Civil Service Welfare.

vi. Towards implementing NIACS in the Judiciary, the Royal Court of Justice in consultation with the ACC conducted a Judicial Integrity Scan in pursuit of enhancing the judicial conduct. The Scan provides an overview of the legal and institutional framework for judicial integrity based on the Bangalore Principles of Judicial Conduct, the Measures for the Effective Implementation of the Bangalore Principles of Judicial Conduct, and the Implementation Guide and Evaluative Framework for Article 11 of the UNCAC. Implementation of remedial activities based on the their ten recommendation is already underway and the recommendations also pertains to the Bhutan National Legal Institute, the ACC, and in some instances on civil society and the media, besides the Judiciary itself.

vii. As reported in the earlier reports, e-learning course on ethics and integrity management have also been developed and launched for the parliamentarians and justices and associate professionals in June 2014. These are in line with the second strategic objective of the NIACS and operationalization of Code of conducts of public officials. Till date, 54 out of 72 Parliamentarians and all 67 judges have enrolled for the course.
viii. As part of Social Accountability (SAc) initiative, ACC with its key partners like the Bhutan Transparency Initiative and the Royal Institute of Management, sensitized and rolled-out the four tools namely Community Score Card, Citizen Report Card, Budget analysis and advocacy and Social Audit in the passport service, 58 gewogs of five dzongkhags and an institute covering more than one thousand participants. The SAc is integral to democracy and to the Government's policy of Wangtse Chirphel (decentralization of power and resources)- it is about meaningful and active engagement of citizens.

ix. Comprehensive efforts towards enhancing sustained ethical business practices “Bhutan Private Sector Integrity Program” has been launched after series of consultation with the key stakeholders. Among others, the program is aimed to establish integrity infrastructure to safeguard the sector based on international best practices like Integrity Pact, Model Code of Conduct, Integrity Pacts and Integrity pledge. With this, it has become imperative to develop the capacities of the private sector on the measures to help strength the integrity of the business community, for institutionalization. ACC is currently working on training the private sectors.

x. ACC in collaboration with the RCSC and the RIM is conducting evidence-based-researches on the Human Resource Management (HRM) and Mining Sectors. The research is aimed at providing analysis and guidance for forward-looking interventions in the corruption prone areas that can be used to promote evidence-based decision making and policy recommendations. The research is expected to be completed by the end of 2015. The program is planned after a scoping mission which developed research proposal in five critical areas namely Land, Procurement and Construction, Natural Resources, HRM and Election which are related to anti-corruption issues. However, with the limitation of expertise on all the corruption prone areas, the research is being carried out only in HRM and mining sectors.

xi. Some of the initiatives of ACC in building capacities of various agencies in implementing anti-corruption measures and practices within their agencies (as part of implementing NIACS) in the reporting period are:

a) Conducted Corruption Risk Management (CRM) and administered Integrity Diagnostic Tool (IDT) in four organizations (including ACC). CRM and IDT are tools adopted by ACC to reduce the corruption risk with improved/enhanced systems, procedures and service delivery;

b) Conducted two rounds of training on Ethics and Integrity Management for Human Resource Officers (HROs) and administration officers. In total 93 officers have been trained on the basics of Ethics and Integrity Management from ministries, dzongkhags, autonomous agencies, corporations, privates sectors, media and CSOs.

c) Conducted ‘Basic Investigation Training’ for a total of 67 Dzongkhag (district) officials to build their capacity on investigative skills.
d) Other sessions includes interaction with trainees at De-suups – Guardians of Peace, graduates, procurement personnel and three hydropower sectors among many others.

xii. Observed the International Anti-Corruption Day (IACD) and National Anti-Corruption Week (NACW) from 9 to 16th December, 2014 on the theme “Break the corruption chain”. It was commemorated with different programs, viz. i) gewog advocacy program; ii) in-dialogue sessions with prospective women for local elections and hydropower projects; iii) photo contest on the theme “our issues, our solutions - TAI”; and iv) series of live panel discussion on national TV and radio on various anti-corruption topics.

xiii. ACC signed Memorandum of Understanding (MoU) with Bhutan Transparency Initiative (BTI) for sustained collaboration and partnership in preventing corruption. BTI has been actively engaged in rolling out social accountability initiatives to bring about constructive citizen engagement.

xiv. ACC Bhutan piloted the Anti-Corruption Agency (ACA) Strengthening Initiative conducted by the Transparency International. The exercise has assessed the effectiveness of the ACC until now and provided strategic recommendation. The report is due for launching in 9th December, 2015, coinciding with the International Anti-Corruption Day.

xv. Major system study in the customs and tax administration with the ADB’s Technical Assistance in collaboration with the Department of Revenue and Customs and the Department of Trade is being carried out.

2. Measures Being Planned to Implement UNCAC provisions

i. ACC have plans to collaborate more with local government, CSOs and private firms to ensure sustained cooperation and collaboration in taking the Social Accountability initiative further.

ii. Conduct corruption risk management and integrity diagnostic exercises for the Dzongkhags and agencies which have requested as part of rolling out National Integrity and Anti-Corruption Strategy 2014-2018.

iii. ACC is proposing to sign MoU with the Royal Civil Service Commission (RCSC) in working towards resolving the ACC’s Human Resources issues. The draft has been shared.

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

i. Despite the adoption and implementation of the National Integrity and Anti-Corruption Strategy (NIACS), the lack of a clear monitoring and evaluation (M&E) system is hampering the credible evaluation of the corruption prevention initiatives in the country. This is concerning the ACC about measuring the efforts in promoting systems of governance covering the public, private and non-governmental sectors. ACC is yet to develop M&E framework.
ii. General lack of competency and capacity to undertake empirical researches that can facilitate systemic interventions in policies and programs and particularly in the areas of Land, Procurement and Construction, Natural Resources and Election.

iii. Persistent challenge in recruitment and retention of employees with high professional caliber and integrity (general reluctance to work in ACC).

iv. Limited in-house and domestic capacity in developing and producing IEC materials.

v. Lesser participation of civil societies and citizens in the anti-corruption activities is a challenge as well; general challenge of coordinating and mobilizing practitioners to carry forward the Social Accountability initiative and more so, in mainstreaming the anti-corruption into the system.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II
   i. Monitoring and evaluation of anti-corruption interventions.
   ii. Research capacity in the field of Land, Procurement and Construction, Natural Resources and Election.
   iii. IEC material development.
B. UNCAC Chapter III: Criminalization and Law Enforcement

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### 3. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September, 2014

| i. | The Investigation Manual has been revised incorporating the standard operating procedures based on the powers conferred by ACA 2011. |
| ii. | Signed MoU with the Royal Audit Authority (RAA) in June, 2015 for enhanced collaboration and cooperation. Meets biannually (or whenever required) to review and update on the action taken on the referrals made to each other. |
| iii. | With respect to investigation and prosecution of corruption offences in the private sector, Royal Bhutan Police (RBP), Office of Attorney General (OAG) and ACC signed tripartite MoU in March, 2015. |
| iv. | Prosecution Referral Guidelines adopted in 2011 has been revised in 2015 but yet to be adopted. |
| v. | Disciplinary Referral Guidelines and the Disciplinary Inquiry and Proceedings Rules have also been drafted but it is yet to be shared for comments and endorsement. |

### 2. Measures Being Planned to Implement UNCAC provisions

| i. | ACC is proposing the Office of the Attorney General (OAG) to recruit law graduates as the resident prosecutor in ACC which is expected to create a stable prosecution unit stationed with the ACC. The resident prosecutor will be the employee of the OAG but will be trained by the ACC on-the-job in field of investigation and prosecution techniques. This proposal needs to be discussed. |


- Lack of coordination and cooperation among agencies in fighting corruption.

### 4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III

| i. | Training needs for execution of protection of whistleblowers, witnesses and victims. |
## C. UNCAC Chapter IV: International Cooperation

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### 1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September, 2014

- **i.** The ACC and the Malaysian Anti-Corruption Commission (MACC), Malaysia signed MoU in March, 2015 to enhance collaboration in training, research and experience sharing. Immediately, the MoU is expected to strengthen and institutionalize the on-going programs of capacity development and enhancing institutional systems of ACC.
- **ii.** ACC visited its counterpart Corrupt Practices Investigation Bureau (CPIB), Singapore in September, 2015. ACC is planning to pursue and collaborate in availing anti-corruption executive, investigation management and related courses offered by the CPIB.
- **iii.** Ratification of the UN Convention against Corruption (UNCAC) has been cleared by the National Assembly during 5th session and the same is being tabled in the National Council’s Nov – Dec 2015 session.

### 2. Measures Being Planned to Implement UNCAC provisions

- **i.** To pursue building institutional linkage with the Central Bureau of Investigation (CBI), India.
- **ii.** Following the ratification of UNCAC, an action plan for implementation of the Self Assessment Report will be developed. Some of the key legislations needs to be enacted are Anti-Money Laundering Act, Right To Information Act, and Forfeiture of Properties Act.
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**UNCAC Provisions:**
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- Art. 53: Measures for direct recovery of property
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- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

**1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September, 2014**

i. Basel Institute on Governance conducted two rounds of specialized trainings for the justices, attorneys, police, central bank officials and the ACC on anti-money laundering, detection and freezing of proceeds of crime and effective prosecution in October 2014 and March, 2015.

ii. With the strict enforcement of AD rules 2012, aggressive education and capacity development efforts, the Asset Declaration compliance has improved over the years. The online system has also been improved.

iii. As a member of the APG, Bhutan is undergoing the “mutual evaluations” to determine the levels of compliance with the international AML/CFT standards.

**2. Measures Being Planned to Implement UNCAC provisions**

No comments

**3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions**

- Investigating corruption offences are overwhelming in the absence of special capabilities and capacity

**4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V**

No comments
E. Additional Developments

1. Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative's (recent) learning events in their internal anti-corruption efforts)
   i. In disseminating the knowledge acquired during the meeting and the conference, the Anti-Corruption Commission (ACC) of Bhutan informed and educated the general mass on knowledge, expertise, its importance and international best practices through the ACC Annual Report for 2014.
   ii. The 8th Regional Conference ‘Fighting corruption and Building trust’ provided opportunities to discuss and exchange knowledge and expertise focusing on engagement of private sector and Judiciary in anti-corruption work. The conference also confirmed ACC’s effort of advocating the Social accountability initiative being one of the best strategies of building coalition between the citizens and the Government, also involving the Civil Society Organizations. After being advocated on the preventive strategies, ACC initiated integrity programs for the the Private Sector and the Judiciary in collaboration with the concerned sectors/agencies.

2. Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC
   - ACC shared its experience and best practices on public administration and good governance to the Colombo Plan Countries in Indonesia.
   - Upon invitation of the TI, ACC participated in the focus group discussion to finalize the research methodology on ACA Strengthening Initiative in Asia Pacific, held in Bangkok. The discussion brought together experts and practitioners to review the draft methodology designed to assess the effectiveness and performance of ACAs.
   - Also participated in the Seoul Debate in Republic of South Korea and the debate discussed policies, strategies and institutional arrangements to prevent corruption in the public sector.
   - Shared experience on the Social Accountability initiatives in the ‘Knowledge Network meeting on public accountability and fiscal decentralization’ June, 2015 in Mozambique, organized by the SDC Cooperation Office.
   - Shared Bhutan's anti-corruption strategies during the ‘Third Conference on Evidence-Based Anti-Corruption Policies (CEBAP 3)’ organized by Thailand’s National Anti-Corruption Commission (NACC) in collaboration with the World Bank and Transparency International (Thailand).
   - 16th IACC ....
## A. UNCAC Chapter II: Preventive Measures

**UNCAC Provisions:**
- Art. 5: Preventive anti-corruption policies and practices
- Art. 6: Preventive anti-corruption body or bodies
- Art. 7: Public sector
- Art. 8: Codes of conduct for public officials
- Art. 9: Public procurement and management of public finances
- Art. 10: Public reporting
- Art. 11: Strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.
- Art. 12: Private sector
- Art. 13: Participation of society
- Art. 14: Measures to prevent money-laundering

### 1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

China attaches great importance to corruption prevention. First, strengthen oversight over public officials. The Political Bureau of the CPC Central Committee issued the Eight-point Rules on Improving Working Styles and Establishing Closer Relations with the People, focusing on addressing formalism, bureaucratism, hedonism, and extravagance and advocating thrift. Recreational, gift-exchanging, and tourist activities at public expenses are strictly prohibited. Second, strengthen oversight over the exercise of power. Power can only be exercised within the cage of regulations. Law and regulations govern the exercise of power, the administration of affairs, and the management of human resources. The central and provincial Party Committees send inspection groups to oversee the leadership and leading cadres of lower Party organs. The aim is to discover clues and deter possible offenders. Inspection tours focus on four areas, namely, the violation of political discipline, the violation of the eight-point rules, corruption offences, and the violation of the systems on appointment and promotion of public officials. So far, the disciplinary inspection groups have checked 118 central departments and institutions as well as provincial Party Committees, covering 31 provinces, autonomous regions, and municipalities, Xinjiang Production and Construction Corp, 55 state-owned enterprises, 16 central government departments, 12 public institutions, one state-owned financial enterprise, and two national universities during its seven rounds of inspection tours. Third, rely on public participation and support. We have continued to facilitate public reporting of corruption clues. New media channels and new technologies further complete our oversight network. According to statistics, over 3 million people visit the official website of the CPC Central Commission for Discipline Inspection every day. Discipline inspection

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MEMBER COUNTRY – PEOPLE’S REPUBLIC OF CHINA

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MEMBER COUNTRY – PEOPLE’S REPUBLIC OF CHINA

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commissions nationwide have set up reporting centres, launched online reporting platforms, and adopted the national reporting hotline. The total number of reports received has been on the rise and reached 2.72 million in 2014, twice that received in 2012.

2. Measures Being Planned to Implement UNCAC provisions

While maintaining high-pressure on corrupt offenders, China will spare no efforts to promote prevention. We will continue to improve relevant institutions, strengthen the management of public officials, promote public education programmes in schools and universities, and expand public participation channels, etc. so as to create a clean social atmosphere.

| 3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions |
| None |

| 4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II |
| None |
20th Steering Group Meeting – Ulaanbaatar, Mongolia
18 November 2015

B. UNCAC Chapter III: Criminalization and Law Enforcement

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4. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

In terms of criminalization, China continues to improve its anticorruption legal system. Since its ratification of the UNCAC, China has enacted the Amendment VI, VII and VIII of the Criminal Law, enacted or revised the Criminal Procedure Law and Anti-Money Laundering Law, the Budget Law, the Administrative Supervision Law, Regulations on Sanctions against Public Servants of Administrative Organs and a series of supporting regulations. In 2015, China enacted the Amendment IX of the Criminal Law, which modifies the conviction and sentencing standards of such offences as embezzlement and bribery, increases the punishment for active bribery, and stipulates the possibility of granting life sentence, without commutation or parole, for those involved in extremely serious passive bribery or embezzlement, further tightening the net of justice. Currently, Chinese anticorruption laws and regulations are basically in accordance with the UNCAC.

In terms of law enforcement, China holds zero-tolerance stance towards corruption and cracks down on both tigers and flies. China has investigated violations of laws and discipline by former state leaders such as Zhou Yongkang, Xu Caihou, Su Rong, and Ling Jihua etc. Recently we handed clues of serious bribery by Guo Boxiong, former Vice Chairman of the Central Military Commission, to the judiciary for further investigation. In 2014, a total of 232,000 offenders were punished according to Party discipline or administrative rules. The prosecution service investigated over 19,000 cases involving corruption or bribery.

2. Measures Being Planned to Implement UNCAC provisions

The 12th Session of the National People's Congress and its Standing Committee plan to do the following legislative work in the anti-corruption area for the period between 2013 and 2017: to amend the Organic Law of the people's Courts, the Organic Law of the People's Procuratorates, the Budget Law, the Criminal Law, the Administrative Procedure Law and the Anti-Unfair Competition Law.


None

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III

None
C. UNCAC Chapter IV: International Cooperation

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1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

China has always attached great importance to conducting anticorruption cooperation with the international community. So far, China has concluded civil and criminal legal assistance treaties with 53 countries and extradition treaties with 41 countries as well as carried out personnel exchange, professional training and law-enforcement and judicial cooperation with 89 countries. We also maintained close communication with the anticorruption establishment of relevant international organizations, including the UN, the World Bank, APEC, G20, and BRICS. Since July 2013, China has promoted the endorsement of Beijing Declaration of Fighting Corruption, strengthened its efforts in fugitive repatriation and asset recovery, initiated the “Sky Net” campaign targeting at fleeing corrupt offenders, disclosed to the public the Red Notices placed by the Interpol on China’s 100 most wanted suspects and former officials accused of corruption, and strengthened cooperation with major countries on individual cases. Over 600 runaway fugitives were brought back to China in 2014. Using the UNCAC, especially its international cooperation articles, as the legal basis, we have successfully brought Li Huabo, former official of the Bureau of Finance of Poyang County of Jiangxi Province, from Singapore back to China.

2. Measures Being Planned to Implement UNCAC provisions

At present, China is actively promoting the enactment of relevant laws such as the international legal assistance law.
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### D. UNCAC Chapter V: Asset Recovery

**UNCAC Provisions:**
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- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

#### 1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

China launched Operation Sky Net in March 2015, aimed at apprehending corrupt officials that have fled overseas. From April to December, the police, the prosecution service, the foreign affairs service, and the financial sector join hands to realize the common goal of repatriating fugitives, recovering assets, and preventing potential escapees. Operation Sky Net includes four separate operations, namely, Operation Fox Hunt led by the Ministry of Public Security, Special Action to Track Down Fugitives Suspected of Taking Advantage of Official Positions and to Confiscate Ill-gotten Assets led by the Supreme People’s Procuratorate, Special Action to Crack Down on the Transfer of Illegal Proceeds Abroad Using Offshore Companies and Underground Banks led by People’s Bank, and Special Action to Crack Down on Illegally Obtaining and Holding Private Passports led by the Organizational Department of the CPC Central Committee. By July 31, over 300 fugitives were returned to China, involving more than 20 billion yuan. Using the UNCAC as the legal basis, we have successfully recovered corruption proceeds worth of 28.72 million pounds, which had been illegally transferred to the UK by Ou Wenlong, former Secretary for Transportation and Public Affairs of Macao SAR.

#### 2. Measures Being Planned to Implement UNCAC provisions

China will continue to strengthen its efforts according to the action plan of Operation Sky Net and strive to achieve more solid results nationwide.

#### 3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

None

#### 4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V

None
E. Additional Developments

1. Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)

2. Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC

From 2008 to 2012, China organized five workshops on corruption prevention for developing countries aimed at offering technical assistance to prevent corruption. The workshops focused on anti-corruption legislation and institution building, integrity education of governmental officers, corruption prevention in social sectors, control of clean governance risks, and government information disclosure, as well as an electronic monitoring system for administrative examination and approval and information transparency in the area of construction projects. A total of 148 anti-corruption officials from 44 countries, including 45 ministerial-level officials, participated in the workshops to exchange their views and have an in-depth discussion. Relevant international organizations, including the UN Office on Drugs and Crime, the UN Development Programme and the World Bank, as well as the Independent Commission against Corruption (Hong Kong) and the Commission against Corruption (Macao), also sent officials to take part in the workshops.
MEMBER COUNTRY – HONGKONG, CHINA

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1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

   **Art. 5-10**
   - Between September 2014 and September 2015, the Independent Commission Against Corruption (ICAC) of the Hong Kong Special Administrative Region (HKSAR), China (HKC) completed 63 reviews on public systems and procedures, covering public procurement, public works, contract management, law enforcement, licensing and regulatory systems, administration of government resources, etc. Over 90% of the advice given was accepted and effectively implemented. In addition, ICAC gave prompt corruption prevention advice on policies and procedures to government departments and public organisations on 639 occasions.

   - As an on-going initiative, ICAC provides corruption prevention services for major government construction projects. To ensure a level-playing field in the tendering process of these major projects, an integrated approach is adopted whereby advice on the tender documents and tender assessment procedures are offered first, followed by ICAC’s representatives sitting as an observer on the tender assessment panels of the respective projects to further advise on the tender assessment procedures as and when appropriate. The HKSAR Government has decided to adopt the New Engineering
Contract mode of contract letting and administration in public works which emphasises close collaboration between clients, consultants and contractors. As such, ICAC, in particular, reviewed the related systems and procedures of the government departments concerned to prevent the possible “collaboration-turned-collusion”. Integrity management workshops were also conducted for the works departments’ staff, consultants and contractors to raise their integrity standard and corruption prevention awareness.

Art. 7

- To enhance the integrity of voter registration for the Legislative Council (LegCo) Functional Constituency (FC) election, ICAC has since mid-2013 been offering corruption prevention advice for hundreds of Umbrella Organisations (UOs) under various FCs to enhance the internal controls and transparency of their membership administration systems. Members of UOs are eligible for registration as voters in the respective FCs. ICAC also worked closely with the Constitutional and Mainland Affairs Bureau to review the FCs’ electorates. ICAC is about to complete a best practice checklist on membership administration for adoption by UOs before the end of 2015. Regarding other public elections, ICAC provided advice for the Registration and Electoral Office on the guidelines on activities in respect of the District Council Election and advice for the Home Affairs Department on matters relating to the rural elections.

- To uphold the integrity of public elections, ICAC commenced a comprehensive “Support Clean Elections” programme to tie in with the rural elections and District Council Election in 2015. This programme comprised a wide range of education and publicity activities to alert relevant stakeholders to the anti-bribery election laws and to sustain a clean election culture in the community. A dedicated website and an enquiry hotline were also set up to answer enquiries from members of the public.

- ICAC continued to provide corruption prevention and integrity training for civil servants and staff of public bodies. About 30000 public officers were reached through “face-to-face” contacts every year. To enable Principal Officials (POs) and officials appointed under the Political Appointment System (PAOs) to have a better understanding of the anti-corruption law and related issues, ICAC briefing sessions have been offered to POs and PAOs periodically since 2012.

Art. 8

- In collaboration with the Civil Service Bureau (CSB), ICAC reviewed and updated the Sample Guide on Conduct and Discipline jointly issued by ICAC and CSB some years ago, in order to meet public expectation on the highest standard of integrity of government officers. Beefed up with information on the common law offence of Misconduct in Public Office and a new chapter on “Supervisory Accountability”, the new Sample Guide was promulgated to all government departments for adoption in November 2013. Since then, the ICAC had been offering tailor-made advice for individual departments to update their staff codes and providing assistance in other areas as necessary.
ICAC reviewed and updated the sample codes of conduct respectively for members and employees of public bodies. The review has taken into account the codes of conduct of selected public bodies, the Sample Guide on Conduct and Discipline for government officers, local and overseas literature on public governance, the codes of conduct of other jurisdictions (e.g. United Kingdom, Australia, Canada, New Zealand, OECD), the problems identified and recommendations put forward in the past corruption prevention studies conducted by the ICAC, the Audit Commission’s reports and past ICAC cases concerning public bodies. ICAC issued the revised sample codes of conduct to all public bodies in October 2014. Subsequently, the ICAC has been following up with individual public bodies to offer tailor-made advice on adopting the latest probity standards having regard to the public bodies’ organisational structure, resource capability, operational needs and risk exposures. Upon request, ICAC is assisting the public bodies in promulgating the standards set out in their revised codes, particularly to the front-line staff, through seminars and talks.

CSB and ICAC have jointly organised seven seminars on Misconduct in Public Office (MIPO) for different levels of civil servants to explain the offence from both the legal and corruption prevention perspectives. Over 1400 civil servants have attended the seminars so far.

As part of the on-going efforts under the Ethical Leadership Programme (ELP) to assist bureaux/departments (B/Ds) in developing and sustaining an ethical culture in their organisations, CSB and ICAC continued to organise thematic workshops on a regular basis. The last workshop was held in March 2015 where participants were briefed on the Best Practice Checklist on Government Procurement of General Goods and Services newly issued by ICAC.

CSB and ICAC also engaged individual B/Ds under ELP in in-depth discussions and experience-sharing on the implementation of integrity management within their organisations through outreach visits. The participants most recently visited a government department in June 2015.

To promote an ethical culture in the civil service, CSB continued to present a Special Citation Award under the biennial Civil Service Outstanding Service Award Scheme in 2015 to recognise the best integrity management practice in B/Ds.

To further provide integrity education to civil servants, ICAC has developed a web-learning portal for civil servants on corruption prevention and related integrity issues in consultation with CSB which was launched in May 2015 at the “Cyber Learning Centre Plus”, a learning portal managed by the Civil Service Training and Development Institute (CSTDI) of CSB.
In view of the Government’s further devolution of procurement authority to individual government departments in 2013, ICAC completed detailed studies on the procurement practices of some major departments and consultation exercises for some smaller departments. Based on the findings, the ICAC compiled a corruption prevention best practice checklist on government procurement of general goods and services, which was issued in September 2014 for reference by all the departments. This best practice checklist is intended as a user-friendly guide supplementary to the existing regulatory framework for government procurement. Subsequently, ICAC has been offering tailor-made advice to individual departments to help them adapt and incorporate the recommended best practices in their own procurement guidelines.

ICAC launched in June 2014 the corruption prevention training/self-learning package on procurement for use by the private sector through a seminar attended by over 200 procurement and general managers, with the support and assistance of the major purchasing professional associations. The package consists of a training video comprising three inter-related episodes on various aspects of procurement functions highlighting the common corruption risk areas and system pitfalls, and a quick reference guide summarising the recommended preventive measures. A number of seminars were organised after the launch of the package to meet the industry’s positive response. In view of users’ feedback and the plan to share the package in international fora, the training video was also enhanced with English voice-over.

In view of the large number of infrastructure projects and an active property development market, ICAC launched the capacity building package for the construction industry at a conference entitled “Construction Industry Conference – Engineering Risk Management and Integrity Building” in November 2014. About 200 government officials, consultants, contractors and representatives of consultant/contractor associations attended the conference. The package included a training video and a pamphlet on the corruption risks and preventive measures at various stages of a development project for reference and use by the industry practitioners. Copies of the package were delivered to industry stakeholders including the Government’s works departments, consultants and contractors, and public bodies. A train-the-trainer workshop for user organisations to train their staff to use the package was held in March 2015. Most participants were middle management staff of construction companies. A similar workshop was also conducted thereafter for staff of the Housing Department.

As the corruption complaint statistics in recent years reflected that catering is a corruption-prone industry, ICAC produced a training/self-learning package on corruption prevention in catering management for use by training/educational institutions providing relevant programmes as well as trade associations and catering operators. It consists of a training/self-learning video and a quick reference guide. With input from the industry, the video features five short drama episodes covering different risky areas of catering operations, followed by training messages on the legal provisions against bribery, integrity management, corruption risks, common loopholes, and preventive measures. The package was officially launched in August 2015 with a seminar jointly organised with the major catering trade associations for about 150 participants from the trade.
Riding on the success of issuing sample codes of conduct to government departments and public bodies to help ensure a high standard of integrity of their members and staff, ICAC also drew up a sample code of conduct for the board members and staff of non-governmental organisations (NGOs) in the welfare sector to enhance their corporate governance and internal controls. This was a joint initiative with the Hong Kong Council of Social Service (HKCSS) which is a federation of over 400 member-NGOs from the welfare sector. These members were consulted on the development of the sample code which covers the ethical requirements in relation to acceptance of advantages and entertainment, conflict of interest, confidentiality of information, etc. A seminar was held in October 2015 to launch the sample code to NGOs in the welfare sector, and most of the participants were board members and senior executives of HKCSS’s member organisations.

Business operators and their employees in the private sector may not be familiar with the stringent requirements governing the integrity of public servants, and from time to time enquire ICAC for advice on how to manage their relationship with public servants, in particular the offering of gifts or entertainment to public servants and handling of situations involving potential conflict of interest with them. In view of this, ICAC is developing an Integrity and Corruption Prevention Guide on Managing Relationship with Public Servants to educate the business sector on the clean practices expected in dealing with public servants. The Guide will cover legal provisions with case studies/lessons learnt, rules and regulations, preventive measures, best practices, etc. and is planned to be launched in December 2015.

Collaborating with the authority concerned, ICAC is developing a Unit of Competence on integrity and corruption prevention for use in the “Qualifications Framework” for the training and recognition of the qualifications of practitioners of the retail industry. A training video on corruption prevention in retail operations is also being produced. It is intended that a library of training resources will be made available for use by training institutions.

ICAC continued to offer corruption prevention services to newly listed companies within three months of their listing. So far, over 1000 listed companies were visited by the ICAC. Over 60% of them accepted corruption prevention services. The ICAC also launched an ethics promotion programme for listed companies to enhance the awareness of the top management of listed companies and related professionals of ethical corporate governance. As a component of the programme, a Toolkit on Directors’ Ethics was published in April 2015 to provide a pragmatic guide for the senior management of listed companies to practise ethical governance and resolve ethical challenges.

ICAC has been disseminating probity messages to youth in different phases of their school life through teaching packages, educational projects, face-to-face talks/workshops or new media. Every year, about 80000 tertiary and secondary students attended ICAC training in the form of personal ethics modules, interactive drama and lectures. Since 2007/08 school year, ICAC has organised the ICAC Ambassador Programme, which involved the recruitment and coaching of tertiary students to promulgate probity messages to their peers. Up to 2014/15 school year, the on-campus activities...
organised by ICAC Ambassadors have reached over 140000 students in 17 tertiary education institutions (TEIs). Through a youth association (i-League) established in 2010, ICAC continued to engage about 800 former Ambassadors in its anti-corruption work. A territory-wide iTeen Leadership Programme for Senior Secondary Students was launched in the 2013/14 school year. In the past two years, about 1600 senior secondary students from 135 secondary schools were recruited as iTeen Leaders to assist teachers in organising integrity activities in schools, reaching about 38000 students.

- ICAC also deployed the mass media as well as the interactive new media such as YouTube, Smartphone App, Facebook, etc. to reach out to the community, especially young people.

- ICAC continued to garner support from about 780 organisations from different sectors of the community in organising activities to put across anti-corruption messages. A wide range of activities to promote a culture of probity were jointly organised with the District Councils and other district organisations, reaching over 680000 people in 2014.

- The ICAC Club, which was established in 1997 to enhance community support and participation in the fight against corruption, has over 1300 members from different walks of life. Club members had assisted in organising ICAC activities in the community for more than 6400 service hours in 2014.

Art. 14
- HKC is considering introducing a new legislation on declaration/disclosure system on cross border transportation of cash or bearer instruments. A public consultation of the proposal is underway. For details, please see http://www.nd.gov.hk/en/R32.htm

2. Measures Being Planned to Implement UNCAC provisions

Art. 5–10
- ICAC will continue to review public sector procedures with a view to instituting corruption-resistant procedures and practices.

- ICAC will continue to recommend government departments and public organisations to adopt probity clauses in their public procurement contracts for various goods and services, with a view to upholding high ethical standards of their suppliers and contractors, and promoting ethical practices.

Art. 7
- ICAC will continue to provide the relevant government departments with advice on legislation and guidelines to help uphold clean and fair public elections. After the issuance of the best practice checklist on membership administration for UOs of LegCo FCs, ICAC will continue to contact individual UOs to
provide advice on how to enhance their internal controls and the transparency of their membership administration systems.

- ICAC will launch multi-faceted clean election campaigns to tie in with the upcoming public elections including the LegCo Election, Election Committee Subsector Election and Chief Executive Election to be held in 2016 and 2017.

- ICAC will reach the management of all government B/Ds by various means to review their integrity promotion and training plans, including seeking their support to make use of the newly developed Web Learning Portal on Integrity Management to supplement face-to-face staff training.

- Under the Ethics Leadership Programme, the ICAC and CSB will continue to jointly organise thematic workshops for Ethics Officers and officers responsible for integrity management in B/Ds.

Art. 8

- CSB and ICAC will continue to work closely with B/Ds through a proven three-pronged strategy, viz. prevention, education and training, and sanction, to uphold a high standard of integrity and probity in the civil service.

- CSB and ICAC will organise more MIPO seminars for civil servants at all levels on a regular basis to enable them to better understand this common law offence. A total of six MIPO seminars for frontline staff and junior/middle level management will be organised in 2015-16.

- To further promote integrity amongst senior members of the civil service, CSB will work in partnership with ICAC to incorporate the element of integrity leadership in suitable training programmes run by the CSTD.

- CSB will keep under constant review the service-wide rules and guidelines on conduct and discipline matters to ensure that they remain clear and adequate in present-day circumstances.

- After issue of the revised sample codes of conduct to public bodies in September 2014, ICAC will continue to follow up with individual public bodies to offer tailor-made advice on adopting the latest probity standards having regard to the public bodies’ organisational structure, resource capability, operational needs and risk exposures. Upon request, ICAC will assist the public bodies in promulgating the standards set out in their revised codes, particularly to the front-line staff, through seminars and talks.
Art. 9
- After issue of the corruption prevention best practice checklist on government procurement of general goods and services in September 2014, ICAC will continue to offer tailor-made advice to individual government departments to help them adapt and incorporate the recommended best practices in their own procurement guidelines.

Art. 12
- ICAC will continue to share anti-corruption experience and promote good governance and best practices in workshops and seminars organised for various professional bodies and trades related to accounting, banking, securities, insurance, testing and certification, real estates and construction, etc. as well as other private sector organisations.
- After launch of the capacity building package for the construction industry, ICAC will continue to conduct train-the-trainer workshops for the user organisations in the industry where required as well as integrity management workshops for works consultants and contractors to raise their integrity standard and corruption prevention awareness.
- Following launch of the training/self-learning package on corruption prevention in catering management, ICAC will approach the relevant tertiary education or vocational training institutions to promote the use of the package in their catering management courses, and organise further seminars with trade associations for their members as necessary.
- The sample code of conduct for members and staff of NGOs was launched in October 2015. Thereafter, ICAC will follow up with individual NGOs to offer tailor-made advice on adopting the latest probity standards having regard to the NGOs’ organisational structure, resource capability, operational needs and risk exposures. Upon request, ICAC will assist the NGOs in promulgating the standards set out in their revised codes, particularly to the front-line staff, through seminars and talks.
- The Integrity and Corruption Prevention Guide on Managing Relationship with Public Servants is planned to be launched in December 2015 jointly with trade associations and professional bodies. Thereafter, ICAC will provide individual business organisations with advice on how to deal with public servants properly and review their internal code of conduct accordingly based on the requests received.
- ICAC has planned to launch in early 2016 the Unit of Competence on integrity and corruption prevention for use in the “Qualifications Framework” for the training and recognition of the qualifications of practitioners of the retail industry, and the training video on corruption prevention in retail operations. Considerations are being given to extending the initiative to other industries covered by the “Qualifications Framework” such as IT, catering, property...
## Issues, Challenges and Constraints in the Implementation of UNCAC provisions

**Art. 12**
- The acceptance of ICAC’s services, including anti-corruption talks, formulation/review of staff code of conduct, corruption prevention measures to plug corruption loopholes and strengthen internal controls in private organisations, is entirely voluntary and subject to the policy and availability of resources of the private organisations.

## Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II

**Art. 8**
- From July 2014, CSTDI of CSB has organised 11 training programmes on integrity issues for managers at different levels within the civil service and 17...
training programmes for new recruits on integrity and core values. About 1860 civil servants have attended the programmes.

<table>
<thead>
<tr>
<th>Art. 12</th>
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<tbody>
<tr>
<td>● ICAC assists private sector organisations in the implementation of corruption prevention measures, e.g. development of staff codes of conduct, organisation of anti-corruption talks/workshops for management and frontline staff, and promotion of an ethical business culture.</td>
</tr>
<tr>
<td>● ICAC assists private sector organisations to gain a better understanding of the anti-bribery laws and the implementation of corruption prevention measures, e.g. development of staff code of conduct, organisation of anti-corruption talks/workshops for management staff and frontline employees, and promotion of an ethical business culture.</td>
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<tr>
<th>Art. 14</th>
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<tr>
<td>● For our ongoing commitment to capacity building for the financial sectors, HKC has been organising anti-money laundering (AML) seminars for the financial sectors and designated non-financial businesses and professions. Around 2900 participants attended the annual series of AML seminars held between September and December 2014.</td>
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B. UNCAC Chapter III: Criminalization and Law Enforcement

<table>
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<td>• Art. 16: Bribery of foreign public officials and officials of public international organizations</td>
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<td>• Art. 17: Embezzlement, misappropriation or other diversion of property by a public official</td>
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<td>• Art. 18: Trading in influence</td>
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<td>• Art. 19: Abuse of functions</td>
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<td>• Art. 20: Illicit enrichment</td>
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<td>• Art. 21: Bribery in the private sector</td>
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<td>• Art. 22: Embezzlement of property in the private sector</td>
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<td>• Art. 23: Laundering of proceeds of crime</td>
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<td>• Art. 24: Concealment</td>
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<td>• Art. 25: Obstruction of justice</td>
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<td>• Art. 26: Liability of legal persons</td>
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<td>• Art. 27: Participation and attempt</td>
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<td>• Art. 28: Knowledge, intent and purpose as elements of an offence</td>
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<td>• Art. 29: Statute of limitations</td>
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<td>• Art. 30: Prosecution, adjudication and sanctions</td>
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<td>• Art. 31: Freezing, seizure and confiscation</td>
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<td>• Art. 32: Protection of witnesses, experts and victims</td>
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<td>• Art. 33: Protection of reporting persons</td>
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<td>• Art. 34: Consequences of acts of corruption</td>
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<td>• Art. 35: Compensation for damage</td>
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<td>• Art. 36: Specialized authorities</td>
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<td>• Art. 37: Cooperation with law enforcement authorities</td>
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<td>• Art. 38: Cooperation between national authorities</td>
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<td>• Art. 39: Cooperation between national authorities and the private sector</td>
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<td>• Art. 40: Bank secrecy</td>
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20\textsuperscript{th} Steering Group Meeting – Ulaanbaatar, Mongolia
18 November 2015

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| 1. | Art. 41: Criminal record  
|   | Art. 42: Jurisdiction |

5. Measures Undertaken to Implement UNCAC provisions since the 19\textsuperscript{th} Steering Group Meeting in September 2014

- Since September 2014, ICAC has continued to investigate and prosecute corruption and related offences identified under UNCAC.

2. Measures Being Planned to Implement UNCAC provisions


4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III

- ICAC officers continued to receive training through courses and workshops organised in-house and by other institutions in Hong Kong and overseas for strengthening their professional capabilities and knowledge in various aspects of enforcement work. Training since September 2014 included financial investigations (including anti-money laundering legislation, money laundering methodologies, asset and fund tracing skills), fraud and public corruption investigations, mobile phone forensics, computer forensics and anti-corruption executive programs.
C. UNCAC Chapter IV: International Cooperation

<table>
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<td>Art. 44: Extradition</td>
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<td>Art. 45: Transfer of sentenced persons</td>
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<td>Art. 46: Mutual legal assistance</td>
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<td>Art. 49: Joint investigations</td>
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1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

Overall

- ICAC continues to enjoy high respect from anti-corruption counterparts and law enforcement agencies, and remains a key player in the global anti-corruption network.
- In September 2015, the Commissioner attended the 16th International Anti-Corruption Conference in Putrajaya, Malaysia and shared an “Ethics for All” model for cultivating an integrity culture in society.
- ICAC attended the Executive Committee Meeting of the International Association of Anti-Corruption Authorities (IAACA) in Doha in June 2015 to discuss the work of IAACA and the cooperation of anti-corruption agencies.
- In May 2015, the Commissioner visited renowned international ranking institutions in the USA and Germany, namely, Heritage Foundation, RAND Corporation and TRACE International, and Transparency International to update them on the latest probity situation of Hong Kong.
- ICAC hosted the 6th ICAC Symposium titled “A Future without Corruption – One Vision, Multiple Strategies” in May 2015, gathering over 500 delegates from over 60 jurisdictions and international organisations with a view to strengthening international cooperation in fighting corruption and preventing
corruption. To bring forward the momentum of the exchanges and deliberations in the Symposium, the Third Annual Meeting of Economic Crime Agencies Network was held in tandem with the Symposium. 20 law enforcement experts from 11 agencies around the world attended the meeting.

- In 2014, ICAC received about 3500 visitors from 14 international organisations and 42 countries and territories. To keep overseas counterparts posted of ICAC’s latest initiatives, ICAC invited visitors and those interested in the work of ICAC to subscribe to ICAC Post, an online newsletter issued regularly.

Art. 44
- As at 30 September 2015, HKC has 19 agreements on surrender of fugitive offenders in operation and 14 international conventions providing for surrender of fugitive offenders, including UNCAC, applied to it.

Art. 45
- As at 30 September 2015, HKC has agreement with 15 jurisdictions for the transfer of sentenced persons.

Art. 46
- As at 30 September 2015, HKC has 29 agreements concerning mutual legal assistance in criminal matters in operation and 13 international conventions providing for mutual legal assistance, including UNCAC, applied to it.

2. Measures Being Planned to Implement UNCAC provisions

- ICAC will continue to share its anti-corruption experience through visits and attendance at international conferences. Impending events include the 8th IAACA Annual Conference and General Meeting in Russia in late Oct 2015, 9th China-ASEAN Prosecutors General Conference in Mainland China in late Nov 2015 and 11th SEA-PAC in Brunei in early Dec 2015.
3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV

- In August 2015, ICAC attended the 21st APEC Anti-Corruption and Transparency Working Group (ACTWG) Meeting, the 2nd APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies (ACT-NET) Meeting and a capacity building workshop in Cebu, the Philippines.
- On 14 and 15 May 2015, ICAC hosted the 3rd annual meeting of the Economic Crime Agencies Network, a formal network of law enforcement agencies from various jurisdictions whose primary task is to investigate and prosecute economic crimes including bribery, corruption and fraud. 11 agencies from different jurisdictions attended the meeting to discuss practical issues on enforcement work.
- Between 11 and 13 May 2015, ICAC hosted an international conference – the 6th ICAC Symposium in Hong Kong with the theme “A Future without Corruption – One Vision, Multiple Strategies” which highlighted the importance of adopting multiple strategies in tackling corruption in the fast changing world. Views on the latest initiatives, know-how and strategies were exchanged and shared at the conference attended by over 500 delegates from more than 60 jurisdictions and international organisations.
- In January 2015, ICAC attended the 20th APEC ACTWG Meeting and Workshop in Clark, the Philippines for experience and knowledge sharing in combating corruption.
- In December 2014, ICAC attended and spoke at the APEC ACT-NET International Fugitive Repatriation and Asset Recovery Workshop organised by the Ministry of Supervision in Beijing, China.
- In November 2014, ICAC organised its 34th Chief Investigators Command Course attended by its newly promoted Chief Investigators and senior officers from various law enforcement agencies in Hong Kong, Mainland China and overseas. The course provided the participants with a platform for experience sharing and networking with their counterparts from different jurisdictions around the world.
- In September 2014, ICAC attended the United Nations Development Programme Workshop organised by ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, in Phnom Penh, Cambodia.
D. UNCAC Chapter V: Asset Recovery

UNCAC Provisions:
- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014
   - Art. 52
     - Regulators of financial institutions have periodically updated their guidelines for their sectors to improve measures on money laundering prevention. For example, the Hong Kong Monetary Authority has revised its guidelines to banks in March 2015. The guideline can be found at [http://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/guideline/g33.pdf](http://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/guideline/g33.pdf)
   - Art. 59
     - In the last 12 months, the Joint Financial Intelligence Unit of Hong Kong (JFIU HK) has signed a Memorandum of Understanding with another jurisdiction to share financial intelligence for combating money laundering activities. At present, JFIU HK has a total of 11 bilateral agreements with other jurisdictions to share financial intelligence.

2. Measures Being Planned to Implement UNCAC provisions

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V
E. Additional Developments

1. Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)

   - Entering into its 20th years’ operation, ICAC’s Hong Kong Ethics Development Centre was rebranded as Hong Kong Business Ethics Development Centre (HKBEDC) in May 2015 to better reflect its scope of services and further strengthen its partnership with the private sector in promoting business ethics as the first line of safeguard against corruption. The composition of the advisory committee of the Centre was expanded from six to ten major chambers of commerce in Hong Kong so as to further deepen our engagement with the private sector in fighting corruption. The Centre continues to co-organise seminars/workshops with different trade associations including those of small and medium size enterprises as well as with relevant professional organisations relating to banking, accounting, securities, construction works, real estate, testing and certification, etc., and spoke at conferences on business and professional ethics.

   - HKBEDC has established/maintained different networks with different trades and professions in the private sector (e.g. banks, commercial chambers and trade associations) to leverage their support for promotion of anti-corruption messages and corruption prevention services to their staff/member companies through workshops, sharing sessions and feature articles. The Centre has recently started to organise exchange sessions for directors of business chambers to share insights in ethical management and personal ethics with young ICAC Ambassadors.

   - The Centre of Anti-Corruption Studies (CACS) of ICAC provides resources for the study and analysis of issues pertaining to the fight against corruption in Hong Kong, regionally and internationally. The Centre promotes the anti-corruption strategy of the ICAC to overseas visitors and fosters cooperation with regional and international anti-corruption organisations and academic institutions to explore new initiatives to reduce and prevent corruption.

2. Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC

   - ICAC shares knowledge and experience in anti-corruption and promotion of business and professional ethics with other countries through its website, e-newsletters and e-alerts; feature articles in publications of the Hong Kong Trade Development Council and chambers of commerce; briefings for overseas visitors; visits to other countries and participation in international conferences.

   - CACS of ICAC provides a platform for scholarly exchange with regional and international anti-corruption organisations and academic institutions through visits and thematic conferences/seminars organised on a need basis.
MEMBER COUNTRY – REPUBLIC OF KOREA

A. UNCAC Chapter II: Preventive Measures

<table>
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<td>Art. 5: Preventive anti-corruption policies and practices</td>
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<td>Art. 6: Preventive anti-corruption body or bodies</td>
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<td>Art. 7: Public sector</td>
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<tr>
<td>Art. 8: Codes of conduct for public officials</td>
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<td>Art. 9: Public procurement and management of public finances</td>
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<td>Art.10: Public reporting</td>
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<tr>
<td>Art.12: Private sector</td>
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<tr>
<td>Art. 13: Participation of society</td>
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<tr>
<td>Art. 14 : Measures to prevent money-laundering</td>
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</tbody>
</table>
1. Measures Undertaken to Implement UNCAC Provisions since the 19th Steering Group Meeting in September 2014

Art. 5: Preventive anti-corruption policies and practices

• Since 2002, the Korean government has conducted the Integrity Assessment every year to measure the integrity levels of public sector organizations. The results of the assessment are mainly based on a survey of citizens and public officials who directly experienced corruption-prone services of the public organizations subject to the assessment. The Integrity Assessment has won the 1st prize in the category of Preventing and Combating Corruption in the Public Service at the 2012 United Nations Public Service Awards (UNPSA).

In 2014, Integrity Assessment was conducted on 640 public institutions. Tailored Integrity Assessments were conducted on local councils, public medical institutions, and colleges.

The validity of Integrity Assessment's model has been improved. For example, as corruption evolved, new types of indexes assessing corruption levels were introduced. Also, detailed assessment indexes were included to better reflect corruption experience.

• Since 2002, the Korean government has carried out the Anti-Corruption Initiatives Assessment to measure the effectiveness of efforts made by public organizations to prevent corruption and increase transparency and integrity. The results of the Assessment are used to disseminate best practices and provide consulting service for the organizations which performed poorly in the assessment. In 2014, a total of 254 public organizations were subject to the Assessment, including local governments and national/public colleges.

Art. 8: Codes of conduct for public officials

• The ACRC recommended that all public institutions adopt enhanced regulations of public officials’ outside lectures. The regulation on the limit on honorarium for outside lectures should be strengthened. The numbers and hours of paid outside lectures of public officials have been limited.

The regulation stipulating that the amount of honorarium exceeding the limit should be returned and that Code of Conduct officers should keep track of their employees’ outside lectures on a half-yearly basis was newly introduced.

Art. 9: Public procurement and management of public finances

• On 19 January 2015, Center for Reporting Public Subsidy Fraud was established as a comprehensive pan-governmental organization where not only welfare subsidy fraud but all the fraudulent receipt of government subsidy in general can be received or handled. In 2014, the Center received 769 reports and provided 2,925 rounds of counseling service.

• The ACRC submitted the Bill on the Prevention of False Claims of Public Funds to the National Assembly on 17 June 2015. The Bill stipulates that falsely claiming, overcharging, or using public funds for other than the original purpose or in an unjust manner are strictly prohibited. Also, falsely claimed benefits should be 100% redeemed according to the Bill. In the case of false and illegal claims intentionally or habitually made, the claimant will have to pay two to five times the claimed money as punitive damages.
In May 2015, detailed standards of reviewing contract proposals were revised to introduce the prevention of biased review favoring specific bidder. The standards set the range of points that a reviewer can give in order to reduce a huge gap in points given to bidders by a specific reviewer.

Art. 12: Private sector

On 31 March 2015, the Public Officials Ethics Act was revised. Under the Act, retired public officials should not re-employed for three, instead of two years after retirement. Also, not only private companies but also public companies, public service-related organizations in charge of safety and inspection or permit and license, and non-profit corporate person should not hire retired public officials for three years.

In 2014, the ACRC provided customized training for ethical management to the employees of private companies. In June 2015, discussion to promote ethical management of companies was held and a resolution on ethical management was adopted.

Art. 13: Participation of society

In September 2014, “Korea Network on Anti-Corruption and Transparency”, a public-private network to fight corruption and to spread the culture of integrity in society as a whole, was launched. The Network consists of 38 organizations of four groups (civic group, government agency, public service-related organization, and professional association).

The ACRC provides financial support for anti-corruption campaigns led by civil society groups to promote voluntary and creative efforts for raising public awareness of transparency and integrity issues. In 2014, the ACRC provided a 305 million won (about 270,000 dollars) fund for 21 activities including projects to enhance transparency of councils of local governments, prevent budget waste, improve people’s perception toward anti-corruption and integrity, and promote people’s rights and interests, etc.

In 2014, the Anti-Corruption Training Institute under the ACRC provided training for 7,158 trainees including public officials, teachers, and ethics officers of private companies. Online anti-corruption and integrity training course were provided to 81,845 public officials and other trainees.

In September 2014, “Korea Network on Anti-Corruption and Transparency”, a public-private network to fight corruption and to spread the culture of integrity in society as a whole, was launched. The Network consists of 38 organizations of four groups (civic group, government agency, public service-related organization, and professional association).

The ACRC is making efforts to revise of the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission. Before, integrity training courses for public officials were provided at the discretion of heads of institutions. Now, all the public institutions are obliged to conduct the training for public officials.

Art. 5: Preventive anti-corruption policies and practices
- In 2015, the ACRC plans to conduct the Integrity Assessment for 759 public organizations.
- In 2015, the ACRC plans to conduct the Anti-Corruption Initiatives Assessment for 268 public organizations. The Assessment will be expanded to medical institutions such as hospitals of national or public universities.

Art. 13: Participation of society
- In 2015, the Anti-Corruption Training Institute plans to provide training for 7,500 trainees, including customized training for 3,276 trainees, integrity leadership training for 480 trainees, professional integrity training for 160 trainees, and special training for 2,400 trainees, etc. Online integrity training will be provided to 118,720 public officials.

B. UNCAC Chapter III: Criminalization and Law Enforcement

<table>
<thead>
<tr>
<th>UNCAC Provisions:</th>
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<td>Art. 15: Bribery of national public officials</td>
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<td>Art. 34: Consequences of acts of corruption</td>
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<td>Art. 40: Bank secrecy</td>
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</tbody>
</table>
6. Measures Undertaken to Implement UNCAC Provisions since the 19th Steering Group Meeting in September 2014

Art. 15: Bribery of national public officials

- On 3 March 2015, the Improper Solicitation and Graft Act was enacted. It will be enforced on 20 September 2016. Under the Act, the public official who receives financial advantages or entertainment will face criminal punishment or a fine for negligence regardless of whether such offer is given in exchange of any favors.
- According to revised draft of the Enforcement rules to Decree on Punishment of Public Officials, a public official will face dismissal if he or she receives financial advantages or entertainment in excess of one million won (about 884 dollars) related to official duty or asks for financial advantages first even though the amount is less than one million one.
- Revision of the Decree on Punishment of Public Officials has been promoted to introduce the expanded scope of disciplinary charges imposed to public officials. Disciplinary charges will be imposed on the receipt of not only financial advantages but also entertainment, favor, convenience, waiver of liabilities, job offering, and other benefits.

Art. 16: Bribery of foreign public officials and officials of public international organizations

- The Act on Combating Bribery of Foreign Public Officials in International Business Transaction is enforced on 15 October, 2014. A provision that allowed small facilitation payments to speed up fair performance of foreign officials in charge of routine and repetitive duties was deleted.

Art. 18: Trading in influence

- On 3 March 2015, the Improper Solicitation and Graft Act was enacted. It will be enforced on 20 September 2016. Fine for negligence will be imposed if a person improperly solicits a public official, and a public official who illegally or unjustly conducts public duty according to the improper solicitation will face criminal punishment.
- The Act on the Establishment and Reparation of Committees belonging to Administrative Agencies is enforced on 12 November, 2015. A principle stipulating that commissioners from the private sector who serve for commissions will be considered public officials, and therefore commissioners who cannot duly perform their duties will be dismissed was introduced.

Art. 33: Protection of reporting persons
• From September 2014 to October 2015, the ACRC provided a total of 25 protective measures such as protection of identity (20 cases), physical protection (3 cases), and measures to verify if reporters’ identities were revealed (2 cases), etc. Over the same period, it provided about USD 1,590,000 to whistleblowers as compensation in 38 cases, which resulted in increases or recovery of government revenues.

• According to revised Enforcement Decree of the Act on Anti-Corruption and the Establishment and operation of the Anti-Corruption and Civil Rights Commission, more protection of whistleblowers, measures to protect whistleblowers’ identities such as the suspension of disadvantageous measures, and increased amounts of rewards and awards were introduced.

• In 2014, the ACRC handled 9,130 public interest reports such as health (5,570 cases), safety (1,936 cases), environment (312 cases), consumer interest (345 cases), fair competition (94 cases), and others (873 cases). In 2014, rewards of about USD 360,000 were provided to 657 cases that led to increases or recovery of public funds.

• The Act on the Protection of Public Interest Whistleblowers was revised. It will be enforced on 25 January 2016. The revised Act introduced expanded scope of laws and exemption from responsibilities in regard to public interest whistleblowing; charges for compelling the compliance to those who fail to implement protective measures, a joint penal provision that strengthens legal persons’ responsibility of monitoring, and the reward system to promote whistleblowing.


4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III
## C. UNCAC Chapter IV: International Cooperation

**UNCAC Provisions:**
- Art. 43: International cooperation
- Art. 44: Extradition
- Art. 45: Transfer of sentenced persons
- Art. 46: Mutual legal assistance
- Art. 47: Transfer of criminal proceedings
- Art. 48: Law enforcement cooperation
- Art. 49: Joint investigations
- Art. 50: Special investigative techniques

1. Measures Undertaken to Implement UNCAC Provisions since the 19th Steering Group Meeting in September 2014


4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV
D. UNCAC Chapter V: Asset Recovery

**UNCAC Provisions:**
- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

1. Measures Undertaken to Implement UNCAC Provisions since the 19th Steering Group Meeting in September 2014


4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V
### E. Additional Developments

1. Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)
   - The ACRC shared the results of the 19th Steering Group Meeting and the 8th Regional Anti-Corruption Conference for Asia and the Pacific, which were held in Phnom Penh in September 2014, with relevant agencies and the general public as well as its staff by posting the mission report on the intranet and the governmental website for overseas mission reports [http://btis.mpm.go.kr](http://btis.mpm.go.kr)

2. Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC
   - Korea-U.K hosted the Anti-Corruption Seminar in Seoul on 9 December 2014 and in London on 27 March 2015.
   - The ACRC organized an anti-corruption training for the Corruption Eradication Commission of Indonesia on 18-22 August 2014.
   - The ACRC organized an anti-corruption workshop for the Central Commission for Internal Affairs of Vietnam on 13-14 November 2014.
   - The ACRC organized the training program on the Integrity Assessment for Independent Authority Against Corruption of Mongolia on 13-16 April 2015.
   - The ACRC organized the Training Course for International Anti-Corruption Practitioners in May 2015. Fifteen participants from Asian, African and South American countries attended the training program.
   - The ACRC co-hosted the anti-corruption session at the UN Global Compact Leaders Summit on 19 May 2015.
MEMBER COUNTRY- MACAU, CHINA

<table>
<thead>
<tr>
<th>A. UNCAC Chapter II: Preventive Measures</th>
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<td>UNCAC Provisions:</td>
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1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

- The new Law of Prevention and Repression of Acts of Corruption on Foreign Trade, criminalizing the active bribery of foreign public officials and officials of international organizations that includes a provision to disallow the tax deductibility of expenses that constitute bribes, as per article 12(4) of UNCAC has entered into force on January 1st 2015.
- Between September 2014 and September 2015 a total of 105 sessions / seminars were organized for nearly 5700 civil servants in the public sector, themes included integrity, code of conduct for civil servants, professional ethics and public procurement.
- Between September 2014 and September 2015, 60 seminars were organized for over 3140 staff members and CEO’s of private enterprises, namely on the law on Prevention and Suppression of Bribery in the Private Sector.
- Between September 2014 and September 2015 CCAC also disseminated the message of corruption prevention through TV commercials, radio advertisement, outdoors, bus advertisements, TV programs, special columns in newspapers and other type of publications. A new series of TV and radio advertisement encouraging the public to report corruption has been broadcasting since August 2015.
- Commission against Corruption has been implementing the “Education Programme on Honesty for Teenagers” in Secondary Schools for many years which
is greatly supported by the education sector. Between September 2014 and September 2015 there were a total of 18 schools participating in this program, with a total of 7643 participants in 99 sessions or seminars.

- It was organized by CCAC a seminar entitled “A Talk on Integrity for Secondary School Graduates”. Between September 2014 and September 2015 graduates of 10 schools participated in this activity with a total of 2073 student participants.
- Between September 2014 and September 2015 the CCAC also co-organized with 6 secondary schools, in a regular basis, the so called “Integrity Week” which includes a series of special events under the theme of “Integrity and Honesty”.
- New edition of the teaching materials “Honesty and Integrity” for primary students was published and distributed to different primary schools upon request. The first edition of the teaching materials were launched in 2005 and CCAC decided it was time to carry out a comprehensive update of the teaching materials with interactive teaching aids and audio-visual teaching materials to facilitate the educators to conduct the relevant teaching activities.
- A total of 506 primary students had participated in the special activity “Celebrate Children’s Day with William” to celebrate the June 1st International Children’s Day.
- A video filming contest targeting secondary school students has been launched on September 2015. Entitled “Promoting Honesty”, the contest welcomes short video clips created individually or by students in small groups. Through organizing this contest, the CCAC aims to encourage students to reflect on the importance of honesty and integrity in their everyday life and to promote these values conveyed in the creative works.
- An online compliant platform has been newly launched to facilitate the complainants in reporting corruption complaints.

2. Measures Being Planned to Implement UNCAC provisions

- The CCAC will continue to locally organize workshops and seminars both with the public and the private sectors to promote a large set of principles such as professional integrity and professional ethics as well as disseminating the code of conduct for civil servants, and preventing acts of corruption in the public procurement area.
- The CCAC working group for the review of UNCAC implementation has been working the past year finalizing the “UNCAC Compliance Macao S.A.R. Self-Assessment” and will continue to monitor the local legal framework in order to continuously identify gaps or needs to do adjustments in it so it can fully comply with the UNCAC demands.

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

- There was no changes in the legislative process in the Macao SAR – it still takes longer than desirable.
As it happens in the majority of the jurisdictions, the commitment of private organizations with the CCAC proposals (including the participation on the CCAC workshops or seminars) is entirely free – depends solely on the particular organization policy and/or availability of resources.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II

- CCAC and particular the members of the working group for the review of UNCAC will keep attending technical seminars and workshops that contribute to develop CCAC’s technical capacity in this area.
- In general CCAC staff will continue to participate in any related events (workshops and seminars) specially in the area of its jurisdiction as it has been doing in the recent past. Examples:
  - CCAC staff has attended the 17th APG Annual Meeting of the Asia/Pacific Group on Money Laundering which was held in Macao, China from 2014/06/14 to 2014/06/18.
  - CCAC has attended 2014 APG Technical Seminar which was held in Bangkok, Thailand in November 2014.
### B. UNCAC Chapter III: Criminalization and Law Enforcement

**UNCAC Provisions:**

- Art. 15: Article 15. Bribery of national public officials
- Art. 16: Bribery of foreign public officials and officials of public international organizations
- Art. 17: Embezzlement, misappropriation or other diversion of property by a public official
- Art. 18: Trading in influence
- Art. 19: Abuse of functions
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- Art. 32: Protection of witnesses, experts and victims
- Art. 33: Protection of reporting persons
- Art. 34: Consequences of acts of corruption
- Art. 35: Compensation for damage
- Art. 36: Specialized authorities
- Art. 37: Cooperation with law enforcement authorities
- Art. 38: Cooperation between national authorities
- Art. 39: Cooperation between national authorities and the private sector
- Art. 40: Bank secrecy
### Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

- The legal regime of prevention and repression of acts of corruption on foreign trade, criminalizing the active bribery of foreign public officials and officials of international organizations that includes a provision to disallow the tax deductibility of expenses that constitute bribes, as per article 12(4) of UNCAC has entered into force on January 1st 2015.

- In 2014, the CCAC continued to provide assistance and support for the evaluation work of the United Nations specialists regarding the fulfillment of obligations under the United Nations Convention Against Corruption by the People’s Republic of China. The CCAC also actively participated in China’s evaluation on the implementation of the Convention by Afghanistan.

- The CCAC continued to take actions to prevent and combat crimes of corruption and related fraud crimes within the activities of the public and the private sectors as previewed in its Organic Law.

- CCAC has attended the 17th APG Annual Meeting of the Asia/Pacific Group on Money Laundering which was held in Macao, China from 2014/06/14 to 2014/06/18.

- 13 Chief’s and investigators participated in the 14th Training Course held by the People’s Public Security University of China which was held in Beijing from 2014/10/26 to 2014/11/1.

- CCAC has attended ICAC Chief Investigators Command Course no. 34 which was held in Shangai and Hong Kong in November 2014. The course was designed to meet the professional needs of middle managers in a law enforcement environment, who have potential to advance to senior positions within their respective agencies. It also provides a valuable opportunity for participants from across the world to exchange their experiences and ideas.

- CCAC has attended the “Intelligence Support Systems for Lawful Interception, Electronic Surveillance and Cyber Intelligence Gathering Exhibition and Conference” held in Kuala Lumpur, Malaysia in December 2014.

- CCAC has attended the Anti-Corruption and Investigations Course II, in August and September 2015.

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**Table:**

1. **Art. 41: Criminal record**
2. **Art. 42: Jurisdiction**
20\textsuperscript{th} Steering Group Meeting – Ulaanbaatar, Mongolia
18 November 2015

- CCAC has attended the Asset Recovery, Money Laundering and Organised Crime workshop which was held in Macau in September 2015.
- CCAC staff has attended “Cellebrite CCPA Certification Training” which was held in Hong Kong in October 2015.

2. Measures Being Planned to Implement UNCAC provisions
- Macao S.A.R. is in the process of AML/CFT law revision. The final proposal will be sent to the competent Secretary in September 2015 for proceeding with the necessary legislative process with remarks to be put in the 2016 legislative agenda.
- The final draft of the so called Freezing Law was also submitted to the competent Secretary and expected to be put in the 2016 legislative agenda.
- The internal procedures for the cross-border declaration system are ready. The respective Administrative Regulation is targeted to be passed in 2016.
- Macao S.A.R. is now in the process of finishing a Macao SAR ML/TF Risk Assessment Report.
- A special coordination mechanism is proposed to be set up for addressing proliferation financing in Macao SAR – the proposal for setting up the coordination mechanism is targeted to be in place before the end of 2015.

- There was no changes in the legislative process in the Macao SAR – it still takes longer than desirable.
- There is still a lack of expert and knowledgeable instructors who are familiar with both the Macao SAR legal system and its practical problems.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III
- Both the members of the CCAC working group for the review of UNCAC implementation, and the general CCAC staff, have attended a series of internal and international seminars and workshops on various subjects related with CCAC framework promoted by different institutions, and they will continue to do so analyzing the relevance of each seminar / workshop for CCAC on a case by case basis.
### C. UNCAC Chapter IV: International Cooperation

**UNCAC Provisions:**
- Art. 43: International cooperation
- Art. 44: Extradition
- Art. 45: Transfer of sentenced persons
- Art. 46: Mutual legal assistance
- Art. 47: Transfer of criminal proceedings
- Art. 48: Law enforcement cooperation
- Art. 49: Joint investigations
- Art. 50: Special investigative techniques

<table>
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<tr>
<th>1. Measures Undertaken to Implement UNCAC provisions since the 18&lt;sup&gt;th&lt;/sup&gt; Steering Group Meeting in July 2013</th>
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<tbody>
<tr>
<td>• The CCAC continue to cooperate with anti-corruption departments and the Department of Supervision from Hong Kong and China under a mutual case assistance mechanism.</td>
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<tr>
<td>• The CCAC continued to provide assistance and support for the evaluation work of the United Nations specialists regarding the fulfilment of obligations under the United Nations Convention against Corruption by the People’s Republic of China.</td>
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<tr>
<td>• The CCAC also actively participated in China’s evaluation on the implementation of the Convention (UNCAC) by Afghanistan.</td>
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<tr>
<td>• The CCAC continued to promote and develop professional relations with several of his international counterparts and related entities.</td>
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<tr>
<td>• The CCAC participated on the “19&lt;sup&gt;th&lt;/sup&gt; Steering Group Meeting of the ADB/OECD Anti-Corruption Initiative for Asia-Pacific and the 13&lt;sup&gt;th&lt;/sup&gt; Regional Seminar”, held in Phnom Penh, Cambodia.</td>
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<tr>
<td>• The CCAC participated in the “Fraud and Public Corruption Investigation Course”, organized by the ILEA (International Law Enforcement Academy) in Bangkok.</td>
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<td>• CCAC has attended the “EnCase Computer Forensic and CTI Essential Training” held in Singapore in May 2015.</td>
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<tr>
<td>• CCAC has attended “The 9&lt;sup&gt;th&lt;/sup&gt; China-ASEAN Prosecutors General Conference – International Cooperation on Fugitive Repatriation and Asset Recovery” held in Nanning, Guangxi, China in November 2015.</td>
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<tr>
<th>2. Measures Being Planned to Implement UNCAC provisions</th>
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<tbody>
<tr>
<td>• The CCAC plans to keep fulfilling the international standards in fighting corruption, namely those previewed under the United Nations Convention</td>
</tr>
</tbody>
</table>
Against Corruption.

- CCAC has plans to keep updating its staff professional skills in this area namely through international cooperation as well as keeping monitoring the local legal framework contributing to its adaptation to the international levels in the area of fighting corruption.

### 3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

- There were no changes in the legislative process in the Macao SAR.

### 4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV

- International cooperation has been and it will continue to be a priority in the CCAC strategy.
**20\(^{th}\) Steering Group Meeting – Ulaanbaatar, Mongolia**  
18 November 2015

### D. UNCAC Chapter V: Asset Recovery

**UNCAC Provisions:**

- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

#### 1. Measures Undertaken to Implement UNCAC provisions since the 18\(^{th}\) Steering Group Meeting in July 2013

- The CCAC participated on the “5\(^{th}\) Annual Conference of the Global Focal Points Network”, held in Vienna, Austria, where representatives of the participating states had an in-depth discussion and shared their experiences on the theme of “Asset Recovery – Chapter V of the United Nations Convention Against Corruption”.
- The CCAC continues to cooperate with Macao FIU and other governmental departments, including law enforcement organizations, namely as a member of the Macao SAR AML/CFT Workgroup.
- CCAC has attended the Asset Recovery, Money Laundering and Organised Crime workshop which was held in Macau from 2015/09/14 to 2015/09/19.

#### 2. Measures Being Planned to Implement UNCAC provisions

- The final draft of the so called Freezing Law was submitted to the competent Secretary and expected to be put in the 2016 legislative agenda.
- Before the end of 2015 Macao SAR will initiate a study project to develop a centralized system to collect and reconcile the data on STRs received, investigations, prosecutions and convictions, criminal proceeds involved, assets seized and confiscated and the number of persons arrested and sentenced (data to be sorted by type of predicate offence) – set up action plan and start up within 2016.
<table>
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<th>3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions</th>
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<th>4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V</th>
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<tr>
<td>- Attendance of the “5th Annual Conference of the Global Focal Points Network”, held in Vienna, Austria in September 2014, where representatives of the participating States has in-depth discussions and shared their experiences on the theme of “Asset Recovery – Chapter V of the United Nations Convention Against Corruption”.</td>
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</table>
### E. Additional Developments

1. **Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events** (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)
   - The CCAC keeps tracking the Initiative materials in the way to adapt its content to the internal trainings.

2. **Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC**
   - The CCAC keeps sending experts to assist and share knowledge and experiences with anti-corruption departments of different countries.
   - The CCAC keeps promoting prevention anti-corruption standards and professional ethics through is website, namely publishing a set of recommendations on different professional areas.
**MEMBER COUNTRY- MALAYSIA**

### A. UNCAC Chapter II: Preventive Measures

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<td>Art. 5: Preventive anti-corruption policies and practices</td>
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1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

**Article 5- anti-corruption policies and practices**

**Government Transformation Programme (GTP) National Key Result Area in Fighting Corruption**

In efforts to achieve the goal of becoming a developed and high income nation by 2020, the Government of Malaysia has embarked on a bold plan of initiatives dubbed as the **Government Transformation Programme (GTP)** which focuses on 7 National Key Result Areas (NKRA)s formulated based on the citizen’s ideas, feedback and input obtained through various channels. The NKRA’s include 1. Reducing Crime, 2. **Fighting Corruption**, 3. Improving Student outcomes, 4. Raising Living Standards of Low-income Groups, 5. Improving Rural Basic Infrastructure 6. Improving Urban Public Services and 7. Addressing Cost of Living.

The GTP is divided into 3 time lines (horizons):

- GTP 1.0 (2010-2012)
GTP 2.0 (2013-2015)
GTP 3.0 (2016-2020)

Under its GTP 1.0 NKRA-Fighting Corruption (2010-2012) initiatives the focus is in three areas, namely, **Law Enforcement and Regulatory Agencies, Government Procurement and Grand Corruption.**

**Focus Areas under GTP 2.0 NKRA-Fighting Corruption (2013-2015)**

**A. Enforcement Agency-Focus Areas**
- Special Committee on Corruption to answer questions concerning MACC Annual Report in Parliament
- Executive Review Committee in MACC
- Project Management Office on Prevention
- Monitor compliance unit activities *
- Monitor “name and shame”
- Corporate Integrity System
- Streamline oversight committees

**B. Grand Corruption-Focus Areas**
- Engagement with judges
- Complete prosecution of corruption cases within one year *
- Improve political financing governance framework *
- Insertion of Corporate Liability Provision into MACC Act

**C. Government Procurement- Focus Areas**
- Fast-tracking access to AG Performance Audit Report for immediate action
- Action Committee on AG report
- Auditor General’s online dashboard
- Putrajaya Inquisition
- Implementation of comprehensive integrity pact for Private-Public Partnership (PPP) projects *
- Upgrading MyProcurement and Integration with related procurement portals *
- Guidelines for middlemen/lobbyist

**D. Education and Public Support-Focus Areas**
Setting up of Corruption Prevention Secretariat in Teacher’s Training College
Training of MPs
Incorporate anticorruption element in textbooks in primary and secondary schools

Note: Of the 21 initiatives above, 16 have been successfully implemented or are in the pipeline for implementation] *GTP 1.0 Initiatives

Article 7- Public Sector

i. Establishment of Integrity Unit (IU) in Government Agencies- Service Circular No.6 of 2013

This service circular which came into force on 1st August 2013 is a directive from the Director General of Public Services makes it mandatory for all government agencies (inclusive of Government –Linked Companies) under the Federal Services Commissions, Ministers, State, District, Statutory Bodies and Local Government to set up Integrity Units (IUs) which have been categorized by the Malaysian Anti-Corruption (MACC) according to their levels of corruption risk.

The Integrity Unit is to be headed by a Certified Integrity Officer (CeIO) who have undergone a CeIO certification programme organized and administered by the Corporate Integrity Development Center (CIDC) of the Malaysia Anti-Corruption Academy (MACA).

The 6 core functions of IU are :

1. Governance -To ensure governance in administration
2. Strengthening Integrity -To strengthen culturalization, institutionalization and implementation of integrity
3. Detection and Verification -To detect and verify complaints of misconduct, criminal activities and transgression of organizational ethics as well as ensuring that appropriate action are taken to address them and to report criminal activities to the appropriate enforcement authorities
4. Complaints Management -To receive and take action on all complaints/information of crime/misconduct as well as ethical transgression
5. Monitoring -To ensure compliance with laws and regulations which are currently enforced
6. Disciplinary -To act as Secretariat of Disciplinary Committees

Coordination
The functions of the IU are coordinated by the Public Sector Governance Division (BUTSA) of the MACC

Establishment of IUs
Currently there are 579 IUs in various Ministries and Government Departments (Federal, States, and Local Authorities) and 72 IUs in Federal Government Statutory
Bodies as well **85** IUs in State Government-Statutory Bodies and **10 GLCs**.

Out of these total 746 IUs, 40 of them are headed by MACC officers.

**ii. Committee for Government Administration on Integrity & Governance**

The **PM’s Directive No.1 of 2014** entitled “Gerakan Pemantapan Keutuhan Sistem Pengurusan Pentadbiran Kerajaan Malaysia: Penubuhan Jawatankuasa Integrati dan Tabir Urus” (Strengthening the Governance of the Malaysian Government Administration System Movement: The Establishment of Integrity and Governance Committee).

The Directive requires that such Integrity & Governance committees, dubbed as “**JITU**” (the acronym for the words “Jawatankuasa Integrati dan Tadbir Urus”), and are to be established at the **Federal, all Ministerial, State, District and Resident (in Sarawak State) levels** of Government administration.

Basically JITU is a mechanism that translates into action the Government’s commitment in upholding ideals under the slogan of “1 Malaysia: People First, Performance Now” to address and resolve issues which concern the integrity and governance of the Public administration.

The objectives of JITU are as follows:

- To create a Government administration and civil service that is highly efficient, disciplined and with integrity through the inculcation of good values and ethics;
- To plan and implement preventative and remedial measures to overcome problems and weaknesses specifically in financial management, public administration and the handling of disciplinary matters, corruption, abuse of powers and malpractices prohibited by laws, regulations and religion; and
- To identify and resolve current issues that impact across all agencies in a proactive manner through engagements, collaboration and quick response.

The terms of reference of JITU include:

1. Policy and Legislation
2. Service Delivery System and Procedure
3. Detection, Punitive and Remedial Action
4. Inculcation of Values and Code of Ethics
5. Customer Service Management
6. Collaboration with Relevant Stakeholders
Reporting system of JITU
- Every issue raised must be addressed with preventive measures
- Frequency of Meetings: 3 times per year
- Reports from the Ministries and the State Governments must reach the Secretariat at least 2 weeks before the National Level JITU Meeting – January, May and September

Coordination of JITU by BITU

Activities of JITU are being coordinated by the Minister in charge of Integrity and Governance of the Prime Minister’s Department. He is assisted by the Joint-Secretariat of JITU which comprises the MACC (JITU Division) and PMO (Prime Minister’s Office)

And in 2015 it is emplaced under the Prime Minister’s Department as the Secretariat to a newly formed Division known as “BITU” (Bahagian Integriti dan Tadbir Urus) or Integrity & Governance Division, in English. BITU essentially functions as the Special Cabinet Committee on Government Management Integrity (SCCGMI) headed by the Prime Minister.

iii. The setting up of the National Consultative Committee for Political Financing Committee

The government has established a National Consultative Committee on Political Financing (JKNMPP) to outline a comprehensive and inclusive political financing plan to ensure consultative steps and consideration are taken from every level,

The NCPFC announced by the PM on 14 August will be led by two ministers and will ensure any money received for the purpose of politics is done so with “integrity”.

Article 12- Private Sector

The setting up of the Anti-Corruption & Ethic Centre or “ACE” in 2014

The ACE initiative acts as a “one-stop” referral-cum-resource center by members of the public on issues of corruption prevention, domestic and international best practices and ethics. The components of ACE are as follows:
- Center for information and education: providing information on corruption issues, case studies and anti-corruption legislation
On-line center: providing quick response to queries on issues of corruption and ethics
Marketing and Media: providing updates and latest publications, statistics and discussion programmes on corruption prevention

Article 13- Participation of Society

The MACC under its 2015 slogan of “Making MACC People Centric” continues to improve its Civil Societies (CSOs) and NGOs engagement through the following measures:

(a) Giving attention and focusing on those CSOs and NGOs which are:
   - Influential
   - Having the “voice” of society
   - Having international network
   - Actively advocating anti-corruption concerning corruption issues

(b) Establishing an effective communication mechanism between the MACC and Civil Society. This has been implemented by the MACC Task Force on CSO Engagement through the implementation of
   - The “No to Corruption” portal which acts a platform to disseminate information on anti-corruption and for CSO to exchange ideas on improvements to anti-corruption initiatives.
   - The MACCSO WhatsApp group among heads of NGOs and MACC Senior Officers.

OTHER MEASURES

(a) Establishment of the MACC Task Force on Political Engagement working in collaboration with TI-Malaysia, UNDP, IIM, Judiciary and UNODC to engage with political leaders on anti-corruption programmes.

(b) Establishment of the MACC Task Force on Content to improve contents and delivery of lectures to ensure that messages conveyed are systematic and impactful to listeners/audience.

(c) Establishment of a MACC Board on Improvement of Contents and Development of Quality Lecturers comprising of experienced lecturers and experts.

(d) Establishment of the MACC Task Force on Media and Communication to implement and carry out the following initiatives:
   - Improving public perception
   - Enhancing public trust
   - Enhancing public support and cooperation
   - Show casing effectiveness of MACC in tackling high profile and public interest cases
20th Steering Group Meeting – Ulaanbaatar, Mongolia
18 November 2015

- Winning the hearts of international leaders and individuals
- Enhancing awareness of society regarding the oversight bodies of MACC
- Engaging target groups with the right activities
- Fighting perception with facts
- Having a strategy and clear policy on media engagements.

**Article 14: Measures to Prevent Money Laundering**

Amendments to the Anti-Money Laundering and Terrorism Financing Act 2001 (Act 613) on 8 August 2014 as the new Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (Act 613) by virtue of the Anti-Money Laundering and Anti-Terrorism Financing Act (Amendment) Act 2014 (Act A1467). In pursuing the objective of safeguarding the integrity of the financial system, the AMLATFA amendments will ensure that the AMLATFA remains relevant and effective in combating money laundering and terrorism financing (ML/TF) threats. The amendments are aimed at:

- providing further clarity on reporting obligations;
- strengthening measures on declaration for cross-border transportation of cash and bearer negotiable instruments (BNI);
- strengthening ML/TF investigation and prosecution powers; and
- providing effective and dissuasive sanctions and penalties for contraventions of the AMLATFA provision.

2. Measures Being Planned to Implement UNCAC provisions

**Art.6- Independence of Anti-Corruption Bodies**

The MACC is in the process of transforming the Malaysian Anti-Corruption Commission as a constitutionally mandated commission, beyond the scope, control and influence of the Executive with the objectives of:

- (i) to ensure the independence of Commissioners serving the commission; and
- (ii) to establish the MACC Service Commission with the power to hire and fire intake of officers.

**Article 12- Private Sector**

The MACC Working Committee on Private Sector (Corruption) Prevention has proposed the following measures to the Government of Malaysia and relevant oversight agencies:

- Achieving buy-in by private sector and budgetary concerns

### 4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II

- NIL

- Inclusion of **corporate liability** clause in the Malaysian Anti-Corruption Commission Act 2009;
- Making it mandatory for Board of Directors to include corruption prevention policy in their Annual Reports;
- Making it mandatory to carry out independent audit on the implementation of corruption preventive measures within the corporation;
- Making it mandatory for corporations (Board of Directors) to report corruption and other criminal activities to the MACC and other relevant authorities;
- Civil sanction to cease operations to be imposed on corporations which have been found to have involved in corruption activities;
- Universal Code of Ethics in corporations in line with existing domestic and international laws and regulations
B. UNCAC Chapter III: Criminalization and Law Enforcement

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<td>Art. 26: Liability of legal persons</td>
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<td>Art. 27: Participation and attempt</td>
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<td>Art. 28: Knowledge, intent and purpose as elements of an offence</td>
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<td>Art. 40: Bank secrecy</td>
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### Art. 42: Jurisdiction

7. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

**Article 23 Laundering of proceeds of crime and Article 31- Freezing, seizure and confiscation:**
Malaysia has amended its AMLA legislation which is now known as the *Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001* which came into force on 8 August 2014 replacing its previous Anti-Money Laundering and Anti-Terrorism Financing Act 2001. The Act also amended its Schedule of Serious Offences to include a wider range of predicate offences.

2. Measures Being Planned to Implement UNCAC provisions

**Article 18- Trading in influence & Article 19 – Abuse of functions:** The MACC has proposed to criminalize the offence of “Misconduct in Public Office” to strengthen its MACC Act 2009 provisions as recommended by UNCAC Reviewing Experts on Malaysia’s implementation of Chapter III.

**Article 20- Illicit enrichment:** The MACC Legal Advisor has been tasked to review the provisions of illicit enrichment under Section 36 of MACCA 2009.

**Article 26-Liability of Legal Persons:** The MACC, in response to the assessment of the Reviewing Experts on Chapter III, has proposed “Corporate Liability” clause into the MACC Act 2009 akin to those of the UK Bribery Act 2010 and the FCPA provisions.


Amendments to legislation is subject to the Federal Constitution where a two-thirds absolute majority is required, this means that the relevant Constitutional amendment bill must be passed in each House of Parliament “by the votes of not less than two-thirds of the total number of members of” that House (Art. 159(3)).

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III

NIL
### C. UNCAC Chapter IV: International Cooperation

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<td>Art. 48: Law enforcement cooperation</td>
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<td>Art. 49: Joint investigations</td>
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<td>Art. 50: Special investigative techniques</td>
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1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013
   - Implemented through provisions of the Mutual Assistance in Criminal Matters Act 2002 and Extradition Act 1992 and Treaties

2. Measures Being Planned to Implement UNCAC provisions
   - NIL

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions
   - NIL

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV
   - NIL
### D. UNCAC Chapter V: Asset Recovery

**UNCAC Provisions:**
- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

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<th>3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions</th>
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E. Additional Developments

1. Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)

2. Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC

A. Capacity Building
   Malaysia, together with Cambodia carried out the review of the Republic of Palau on its implementation of Chapter III and IV UNCAC in 2014.

B. Technical Assistance on UNCAC
   In 2015 Malaysia assisted the Republic of Palau in the completion of Chapter II UNCAC

C. Sharing of Knowledge
   The Government of Malaysia has collaborated with the TI-Berlin and TI- Malaysia hosted the 16th International Anti-Corruption Conference (IACC) series in Malaysia from 2-4 September 2015. Apart from hosting the Conference, Malaysia also participated by sharing experiences in the following Conference agenda:
   - Workshop-Grand Corruption: What Recommendations to the UNCAC
A. UNCAC Chapter II: Preventive Measures

**UNCAC Provisions:**
- Art. 5: Preventive anti-corruption policies and practices
- Art. 6: Preventive anti-corruption body or bodies
- Art. 7: Public sector
- Art. 8: Codes of conduct for public officials
- Art. 9: Public procurement and management of public finances
- Art. 10: Public reporting
- Art. 11: Strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.
- Art. 12: Private sector
- Art. 13: Participation of society
- Art. 14: Measures to prevent money-laundering

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014
   **Art 5: Preventive anti-corruption policies and practices.**

   The working group had been set up by the President's Office to develop a new anti-corruption programme. Among other stakeholders, it consisted of representatives from the IAAC, civil society and the business community. The draft of the National Programme to Combat Corruption and Strengthening Accountability and Justice was developed on the basis of Article 43.1 of the Law on Parliament and new Article 2 of the Anti-Corruption Law (which came into effect in January 2014). The latter provides that the "Parliament shall approve the national programme against corruption, and the implementation plan for the same shall be approved for a period specified in the approved programme". It also contains general clauses that require the state organisations and civil servants to comply with the national programme in accordance with the law. In addition, the draft programme envisions that a Parliamentary Standing Commission on Law, the Government of Mongolia and the IAAC will be tasked to prepare an annual plan of activities that should be submitted to the Parliament for approval.

   The draft anti-corruption programme was developed and delivered to the Mongolian Women Lawyers Association (MWLA) to disseminate it nation-wide. The MWLA organised extensive debates around the country to obtain more input from government agencies, local authorities, NGOs, private sector and the media in as many regions as possible. Over 4,000 comments were received and put into a concise version. For more specialised parts of the programme (e.g. procurement, financial accounts, construction or mining sector), specialists in these areas were engaged to develop a more focused approach to corruption risks in relevant...
After the Government approved the new programme, it was submitted to the Parliament for adoption during the 2015 spring session. According to the Mongolian authorities, the new programme was turned down and sent back to the President’s office for further review.

Art. 6: Preventive anti-corruption body or bodies:
Independent Authority Against Corruption (IAAC) remains the country’s one-stop-shop for anti-corruption. Pursuant to Article 15 of the Anti-Corruption Law, the IAAC carries out the functions of corruption prevention, performance of studies examining the extent, types and causes of corruption, public awareness-raising and education, intelligence operations and investigation of corruption and money laundering offences, reviewing and inspecting assets and income declarations of public officials.

According to Articles 26 and 27 of the Criminal Procedure Code, the IAAC investigates cases under CC Articles 263 (Abuse of power or of office by a state official), 264 (Excess of authority by a state official), 265 (Abuse of authority by an official of an NGO or a business entity), 266 (Excess of authority by an official of an NGO or a business entity), 268 (Receiving of a bribe), 269 (Giving of a bribe), 270 (Intermediation in bribery), 270¹ (Illicit enrichment), 166¹ (Money laundering).

IAAC conducts investigations of all corruption cases, irrespective of their type, extent or magnitude. Likewise, if the police detects corruption, it must transfer the case to IAAC.

To cope with its broad mandate, IAAC has 162 employees in total (decreased from 192 in 2014), including 30 investigators. According to the amendment of the Criminal Procedure Code, introduced in January 2014 and which came into force on 20 May 2014, the Investigation Unit of the General Prosecutor's Office, which was previously responsible for investigating corruption cases related to law enforcement officials, judges and prosecutors, was also transferred to the IAAC. The role of the Prosecutor General's Office remains to supervise of the IAAC's investigations.

As for the IAAC’s financial independence, the annual budget of the agency was approximately 4.1 million EUR and that the IAAC was content with the legislative guarantee of its budget, laid down in the Anti-Corruption Law (Article 29.3 of the Law of Anti-Corruption), according to which the IAAC’s budget cannot be smaller than it was in a previous year. However, Article 29.6 of the same law provides that the amount of salaries, allowances and bonuses of the IAAC’s staff is determined by the State Great Hural.

The salaries of the IAAC’s staff are competitive, as they are 25-30 per cent higher than the salaries of civil servants. (For comparison, they are 50 per cent lower than those of judges). The average monthly work pay of an IAAC official is 900.000 MNT (approximately 450 EUR). The minimum monthly salary in Mongolia is 350.000 MNT (175 EUR).

As regards the turnover of the IAAC’s staff, it is also quite stable as compared to the whole public service, which undergoes drastic top-down changes whenever the head of the government agency or minister changes.
In accordance with Article 27 of the Law on Anti-Corruption, a Public Council was set up by President’s decree on May 2014. The role of the Public Council is to ensure public involvement in the fight against corruption, voicing its opinion and advising on the conditions and implementation of the Anti-Corruption Law. The Public Council consists of 15 members, appointed for a four-year term of office, from the academia, civil society, mass media, chamber of commerce and environmental association.

The Public Council could play a key role in promoting important anti-corruption initiatives, for example, adoption of a new anti-corruption strategy as it is not seen as a threat by policy-makers.

With regard to corruption case management, 324 complaints and reports were reviewed and 186 criminal cases were investigated by IAAC. From which 44, 34 and 27 criminal cases were submitted to prosecution, dismissed and transferred to other authorities for further proceedings respectively.

Art. 7: Public sector:
Core civil service posts include all governing and executive positions. Recruitment to core civil service is regulated by Article 17 Civil Service Law (CSL) and provides that all citizens of Mongolia meeting the criteria of the law can apply to take a centralised civil service qualification exam conducted by the civil service agency, and if they pass it, they are included in the reserve list. When there is a vacancy in the core civil service, another person holding a core civil service can be appointed; if there is no suitable candidate then a person from the reserve list can be selected; it should be the person who meets most of the requirements of the vacancy.

In Mongolia political civil servants are not obliged to take civil service entrance examination. According to the legislation, any civil servant who used to hold a political post that belong to government high officials category and equivalent grades of civil servants may be listed in the reserve of the Civil Service Central Body by the body’s decision.

In 2014 around 1600 posts were filled by an open examination and those who received the highest scores at the examination were appointed to the post. 606 vacant posts were filled from the reserve lists (about 40% of the recruitment). In post-election years of 2012 and 2013, 351 and 443 candidates were selected and appointed from the reserve list respectively.

According to the Mongolian authorities, as of the end of 2014 there were 183,601 civil servants, among them: 2,985 political civil servants, 19,522 administrative civil servants, 35,070 special civil servants and 126,024 support civil servants. 19,969 civil servants left the civil service in 2014. The number of those who left the civil service includes those with long-term medical care, deceased, study leave, retirees, voluntary leave, etc. It appears that the civil service in Mongolia has a high staff turnover that could negatively affect institutional development of public agencies.

Promotion of civil servants is not directly regulated by the Civil Service Law. However, Article 19 on performance evaluation and Article 20 on ranks provide some guidance on this issue. Results of evaluation provide the basis for promotion. Granting of ranks is also based on the work performance, among other criteria. The evaluations are regulated by the resolutions of the central civil service body.
The system of performance evaluation is implemented for core civil servants and civil servants are evaluated based on the performance contract. As a result of evaluation of execution of civil servants’ activities set in the performance contract, civil servants receive “A” or “Excellent” if they get 90-100 scores, “B” or “Good” for 80-90 scores, “C” or “Satisfactory” for 70-80 scores, “D” or “Unsatisfactory” for 60-70 scores and “F” or “Poor” in case of 0-60 scores. The Law states that results of the evaluation of the performance and qualification level the core civil servants shall provide a basis for deciding on issues of civil servants’ promotion, enrolment in training of an appropriate level, granting degrees and ranks, altering remuneration, providing with rewards and incentives, and demotion.

The Law on Anti-Corruption (Article 10.1.) provides that persons specified in Article 4.1. of the Law (see Annex) are obliged to submit income and asset declarations. Additional list of declarants may be approved by the Standing Committee on Legal affairs of the State Great Hural upon proposal of the Anti-Corruption Agency. Such list was approved in 2012 by the State Great Hural’s resolution on “Approval of procedure for registration, verification and filing of official’s declaration of private interest, and declaration of asset and income and the forms for declarations”. The resolution also includes a list of officials who are exempted from the duty to submit declaration.

The legislation of Mongolia provides for several forms of declarations: “Form of official’s declaration of private interests and declaration of assets and income”, “Form for a preliminary declaration of private interests of a candidate to a public office”, “Form for non-conflict of interest statement and the report on occurrence of conflict of interest” and “Form for declaration of assets and income of an election candidate”.

The system of declarations is quite complex and the number of declarations to be submitted by the public official should be optimized. Also, the Law does not provide criteria for selecting the list of officials who must submit income and assets declarations (legislation does not include such factors as high corruption risk positions or areas). The Resolution approves the list of officials who must submit income and assets declarations. Recently, it was reduced and currently, about 34,632 or 19 % out of around 180,000 officials shall submit the declarations.

The asset declaration system is decentralized and the following organizations and officials are responsible for registration and storage of income and assets declarations: the Anti-Corruption Agency (for the declarations of the President, members of the State Great Hural, Prime-Minister, members of the Government of Mongolia as well as of officials appointed by the SGH, the President and the Government); the Legal Standing Committee of the SGH (for the declarations of senior and executive officials of the Anti-Corruption Agency); the General Council of Courts (for the declarations of members of the Constitutional Court and of judges of all level courts); Offices of Hurals of Citizens’ Representatives of respective level (for declarations of members of aimag, capital city, soum, district Hurals of Citizens’ Representatives); senior officials with power to appoint or supervise officials for the declarations of other officials; as well as the General Election Commission and district election committees and aimag, capital city, soum, district election committees (for the declarations of candidates in the elections of the President of Mongolia, the SGH and Hurals of Citizens’ Representatives of all levels).

The declarants shall submit their income and assets declarations within 30 days since appointment or election to office and annually thereafter by 15 February reflecting changes throughout duration of office.

The management of civil service shall delegate the function related to registration, verification and filing of declaration to a competent official in the administration or
The legal department (for a remuneration equal up to 40% of his/her basic salary) who shall: a/ submit a report on the fulfilment of the declaration procedure; b/ ensure the declarations are compliant with relevant regulations; and c/ make inquiries within their competencies if there is a breach of law and transfer it to the IAAC for further investigation. The responsible organizations and officials submit implementation reports to the IAAC together with the name list of declarants within 14 days after the completion of receiving declarations. Meanwhile, the General Election Commission submits income and assets declarations of elected persons to the Anti-Corruption Agency within 14 days after completion of election voting.

Currently, declaration and analysis unit of the Investigation and Analysis division of the IAAC organizes and collects the Personal Interest & Asset declarations all around the country. Around 1,550 authorized officers of public organizations and their branches are appointed to collect, review and file the declarations.

The compliance rate of asset declaration submission is high. In 2014, from 51,584 state registered applicants 51,579 declarations (99.99%) were registered. 51,573 applicants (99.98%) declared within legally specified time, 6 applicants or 0.01 per cent declared with delay, 5 applicants or 0.01 per cent failed to submit their declarations. In accordance with the Law on Anti-Corruption, 11 applicants were submitted for punitive measures and 6 of them were punished.

Article 18.4.2. of the Anti-Corruption Law provides that if it is determined that conditions conducive to corruption have emerged or that conflicts of interest exist, the Anti-Corruption Agency should demand revision and invalidating of orders, decisions, procedures and rules enacted by state bodies or officials. This provision in practice is used when the IAAC carries out inspections of local public authorities; during such on-site inspections the IAAC team also reviews legal acts approved by the agency to check if there are provisions fostering corruption. Anti-corruption screening is therefore not a separate function; there is no schedule for screening activity. In 2013 the IAAC organised such inspections (“missions”) to 20 provinces and 4 districts; 10 orders and decisions were invalidated based on the IAAC inspection missions. Draft legal acts are not covered by any screening.

Furthermore, in practice the IAAC provides comments on draft laws prepared by the ministries and agencies, but it is a sporadic activity.

The Mongolia’s Ministry of Justice indicated that the Ministry carries out several types of screening of the draft laws based on the methodologies approved by the Ministry in October 2010, namely: Methodology for predicting the effectiveness of the draft laws, Methodology for estimating effectiveness of the draft laws, Methodology for calculation of expenses of the draft laws. One of these methodologies (on “estimating effectiveness”) reportedly includes anti-corruption screening (Article 4.10.13 of Section 4) requiring to establish whether the draft law contains any provisions that enable corruption and bureaucracy. Anti-corruption screening of other draft normative acts is included in the procedure of “analysis of impact during preparation of administrative normative acts” regulated by another methodology adopted by the Ministry of Justice in May 2011. However, when the new General Administrative Law and the Law on Draft Statutes will be put in effect, respectively, on 1 July 2016 and 10 February 2016, the aforementioned methodologies will be invalidated as the laws include new regulations for anti-corruption screening. According to the ministry, Article 12 of the Law on Draft Statutes provides that the Government shall adopt methodology for assessment of effectiveness of draft statutes, while Article 61.6 of the General Administrative Law provides that the member of the cabinet in charge of legal affairs shall adopt the
Mongolia adopted the Administrative Procedure Code in December 2002. It regulates the preliminary decision-making on administrative cases according to the complaints and claims submitted by citizens and legal entities who consider an administrative act as illegal in order to protect their infringed rights, and the proceedings on administrative cases in the Administrative Cases Courts. The scope of regulation of the Code is therefore limited to consideration of complaints – through administrative and judicial proceedings.

As a next big step toward strengthening public service, General Administrative Law was adopted on 19 June 2015 and will be enforced on 1 July 2016. The law introduces many important institutions and cultures from Administrative Code of Germany.

Since 2012 the IAAC commissions assessment of anti-corruption work of more than 120 government agencies (with regard to transparent decision-making, implementation of conflict of interest law, right to information law, law on transparent accounts). The assessment is usually conducted by legal firms based on the Methodology developed by the IAAC. In co-operation with the IAAC they make a regular checklist following a methodology for evaluating anti-corruption actions borrowed from South Korea. The purpose of such verification methodology is to ensure access to information and transparency, encourage public engagement, provision of an opportunity to monitor and improve fairness, require public authorities to take responsibility for their actions. The assessment results are published and the IAAC issues recommendations to the relevant public organisations based on them.

According the results drawn from the assessment conducted in 2014, IAAC delivered 124 official letters to the government organizations in order to improve prevention activities on those organizations. In 2015, IAAC also reflected the follow-up measures in its annual action plan and worked at the government organizations that scored lower average mark according to the assessment.

The government organizations scored low mark every year were Khovd aimag Governor’s Office /in 2013 - 34 marks (from 100), in 2014 - 36 (from 100)/, National Agency for Children /in 2013 – 42 marks (from 100), in 2014 – 44 marks (from 100)/, Intellectual Property Office /in 2013 – 29.5 marks (from 100), in 2014 – 48 marks (from 100)/.

The government organization that scored higher average marks every year was Uvs aimag’s Governor’s Office, scoring 69 and 73 in 2013 and 2014 respectively. Bulgan aimag’s Governor’s Office is the example of average score earner at 54 and 60 in 2013 and 2014 respectively.

The finding of the assessment used in delivering recommendations and notification to those organizations in need in order to improve compliance, revoke illegitimate administrative regulations and penalize rogue public officials.

As a result of screening conducted by IAAC outside of the Assessment, 24 regulations and orders issued by the public organizations were revoked; 13 codes of conduct were reviewed before its adoption. IAAC also received 21 complaints for inspection.
Art. 9: Public procurement and management of public finances:

The Public Procurement Law (PPL) was revised in 2011 and took effect in January 2013. According the new law, the Government Procurement Agency (GPA) was established and began its operation in October 2012, as a procurement professional organization. The GPA is in charge of all procurement of large projects (such as inter-regional roads and power plants) and of establishing framework agreements for common use items (such as office supplies) that are purchased by line ministries. Local governments are responsible for all procurement of works, goods, and services financed from the local budget, as well as for local projects (e.g. schools and hospitals) financed from the national budget.

The Ministry of Finance is in charge of Government procurement policy, methodology, monitoring and implementing authorities allowed by this Law.

Expansion of the application of e-procurement increases the rate of participation, overall transparency and specific information disclosure in the system, which shall be highly commended.

At the same time, given the exemptions in the law and the reported volume of procurement, a substantial volume of public sector contracts is exempted from the application of the Law and is conducted through non-competitive procedures. For example, the volume of potential procurement under two projects carried out by the Development Bank of Mongolia (DBM) in 2015 is 124.5 billion MNT, while the entire volume of the public procurement in Mongolia in 2014 was 233 billion MNT. In 2013 50% of the public infrastructure were financed by the DBM.

Based on the information provided by the GPA all public contracts in 2013-2015 were awarded through an open tendering procedure (even for consultancy services). The number of tenders and resulting contracts appears to be decreasing over the last three years, as well as their overall volume, which was reported to be 418.8 billion MNT in 2013 and shrunk to almost half of it, 233 billion MNT in 2014.

The Law, as amended in 2011, states that “at least two members of an evaluation committee shall be representatives of a professional association or private sector or an NGO and a citizen appointed by Citizen’s Representative Council and a staff at local governor’s office in local”. Since 2014 the GPA is selecting representatives of NGOs in the evaluation committees randomly and representatives of NGOs serve the role of public control. Representatives of NGOs sitting on the evaluation committees sign a contract with the GPA and commit to abstain from conflict of interest.

Composition of the evaluation committees is established by using a random selection programme in order to eliminate the impact of subjective assessment of bidders. Before randomly selecting representatives of NGOs as members of evaluation committees, the GPA conducts a survey of every NGO representative for dual employment and to assess risks. In some cases, the head or member of an NGO is also employed in the tender participating company, thus causing a conflict of interest. If there is a risk of conflict of interest, the representative of the NGO is not included in the evaluation committee. No cases of removal from the committee due to conflict of interests were reported during the on-site visit.

In accordance with the Law and “Procedure on organization, operation, and formation of the evaluation committee” (approved by the Minister of Finance’s
Order No. 212 of 30 September 2014), a procurement evaluation committee adheres to principles of transparency, equal opportunities for competition, effectiveness, efficiency and accountability as provided in the law and regulations.

A member of evaluation committee shall have a certificate of procurement competence (A3) and submit information on their employment to avoid conflicts of interest. In 2014 the GPA awarded A3 procurement certificates to 2,699 individuals and published the A3 certificate holders list on the GPA website.

Government procurement agency (GPA) has been implementing objectives mentioned on the Government Action Program 2012-2016, “transferring public procurement procedure into electronic system fully and conducting public procurement transparently under public control and changing current tender structure in order to reduce tender confusion, corruption and bribes” and strengthening Agency operation, improving capability especially e-procurement system by stages.

The GPA and local procurement agencies inform citizens by publishing annual and quarterly procurement plans, cost estimates, tender documents and information on tender selection via the GPA website (www.e-tender.mn), procurement electronic system (www.meps.gov.mn), Government procurement website (www.e-procurement.mn). According to the GPA Director's order of 21 April 2014, information on tender participating companies is published as well. In 2014, the GPA published information on all tender selection procedures, information on companies winning contracts in the e-procurement system www.meps.gov.mn. The budget of tenders conducted by the GPA is published in the e-procurement system as well. Tender and consulting service notices are published in the newspapers “Udriinsonin”, “Zuunimedeesonin”, “UB post” and websites: www.e-tender.mn and www.e-procurement.mn on regular basis.


Based on “Rule on informing results of bidding” of the Government procurement agency’s director's order No.B/69 of April 21, 2014, results of tendering are disclosed publicly. At the same time it is not allowed to publicly disclose information on financial capabilities of bidders or details of the companies at any point in time.

As mentioned above the GPA has been implementing measures included in the Government Action Program for 2012-2016 to transfer public procurement procedure into electronic system and conducting public procurement transparently under public control.

The Procurement Management, Monitoring and Information System (http://pmmis.e-procurement.mn) was launched in 2011. A project was implemented with the grant from Samsung SDS companies (www.meps.gov.mn) to introduce e-Bidding, e-Shopping Mall, e-Catalogue subsystems. In January 2013 the Ministry of Finance approved order to organize e-tendering procedures.

In 2014, at least 80% of tenders conducted by the GPA and 10% of tenders conducted by local authorities were planned to be carried out via an electronic system. The GPA conducted 100% of tenders via the electronic system. In 2014, Capital city, Bayan-Ulgii, Darkhan-Uul, Dornod, Dornogobi, Zavkhan, Uvurkhangai, Sukhbaatar, Tuv,Uvs, Khovd, Huvsigul and Hentii provinces and Khan-Uul district has conducted 37% of all tenders via the electronic system.
Nationwide 475 tenders have been conducted in 2014, where 1,644 entities participated. Out of these tenders, the GPA conducted 199 tenders for 132 projects, where 957 entities have participated. Tender selection information is available on the “Tender invitation” menu of the procurement electronic system, www.meps.gov.mn.

Introduction of the electronic procurement system led to significant results: improving openness, efficiency, fair trade, transparency of tender selection procedure, reducing tender costs, reducing budget inefficiency, improving procurement monitoring, prompt exchange of information necessary for tender selection procedure, serving citizens with no bureaucracy.

Within the electronic procurement reform, the Government implemented the “e-procurement 2” project with the budget of 1.5 bln MNT financed by the state budget. “e-procurement 2” establishes an integrated procurement system which enhance the system with the following modules: Procurement Planning and Reporting; e-Bid; e-Store; e-Category System; e-Contract; e-Examination system; e-Reporting system; Portal; sub-system of information exchange; smart phone applications. Development of “e - Procurement System 2” progresses very well (90% of it has been completed).

Art.10: Public reporting:
The special Law of Mongolia on Information Transparency and Right to Information (“Right to Information Law”) was adopted in June 2011. It is the framework law on access to information held by public authorities; other relevant laws are the Law on State Secrets (1995), the Law on Approval of the State Classified Information List (2004) and the Law on Privacy (1995). Mongolia’s Right to Information Law was ranked 53rd in the global right to information rating (out of 95 countries).

Art 11: Strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.

Legislation on the judiciary includes the Law on Courts, Law on Legal Status of Judges, Law on Court Administration, Law on Legal Status of Citizens' Representatives (jurors). The new versions of these laws entered into force in April 2013. According to the Mongolian authorities, there have been no significant changes in the laws on the judiciary since the review report. At the same time a working group has been established to works on amendments in the Constitution of Mongolia concerning the system of governance including the judiciary.

All judges are appointed for permanent tenure, i.e. until retirement. All judges are appointed by the President of Mongolia upon proposal of the Judicial General Council – nominations of the Supreme Court judges are first submitted to the parliament by the Judicial General Council. Before nomination judicial candidates are selected by the Judicial General Council and its Judicial Qualification Commission; vacancies are announced on the Council’s web-site. Assessment of candidates is conducted by the Judicial Qualifications Commission; then the General Council conducts interviews with each candidate and votes on nomination; candidates with the most votes are submitted to the President. The President is not bound by the Council’s recommendation and may reject the candidate.

The Integrated Program of judicial training is prepared on annual basis and includes 11-12 trainings. In 2014 the Judicial Research and Training Institute under the General Judicial Council organised 7 trainings funded by foreign aid funds. Judicial trainings include: training for new judges (one-week training before the new judge starts his work), law application, skill development and professional development. Programs and plans are available at www.judinstitute.mn (in Mongolian).
No specific training on anti-corruption issues is provided to judges.

Subordination of the training facility for judges to the Judicial Council in general complies with international standards, but only if the Judicial Council itself is in lien with the standards, which it is not.

Mongolia has a good practice of the General Judicial Council having the right to present the judicial budget directly to the parliament. This however so far has not protected judiciary from budgetary cuts. The final decision on the judicial budget rests with the parliament, which usually follows position of the Government and the Ministry of Justice. In 2015 the judiciary requested MNT 88 billion but the received MNT 54 billion (with MNT 24 billion of capital investment cut). The Supreme Court has a separate budget and its budgetary request was also not sustained (in 2015 received MNT 3.9 billion from MNT 26 billion requested). The law’s provision that the judicial budget cannot be reduced year on year is not followed in practice. It is understandable that the cuts are explained by the general budgetary saving, but decrease in the judicial budget negatively affects judicial independence.

Art.12: Private sector:

There is close co-operation between IAAC, the Chamber of Commerce and Industry and the Employers’ Association in the area of public awareness raising and prevention. Memoranda of understanding were signed between those bodies. IAAC’s Public Awareness and Prevention Department organised a number of awareness-raising events, inviting representatives of the business community to them.

With the assistance of various donor foundations, for instance, The Asia Foundation, a project on promoting integrity in the private sector was implemented, involving several workshops on corruption.

In addition, the Small and Medium-Sized Section of the Ministry of Industry organised a few workshops on corruption and distributed several handbooks on the issue.

Besides that, the Employers Association’s co-operation with the IAAC’s Public and Prevention Department has been strong since 2009. During the previous year they visited 21 aimags and discussed the issues of bureaucracy and corruption for businesses there. In co-operation with the IAAC, a handbook with information on how corruption should be combated was prepared. The handbook includes information about all international conventions against corruption, social and private impact of corruption in the country as well as how advice on how private entities can overcome corruption by having a better internal monitoring process.

In 2014 the Bank Association, the Chamber of Commerce and Industry and the Employers’ Association formed a union against corruption, the purpose of which is to unite all business entities against corruption.

With the assistance of the IAAC’s prevention department 20 trainers were trained that should help companies to develop their capacity building with regard to corporate social responsibility and integrity.

In addition, the IAAC’s Public Awareness and Prevention Department signed an MoU with the Mongolian Chapter of Transparency International. One of its aims to
ADB/OECD Anti-Corruption Initiative for Asia and the Pacific

20th Steering Group Meeting – Ulaanbaatar, Mongolia
18 November 2015

have an integrity assessment developed for business entities (although the main focus of the MoU is assessment and improvement of the IAAC itself).

There is also Mongolian Sustainable Finance Initiative, initiated by the Dutch Development Bank, Trade and Development Bank of Mongolia, International Finance Corporation, Mongolian Bankers Association and the Banking and Finance Academy. The initiative has been joined by 14 Mongolian banks. Under the initiative, the principles of sustainable banking were developed which, among others, include promotion of transparency and accountability and prohibition of providing bank loans to black-listed companies. Under the initiative, sector specific guidelines (mining, agriculture, construction and manufacturing) were developed in early 2014.

The evaluators were told on site that the Mongolian Chamber of Commerce and Industry has a separate Integrity Policy Department with people working there responsible for combating private sector corruption and increasing corporate social responsibility. Specific activities are targeted at gold and mining associations which are very powerful lobby groups. Without any written evidence presented it was not easy for the evaluators to see how effective such actions are.

In 2014 the IAAC conducted an evaluation of 44 State Owned Enterprises (SOE). An NGO was recruited to make the evaluation. The evaluation provided recommendations with regard to corporate transparent accounts and procurement. These recommendations have been included in the SOE’s strategic operations plan.

**Art. 13: Participation of society:** Please see Art. 5. Preventive anti-corruption policies and practices and Art. 9. Public procurement and management of public finances above.

**Art. 14 : Measures to prevent money-laundering:**

Pursuant to Article 15 of the Anti-Corruption Law, the IAAC carries out the functions of corruption prevention, performance of studies examining the extent, types and causes of corruption, public awareness-raising and education, intelligence operations and investigation of corruption and money laundering offences, reviewing and inspecting assets and income declarations of public officials.

According to Articles 26 and 27 of the Criminal Procedure Code, the IAAC investigates cases under CC Articles 263 (Abuse of power or of office by a state official), 264 (Excess of authority by a state official), 265 (Abuse of authority by an official of an NGO or a business entity), 266 (Excess of authority by an official of an NGO or a business entity), 268 (Receiving of a bribe), 269 (Giving of a bribe), 270 (Intermediation in bribery), 270¹ (Illicit enrichment), 166¹ (Money laundering).

2. Measures Being Planned to Implement UNCAC provisions

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions
4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II
B. UNCAC Chapter III: Criminalization and Law Enforcement

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Article 15. Bribery of national public officials: n/a

Art. 16: Bribery of foreign public officials and officials of public international organizations: n/a

Art. 17: Embezzlement, misappropriation or other diversion of property by a public official:
Under Article 49 Criminal Code, all the property of the culprit can be confiscated when the Criminal Code provision expressly authorises it. Likewise, the proceeds of crime (if they belong to the convicted) can also be confiscated when the Criminal Code so authorises. As can be seen from the table on sanctions above, however, only the aggravated offences of money laundering and embezzlement are punished with confiscation; aggravated offence of passive bribery provides for “confiscation of illicit proceeds”.

Recently, the President of Mongolia issued a partial veto on the Law on Amnesty that was accepted by the parliament on 15 September 2015. According to the partial veto the amnesty would not apply to those accused of corruption, abuse of power, illegal enrichment, embezzlement of budget funds and appropriating other’s property.

Art. 18: Trading in influence:
The draft new Criminal Code envisages the criminal liability for trading in influence. The draft new CC (Article 22.2) covers the acts of soliciting and receiving a bribe in exchange for the abuse of an official’s influence.

Art. 19: Abuse of functions:
Article 263 of the Mongolian CC criminalises abuse of power or of office by a state official, if it has been committed for lucrative or other personal interests and has caused a substantial damage to rights and interests of the citizens.

Mongolia Supreme Court Resolution No. 23 contains further explanation of some terms used in the article. According to this resolution, the term “power” shall be understood as the entirety of the power and principal duties afforded to elected or appointed official by law; the term “office” shall mean the authority and influence related to the position; the term “abuse” of power or of office shall be understood and applied as stated in Article 3.1.3. of the Law on Anti-Corruption. The latter provides that “abuse of official power” means taking undue action or not taking due action to use the delegated official power against official interests or in own personal interests.

As regards the latter issue, the calculation of damage is determined in Article 29 CC as follows: an amount equal to 1 to 50 times the monthly minimum salary at the time of the offence is “considerable”; an amount equal to 50 to 125 times the minimum salary is “substantial”, an amount equal to 125 to 200 times the minimum salary is “large”, and an amount more than 200 times the minimum salary is “extremely large”.
Furthermore, the crime of abuse of office is committed with motivation of greed and lucrative impulse. Motivation of “greed” is specified as the abuse of office by a state official, which results in the acquisition of assets, or funds from a state organization, for the purpose of appropriating them to oneself or transferring them to others. Other “lucrative impulses” are specified as non-pecuniary profits. Finally, “power” is defined as a combination of rights and obligations of an elected or appointed official.

Art. 20: Illicit enrichment: n/a
Art. 21: Bribery in the private sector: n/a
Art. 22: Embezzlement of property in the private sector: n/a
Art. 23: Laundering of proceeds of crime: n/a
Art. 24: Concealment: n/a
Art. 25: Obstruction of justice: n/a
Art. 26: Liability of legal persons:

Articles 8 and 20 of Mongolia’s Criminal Code provide that a legal person shall be subject to criminal penalties if the Special Part of the Code so provides. Only one article in the Special Part mentions legal persons as possible offenders – Article 166.3 on money laundering (sanctioned with suspension of the right to carry out certain activities or a fine of 300 to 500 amounts of minimum salary, i.e. about USD 33,000 – 55,000).

At the same time, the draft new Criminal Code includes a new chapter on the “Imposition of criminal sanctions on legal entities”. It provides that criminal sanctions can be imposed on a legal entity, if a sole or joint decision by one or more authorised representatives of a legal entity, or the action or inaction of such persons in the interest of the legal entity constitutes a crime. Sanctions against a legal person do not release the natural persons involved from liability.

The following sanctions may be applied to legal persons: a fine in the amount of USD 10,000 to 6,666,000; permanent revocation or suspension of rights for a period of one to eight years; liquidation.

The draft new CC provisions provides that the liability of legal persons will only be applied to offences that are specifically envisaged in the new Criminal Code. For example, under Article 18.9 of the draft new CC, legal entities that commit money laundering can be punished by the revocation of their licences and/or their rights to carry out certain activities. They can also be fined in the amount of USD 666,666 to USD 6,666,000. However, the liability of legal persons is not extended to bribery offences in the draft new CC.

Art. 27: Participation and attempt: n/a
Art. 28: Knowledge, intent and purpose as elements of an offence: n/a
Art. 29: Statute of limitations: n/a
Art. 30: Prosecution, adjudication and sanctions: n/a
Art. 31: Freezing, seizure and confiscation: n/a
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<th>Article</th>
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<td>42</td>
<td>Jurisdiction</td>
<td>n/a</td>
</tr>
</tbody>
</table>

8. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

2. Measures Being Planned to Implement UNCAC provisions


4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III
C. UNCAC Chapter IV: International Cooperation

<table>
<thead>
<tr>
<th>UNCAC Provisions:</th>
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<tr>
<td>Art. 43: International cooperation</td>
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<td>Art. 44: Extradition</td>
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<td>Art. 45: Transfer of sentenced persons</td>
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<td>Art. 46: Mutual legal assistance</td>
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<td>Art. 47: Transfer of criminal proceedings</td>
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<td>Art. 48: Law enforcement cooperation</td>
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<td>Art. 49: Joint investigations</td>
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<tr>
<td>Art. 50: Special investigative techniques</td>
</tr>
</tbody>
</table>

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

Art. 43: International cooperation: n/a
Art. 44: Extradition: n/a
Art. 45: Transfer of sentenced persons: n/a
Art. 46: Mutual legal assistance:

In the beginning of November 2012 the Independent Authority Against Corruption (Here and on referred to as “IAAC”) of Mongolia sent a formal letter requesting assistance with conducting “a detailed evaluation of Mongolian legal framework on supporting recovery of stolen assets, consultation on developing Mutual legal assistance relationship with other countries and training course on special skills to recover stolen assets for investigators”. In result of this formal request 16-18 January 2013. Oliver Stolpe, Nigel Bartlett, Jeanne Hatch, Tanya Santuchi, Je Su Yu arrived in Ulaanbaatar to make a specific determination of the requirements and appropriate assistance from StAR initiative to reply the formal request.

After the visit, the following activities have been conducted between 2013-2015 with the StAR initiative:

1. Primary training course on financial investigation
2. Primary training course on MLA/International cooperation
3. Workshop on drafting handbook for MLA
4. Primary training course and consultation workshop on asset and income declarations
5. Workshop on proposals to the General prosecution regulation on MLA

6. Advanced training courses: Asset and income declarations, Financial investigation, Mutual legal assistance/International cooperation

7. Proving the elements of corruption offences and mutual legal assistance

1. Primary training course on financial investigation

The primary training course for investigators and operational officers was held 6-7 of May 2013 at the IAAC office. Representatives of law enforcement agencies such as the General prosecutor’s office, General police authority, General intelligence authority and Financial information unit of the Central Bank of Mongolia participated in the training.

During the course participants were taught and worked on barriers facing financial investigation, searching from open information sources, investigation planning, current status of recovering stolen assets, investigating money transactions, characteristics of foreign legal person topical exercises.

2. Primary training course on MLA/International cooperation

Training course on Mutual legal assistance was conducted 9-10 of May 2013 at the IAAC office. Representatives from the Ministry of Justice, General Prosecution office, General Police office, Law Enforcement University, Legal institute participated.

During the course participants were taught and worked on barriers facing MLA and international cooperation, consultation on drafting tasks, regulation on recovery of stolen assets within the UN Anti-corruption convention, Mongolian current status, cooperation with the US on this matter, conducting informal international cooperation topical exercises.

3. Workshop on drafting a MLA handbook

The workshop was held 6-10 October, 2013 and 13 participants from Ministry of Justice, General Prosecutor’s office, State investigation authority of Police, Financial information unit of the Central Bank of Mongolia, Independent Authority Against Corruption actively involved in sharing of their knowledge, experience and comments for drafting the handbook. Although the handbook is not formally approved yet we have already started using it as a basic handbook for drafting MLA request.

4. Primary training course and consultation workshop on asset, income declaration

Primary training course and consultation workshop on asset, income declarations was held 26-30 May 2014 at the IAAC office. The staffs of Inspection and analysis department of IAAC participated.

During the course participants were taught and worked on violation unveiling exercises on punitive measures of declaration of conflict of personal interest and asset and income inspection, issues facing the implementation of declaration inspection system, efficiency of the implemented declaration forums for conducting effective inspection in Mongolia, illustrated internal information source with interagency cooperation for conducting declaration inspection, also conducting the next stage declaration inspection.
5. Workshop on proposals to the General Prosecution guidance draft
The workshop was held 26-30 May 2014 at the General Prosecution and IAAC office and at the meeting proposals of including key issues of MLA requests drafting were summitted to the General Prosecution guidance draft. This was based on the proposals from the “MLA handbook” drafting workshop organized in October 2013. Representatives from the Supreme Court, Ministry of Justice, Ministry of foreign affairs, General Prosecutor’s office, General police authority, general intelligence authority, Financial information unit of the Central Bank of Mongolia and other independent experts took part in it.

6. Advanced training course.
Advanced training course on Asset and income declaration was held 25-29 of September 2014 at the IAAC office. Afterwards representatives from the Ministry of Justice, General prosecutor’s office, Capital prosecution office, General police authority and its organized crime, financial crime, criminal investigation units, General intelligence authority, Financial information unit of the Central Bank of Mongolia, Operations and investigation departments staff of IAAC participated in the advanced training courses on Finance investigation from 30 of September to 2 of October 2014 and also MLA/International cooperation held 3-7 October 2014. The training courses were took place at the IAAC and World Bank office.
During the advanced course StAR and South Korean experts conducted trainings on implementation of conflict of interest regulation of USA and other countries, preventing conflict of interest and resolving with the use of conflict of personal interest and asset and income declaration, providing declaration information to the public: Global approach and state practices, US practices on providing declaration information to public, conducting declaration inspection: South Korea practice, implementation of conflict of interest regulations of South Korea.
During the advanced financial investigation training course participants were divided into groups and worked on simulated exercises.
At the advanced MLA/international cooperation training courses StAR initiative, Singapore, Hong Kong, South Korean MLA responsible staff gave information on appropriate cooperation, discussed, worked on exercises regarding to their jurisdiction.
The results of cooperation between StAR and Mongolia starting from 2012 are defined as follows:
1. Cooperation of local agencies has improved. First of all, as a result of working with StAR, local agencies reached the common conclusion to improve the cooperation between each other. This led to improvement of the permanent professional cooperation and exchanging of information between local agencies.
2. Mutual Legal Assistance (MLA) Handbook. With consultation from the StAR, draft of necessary “Handbook” on MLA for Mongolian Law enforcement agencies has been prepared. This was a key priority issue. Meetings for drafting the handbook were held a few times, representatives from the Consul department of the Ministry of Foreign affairs, International cooperation department of the Ministry of Justice, Legal assistance and international cooperation department of the General Prosecutor’s office, Capital prosecution office, Prevention and public awareness department of IAAC, Investigation agency, Investigation department of the General police authority, Investigation department of General intelligence agency, Financial information unit of the Central Bank of Mongolia participated. At the meeting discussions and information exchange on MLA requests, cases and execution of tasks from foreign appropriate authorities, encountering barriers and further actions, afterwards resulted in drafting special method amendments to monitoring investigation procedure, agencies in charge came to a conclusion that information exchange, improving cooperation, coordinating, conducting related trainings is needed, participants worked in groups and prepared “Handbook on drafting MLA requests and tasks” and an inter-agency protocol for MLA. We have had extensive discussions on the Handbook and protocol with high level officials of Prosecution office and Ministry of Justice. Everyone agrees in principle and we are just waiting for final formal approval, which will come as part of a “package” of other reforms.
It is expected within the next month. Even now, we are using the draft Handbook as a basis for training.

3. Mutual Legal assistance (MLA) request. After organizing training courses with StAR, prosecutors and investigators were given understandings and ideas of MLA requests, what activities are included in the procedure, necessary procedures of collecting information informally before delivering to foreign state, also necessary template and standards of MLA. We plan to include all the knowledge regarding the MLA request from the training courses in the handbook and conduct trainings.

4. Informal communication for international cooperation. Training courses conducted by experts from Singapore, Hong Kong, South Korea on rising issues of cooperation in recovering stolen assets connected to particular corruption matters of Mongolia and was successful. As a result we have regular contact with these experts on any matter and also gained experience in informal contact. Most importantly we are now aware of the possibility of informal exchange of information. Quality of request drafting has improved. We learnt from the first StAR training course that there is a possibility of obtaining open source information without delivering requests. For example, now we contact with Singaporean personal contact to ensure acceptance, send our draft, modify it based on their advice and send the formal request at last. Not to only mention about Singapore, we also understood that every country has specific requirements and request formats. So, now we learnt to check our request thoroughly before sending it. Actually, before the StAR training courses we used to think that foreign agencies are reluctant to respond our requests, but now we understood that we were not good at drafting our requests. Drafting MLA request have apparently improved.

5. Sustainable mechanism for spreading knowledge. As a result of letting law enforcement agencies attend the StAR training courses constantly, each stakeholders understood that they need to strengthen the capacity of their investigators and prosecutors. Coordinator Mrs. B.Bat-Otgon discussed with relevant agencies and Training institution of Prosecutor’s office agreed to conduct training courses on a regular basis. Most importantly, Ms. Erdenetuya, who attended all the StAR Training courses is organizing the courses. This means that the courses will be taught under the handbook, a result of our many previous activities and more investigators and prosecutors can benefit.

6. Improve verification mechanism of Private interest and Income and Asset Declaration. One of the main purposes for working with StAR was to improve the verification mechanism of income and asset declarations. The result of our cooperation includes:
   a. Experts advised that though the submission of income and asset declaration was 99 percent, we were able to work on only 0.05 percent of them. This shows that real result is not good but is just a work of collecting papers as well as giving difficulties to low level public servants who have no risk to be in conflict of interest. So, based on this recommendation we made proposal to the Standing committee of Justice of Parliament and decreased the number of obligated public servants to make declarations from 51,579 to 38,424. This decision is giving us positive results to focus on analyzing and verifying the declarations we receive.
   b. Also, the training courses conducted by experts of StAR, especially from Republic of Korea and the USA helped us to analyze our Declaration system and find out more effective ways to upgrade it. We are now working successfully by combining advices and assistance from both StAR and other parts of World Bank.
   c. Upgrading our software may take a long time, but currently we are analyzing the declarations by converting all the information into excel program,
7. One of the main advantages for working with StAR is that we got more effective ways of working with many foreign counterparts to exchange information and widen our cooperation. We know now the importance of Focal point meetings, EGMONT and APG etc. Exchanging information with our counterparts during Focal point meetings is now a typical part of our work.

8. As a result of working with StAR we realized that we need to improve our international cooperation for investigating criminal cases. We hired international expert and received advice to work on three high profile cases. Also, we determined what to do next to strengthen the capacity of our investigators. We decided to start using an Evidence Matrix which is useful for not only foreign cooperation but also investigators’ daily work. Therefore, within the framework of it, we are planning to draft a handbook for our investigators’ daily work with assistance from StAR.

In order to keep the efficiency of the above mentioned works done for the past two years, we would like to continue working with StAR for the following matters, including:

- Draft handbook for IAAC investigators. We would like the StAR to assist us finding similar kind of handbooks used in other jurisdictions, as samples. We will get some idea from the received handbooks, draft our own and finalize it after getting recommendations from StAR.

- After the Prosecution office finalizes the draft handbook on MLA request, we will translate and get final advice from StAR. IAAC will work together with Training center of Prosecutor's office to publish and distribute the handbooks to all investigative and other interested agencies. IAAC will work with Ms. Erdenetuya to draft the training module and receive advice from StAR.

On the basis of knowledge from the StAR trainings, we are working to freeze illegal assets hidden abroad at least for one case, and will pursue recovery of the assets. We would like to continue working with StAR to accelerate our time period to finalize currently investigated cases by using any possible tools and general advice that StAR may able to provide.

Art. 47: Transfer of criminal proceedings: n/a
Art. 48: Law enforcement cooperation: Please see reply to Art. 46: Mutual legal assistance.
Art. 49: Joint investigations: n/a

Art. 50: Special investigative techniques: Please see reply to Art. 46: Mutual legal assistance
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<td>3.</td>
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<td>4.</td>
<td>Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV</td>
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</table>
D. UNCAC Chapter V: Asset Recovery

UNCAC Provisions:
- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

   - Art. 52: Prevention and detection of transfers of proceeds of crime: n/a
   - Art. 53: Measures for direct recovery of property: n/a
   - Art. 54: Mechanisms for recovery of property through international cooperation in confiscation:

The Ministry of Justice and the General Prosecutor’s Office are two competent agencies in the MLA matters. Relevant laws entitle both organizations to deal with the MLA and international legal cooperation. However, after joining the UNCAC the Ministry of Justice acquired a leading role in this area. Mongolia has concluded the MLA Agreements with more than 20 countries, but they need to be updated. The Department for International Co-operation is responsible for international co-operation and MLA in the Office of the Prosecutor General.

In practice, when necessary, an investigator drafts the MLA request and presents it to the management. The latter submits the request under the jurisdiction either to the GPO or Ministry of Justice. While drafting the MLA request, investigators use the MLA manual guideline developed by GPO in accordance with requirements of the UNCAC.

Reportedly, direct channels have been increasingly used between competent authorities, agencies and services in order to facilitate the secure and rapid exchange of information concerning all aspects of the criminal offences. With this aim, the Office of Prosecutor General obtained contact information, including telephone, email and fax details of other State Parties to the UNCAC (e.g. Russia, South Korea, Poland, Czech, Hong Kong, Uzbekistan, China, USA, Kazakhstan).

In relation to international co-operation the Office of the Prosecutor General has the following powers:
- Co-ordinate mutual legal assistance requests, extradition and transfer of prisoners according to the Criminal Procedure Code;
- Provide training for the staff in charge of international co-operation within the Office of Prosecutor General as well as in other units of the prosecution service;
- Ensure timely and effective co-ordination and monitoring of mutual legal assistance;
- Strengthen co-operation on mutual legal assistance;
- Provide up to date contact information, including telephone, email and fax details, and make such information easy accessible to State Parties, to facilitate prompt contacts between central authorities;
- Collect data about good practices and practical challenges, provide analysis.

The unit in the Prosecutor’s General Office responsible for the international cooperation is provided with sufficient communication tools, facilities and equipment, as well as sufficient financial resources for training of officers. It has four staff members (head of unit, two prosecutors and secretary).

Mongolia reported about several training exercises carried out on MLA issues for prosecutors of the dedicated unit. For instance, in May 2014 47 prosecutors took part in such training organized; 30 law enforcement officials took part in the training on MLA that took place in September 2014.

The GPO’s Department for International Co-operation developed “A guidance on preparing and writing of MLA requests” to ensure prompt and effective legal assistance. The guide was disseminated in March 2014 to all units of the Prosecution Office. At the same time the Ministry of Justice, in co-operation with the General Prosecutor’s Office, has been preparing a new handbook on developing, sending and handling mutual legal assistance requests in criminal matters. After the completion of the handbook, the Ministry is planning to conduct trainings on MLA for investigators in association with Training Centre of the General Prosecutor’s Office.

In 2012 Mongolia joined the World Bank StAR (Stolen Asset Recovery) initiative, and twice a year representatives of relevant agencies participate in common workshops. Participants learn how to draft MLA requests, how to work with local agencies and etc.

Art. 55: International cooperation for purposes of confiscation: n/a
Art. 56: Special cooperation: n/a
Art. 57: Return and disposal of assets: n/a
Art. 58: Financial intelligence unit:

The Financial Intelligence Unit (FIU) mainly deals with the requirements of Anti-Money Laundering Law, through collecting and analysing financial data: cash
reports, suspicious transactions, asset declarations, and other relevant information. Since the establishment in 2006, the FIU received over five million reports. The threshold for the reports is USD 10,000. Based on its sole discretion the FIU sends the information on suspicious transactions to the relevant state body. Up to date very few of them were sent to the IAAC. Decision about whether the transaction was suspicious is based on the special analysis carried out by the FIU. While analysing the data, specialists of FIU look for information in relevant databases, check the state registers, contact other financial institutions, conduct a desk-based research and use other appropriate tools. Notably, the FIU allows law enforcement agencies to use its database, and does not require a court decision for that purpose. Simple request is sufficient for providing financial information. In this regard, the FIU concluded MoUs with relevant agencies to regulate the process.

Regarding the cooperation with FIU, the representatives of law enforcement agencies responded that they cannot use the information provided by FIU as evidence during a criminal investigation. Information provided by the FIU has to be checked, and if confirmed, then together with other findings can be used as a ground for the initiation of a criminal case.

There were no trainings for investigators or prosecutors, with respect to financial investigations. However, they had a number of meetings on that matter, organized by Co-operation Council which coordinates state activities in the financial sphere, reviews and discusses the problems within the area, including the law enforcement measures and investigations in that regard. Almost all relevant Ministries and other state bodies are represented in the Cooperation Council. IAAC, however, due to legal formalities is not represented in the Council.

**Art. 59: Bilateral and multilateral agreements and arrangements: Please see reply to the Art. 54: Mechanisms for recovery of property through international cooperation in confiscation.**

2. Measures Being Planned to Implement UNCAC provisions
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18 November 2015

<table>
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<tr>
<th>3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions</th>
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<tbody>
<tr>
<td>4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V</td>
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</tbody>
</table>
E. Additional Developments

1. Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)

2. Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC
MEMBER COUNTRY - PAKISTAN

A. UNCAC Chapter II: Preventive Measures

<table>
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<th>UNCAC Provisions:</th>
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<td>Art. 5: Preventive anti-corruption policies and practices</td>
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<tr>
<td>Art. 6: Preventive anti-corruption body or bodies</td>
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<tr>
<td>Art. 7: Public sector</td>
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<tr>
<td>Art. 8: Codes of conduct for public officials</td>
</tr>
<tr>
<td>Art. 9: Public procurement and management of public finances</td>
</tr>
<tr>
<td>Art.10: Public reporting</td>
</tr>
<tr>
<td>Art.11: Strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.</td>
</tr>
<tr>
<td>Art.12: Private sector</td>
</tr>
<tr>
<td>Art. 13: Participation of society</td>
</tr>
<tr>
<td>Art. 14: Measures to prevent money-laundering</td>
</tr>
</tbody>
</table>

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014 (input from A&P)

NAB's Prevention Regime Initiatives

NAB through its Prevention Regime has given a new political impetus to the fight against corruption raising the level of accountability among public sector for anti-corruption commitments and actions. Awareness and Prevention Division is working to:

- a. Enhance transparency in government procurement.
- b. Promote, extend and implement collective action and sector specific initiative. Encourage cross-fertilization within the public sector through training and capacity-building activities.
- c. Develop and strengthen capacity-building.
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<tbody>
<tr>
<td></td>
<td>Strengthen legal and regulatory frameworks through Prevention Committees.</td>
</tr>
<tr>
<td>e.</td>
<td>Improve transparency and eliminate corruption.</td>
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<tr>
<td>f.</td>
<td>Promote transparency and accountability in publicly financed projects.</td>
</tr>
</tbody>
</table>

Under section 33C the Chairman NAB has been empowered to constitute Prevention committees comprising officers of the NAB or other persons or organizations from the public or private sector to educate and advice public authorities, holder of public office and public at large on measures to combat corruption and corrupt practices. Mandate of Prevention Committees also include examination of the laws in force, rules and regulations relating to practice and procedure of various ministries, departments of the Federal Government or Provincial Government, statutory or other public corporations or bodies, and the conduct of holders of public office and to recommend amendments in such laws, rules or regulations in order to eliminate corruption and corrupt practices.

*(input from A&P Div)*

**NAB’s implementations to UNCAC Articles:**
In compliance to the above referred articles of UNCAC, National Anti Corruption Strategy was formulated and a three pronged strategy encompassing Awareness, Prevention and Enforcement was introduced. A special division in NAB with a mandate of Awareness and Prevention was established. The NAB under the mandate of Awareness and Prevention carried out the following prevention activities during last two years:-

**NAB’s Awareness Regime Initiatives**

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<table>
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<tbody>
<tr>
<td>a.</td>
<td>Arranging Seminars, Awareness Walks, Lectures particularly walk on March 10, 2015 in Aiwan-e-Sadr, Islamabad. The Honourable President led the walk.</td>
</tr>
<tr>
<td>b.</td>
<td>Spreading of NAB message “Say NO to Corruption” by printing on Driving License, Utility Bills, Screens of Cinema Halls, Daily Newspapers, SMS messages, CNIC carrier papers.</td>
</tr>
<tr>
<td>c.</td>
<td>Displaying of banners / standees with message “Say NO to Corruption” at prominent places of Islamabad / Rawalpindi, Ministries, Government Departments,</td>
</tr>
</tbody>
</table>
Motorway, Banks, Restaurants, Hotels, Universities, Schools.

d. Memorandum of Understanding signed with Higher Education Commission to create awareness against corruption amongst the youth/students of Pakistan.

e. Issuance of Postal Stamp with the NAB message "Say NO to Corruption".

f. Composed a song with the lyrics "Say NO to Corruption" through PTV and aired the same.

g. Arranged a roundtable meeting in collaboration with PILDAT in Serena Hotel Islamabad on April 08, 2015. Chairman NAB graced the occasion as Chief Guest.

h. Flashing of anti-corruption message on different TV Channels through PEMRA.

i. Displaying 300 standees with the message "Say NO to Corruption" in collaboration with UNODC at important places of Islamabad and Rawalpindi i.e; Airport, PIMS, Polyclinic Hospital, Shifa Intl, Mahroof International, Serena Hotel, Marriott Hotel, Islamabad Hotel, GPO, Centaurus Mall, Stores in Jinnah Super, Famous Restaurants.

j. Anti-corruption awareness activities in collaboration with PIA including anti-corruption advertisements in newspapers, displaying of banners at Airports & "Say NO to Corruption" announcement in every flight.

k. An event "Say NO to Corruption — A National Dialogue to promote Good Governance and Economic Development in Pakistan" on April 29, 2015 in Marriott Hotel Islamabad. The Honorable President of Pakistan graced the occasion as Chief Guest.

l. Arranging of banners and pamphlets with the message "Say NO to Corruption" through UNODC and USAID. The banners were displayed in prominent places of Islamabad and Rawalpindi while the pamphlets were distributed amongst masses through National Highway and Motorway Police, Islamabad Traffic Police and Regional NABs.
m. Picture of Pakistan Cricket Team carrying the banner with the message “Say NO to Corruption”. The said banners were displayed in prominent places of Islamabad and Rawalpindi.

n. Picture of Pakistan Hockey Team carrying the banner with the message “Say NO to Corruption”.

o. Coordination with State Bank of Pakistan for flashing the message "Say NO to Corruption" on ATM Screens of all Banks in Pakistan.

p. Coordination with Chinese Embassy in Pakistan for signing of MoU with Minister of Supervision People's Republic of China.

q. Coordination with NCA Lahore for designing coloring books on anti-corruption theme for kids.

r. Printing the message “Say NO to Corruption” on front page of local Newspapers of Gilgit Baltistan and Balochitan.

s. Displaying of standees carrying the message "Say NO to Corruption" in all police stations of Islamabad.

r. A seminar on the Role of Women (Future mothers) in Anti-Corruption Awareness Campaign “Say No to Corruption” was held on 2 October 2015 in Fatima Jinnah University Auditorium. DG (A&P) NAB briefed the future mothers / wives on the role they can play to stop corruption which will go a long way in strengthening and bringing a change in the mindset of young women.

PREVENTION COMMITTEES
Under the mandate of Section 33C of NAO 1999, six Prevention Committees have been constituted so far at NAB HQ in order to look into the rules and procedures of Federal Government Departments. The detail is given as under:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name</th>
<th>Constituted on</th>
<th>Update Status</th>
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<tbody>
<tr>
<td>1</td>
<td>NAB (HQ)</td>
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</table>
Preventive Measures

- Preventing kickbacks / commissions in international contracts.
- Role of Regulatory Authorities.

<table>
<thead>
<tr>
<th></th>
<th>Prevention Committee on procurement (HQ and Regions)</th>
<th>25-05-2012</th>
<th>It is an ongoing process and instructions are issued on case to case basis.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Prevention Committee on Ministry of Religious Affairs (MORA)</td>
<td>26-06-2012</td>
<td>Recommendations have been finalized.</td>
</tr>
<tr>
<td>3.</td>
<td>Prevention Committee on Capital Development Authority</td>
<td>22-01-2013</td>
<td>Meetings are being held and recommendations are being finalized.</td>
</tr>
<tr>
<td>4.</td>
<td>Prevention Committee on Reformation of Regulatory Mechanism (HQ and Regions)</td>
<td>06-11-2013</td>
<td>It is an ongoing process and instructions are issued on case to case basis</td>
</tr>
<tr>
<td>5.</td>
<td>Prevention Committee on Ministry of National Health Services Regulations &amp; Coordination and attached / subordinate offices</td>
<td>06-11-2013</td>
<td>9 x Sub-committees were constituted; 5 x Sub-committees have finalized its recommendations. Meeting for remaining SC are being arranged.</td>
</tr>
<tr>
<td>6.</td>
<td>Prevention Committee on Tax Evasion</td>
<td>12-02-2015</td>
<td>Recommendations have been finalized and forwarded to quarters concerned.</td>
</tr>
<tr>
<td>7.</td>
<td>Prevention Committee on Press Information Departments (PID)</td>
<td>04-06-2015</td>
<td>Newly constituted, second meeting to be held in Oct-2015</td>
</tr>
<tr>
<td>8.</td>
<td>Prevention Committee on Cooperative Departments ICT</td>
<td>22-06-2015</td>
<td>Newly constituted. Meeting to be held in Oct-2015</td>
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18 November 2015

- Corrupt Practices in Procurement and contract agreements.
- Internal Controls.
- Integrity building.
- Awareness & Prevention Techniques.
- Corrupt Practices in Procurement and contract agreements.
- Criminology / Anticorruption.

MONITORING OF PUBLIC CONTRACTS UNDER PROCUREMENT REGIME – SECTION 33B OF NAO, 1999 – REPORTING OF PUBLIC CONTRACTS

Section 33B of National Accountability Ordinance, 1999 states as under:-

“All Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial and local governments, statutory corporations or authorities established by the Government or Provincial Government and holders of public office shall furnish to NAB a copy of any contract, entered into by such Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial Government or local government, statutory corporations or authorities established by the Federal Government or Provincial Government or such holder of public office on its behalf, as the case may be, of the minimum monetary value of fifty million rupees or more, within such time as is reasonably practicable from the date of signing such contract.”

PROCUREMENT REGIME IN PAKISTAN IN TERMS OF ARTICLE 9 OF UNCAC

It is pertinent to mention that the Pakistan realized way back in the year 2002 that corruption in public procurement and contracting is a serious impediment to the efficient and effective utilization of resources. The World Bank also undertook a comprehensive review of Pakistan’s procurement system and recommended an overhaul of the procurement system. The Government has implemented one of the Reports’ key recommendations, by creating the Public Procurement Regulatory Authority (PPRA) in May 2002 to serve as the repository of procurement expertise. PPRA lacks the legal authority to take punitive actions. However, Rule 50 of Public Procurement Rule 2004 states that:

“50. Mis-procurement:-Any unauthorized breach of these rules shall amount to mis-procurement”

It is pertinent to mention here that NAB takes cognizance of such cases of mis-procurement under section 9 of NAO 1999. Hence, Article 9 of UNCAC has been fully complied by establishing Public Procurement Regulatory Authority (PPRA) in 2002 and by promulgating the Public Procurement Rule in 2004.
HISTORICAL PERSPECTIVE:

Prior to the enactment of the PPRA Ordinance 2002, General Financial Rules (GFRs 1947) outlined guidelines for the procurement of goods, services and public expenditures. GFRs were initially issued in 1947 in the form of executive instructions and these were subsequently modified and re-issued in 1951. In all matters related to public procurement, the federal and provincial governments followed the GFRs 1951. Another short lived regime which emerged after the General Financial Rules was the Purchase Rules of Supplies (PRS). The Purchase Rules of Supplies (PRS) included centralized procurement and therefore, the PRS regime soon collapsed, under its own weight.

GENERAL VIOLATION, MANIPULATION AND MAJOR CHALLENGES IN PROCUREMENT

The large scale corruption, both in developing projects and routine government fund utilization, are observed during procurement and contracting. The worst offenders have been public sector corporations, particularly those in the power / utilities, and infrastructural and public works.

Corruption in public procurement can happen in any different ways. It may be in the form of bribery or by giving any favour. It is done mostly in structured manner therefore, it is well planned and prepared and carried out systematically. Only control efforts by the authorities with lead to disclosure of the facts and eventual prosecution.

Corruption and corruption risks can take place along the entire cycle of public procurement. The following are some example of the most usual manifestations of the corruption in procurement:

a. The demand is induced despite unnecessary investment or purchase so that a particular company can make a deal but is of little or no value to the society.

b. Goods or services that are needed are over estimated to favour a particular bidder.

c. Splitting or regrouping of procurement especially where procurement is less than the prescribed financial limits as mentioned in the rules.

d. Bidding documents or terms of references are designed to favour a particular provider so that competition is not possible or restricted.

e. Unnecessary complexity of bidding documents or terms of reference is used to create confusion to hide corrupt behavior and make monitoring difficult.

f. Grounds for direct contracting are abused.

g. Selection criteria are subjective in ways that allow biases to play a role and remain unattended.

h. An advantage to a particular bidder is granted through the exchange of confidential information before bid submission or during the clarification period.
Clarifications are not shared with all the bidders.

i. The grounds for the selection of the winner are not made public (transparency of bid evaluation).

j. Winning bidders /contractors compensate bribes and other extra payments with poor quality, defective or different specifications than those contracted. Faulty or sub-specification work execution, requiring early repairs or expensive correction.

k. Price increases during execution through "change orders" reflecting changes in specifications or cost increases, facilitated often by collusion between corrupt contractors corrupt control official.

l. Contract re-negotiation is allowed or performed introducing substantial changes that render the bidding process useless.

m. Accountants doing final accounts and Auditors are biased or “bought” and willing to support false certificates.

The ultimate goal of public procurement is to satisfy the public interest. Good procurement should satisfy the needs of the people. It should be done fairly and should have public funds. Good Public procurement is an instrument for good governance. Whereas corrupt public procurement will increase poverty and inequality by directing funds away from the attention of social needs, and encourage competition in bribery and kickbacks rather than in quality or price.

Another salient feature is that “honest people don’t want to bid” for government contracts appears to have considerable validity. Reputable and efficient contractors are dissuaded by problems such as project funding arrangements limited to yearly plans; poor payment record of government; lengthy periods of red tape; no clear cut milestones and payment timetables; contractors have to pay bribes to get their bills paid; bidders’ documents deny contractors compensation for bib-performance by the client, for unforeseen events and for price escalation due to delays. Possibly the most damaging aspect is that there is no mechanism for fair and speedy dispute resolution, so disputes are forced into the slow judicial systems where civil suits usually take years to resolve. Cumulative effect of all these factors is that, unless bidders are making excessive profit by some corrupt means, they are unwilling to endure the inconveniences of doing business with the government. Those that do bid may inflate their prices to compensate for kickbacks, poor payment record, risks and delays.

If they are unable to inflate prices, contractors seek to make a profit by lowering standards in construction or other implementation of the project. Poor monitoring of standards and specifications after the award of contract means that problems are not detected. The Auditor General’s Department has limited ability to adequately audit procurement and projects due mainly to low technical competence and retrospective financial auditing aggravates the whole problem. Coupled with this is the fact that the government has minimal arrangements in place to ensure sound management of its assets and supplies, and this provides rich pickings for the corrupt, where short receipt and pilferage are common.
Finally, on all sides of the procurement equation, human resources tend to be weak and are another source of inefficiency and delay and, corruption.

**LEGISLATION AND MANDATE OF PROCUREMENT RULES IN PAKISTAN**

All departments, ministries, Autonomous bodies and attached departments of Federal Government are bound to follow the Public Procurement Ordinance 2002 read with Public Procurement Rules 2004. All the provinces have framed their own respective procurement rules in light of Federal Public Procurement Rules. Detail is given below:-

- **Punjab** – Punjab Public Procurement Act 2009 and Punjab Procurement Rules 2014
- **Sindh** – Sindh Public Procurement Act 2009 and Sindh Procurement Rules 2010
- **Baluchistan** – Public Procurement Act is under promulgation.

**Article 10 – UNCAC**

**Monitoring of Public Contracts under Procurement Regime – Section 33B of NAO, 1999 – Reporting of Public Contracts**

Section 33B of National Accountability Ordinance, 1999 states as under:-

“All Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial and local governments, statutory corporations or authorities established by the Government or Provincial Government and holders of public office shall furnish to NAB a copy of any contract, entered into by such Ministries, Divisions and Attached Departments of the Federal Government, all departments of Provincial Government or local government, statutory corporations or authorities established by the Federal Government or Provincial Government or such holder of public office on its behalf, as the case may be, of the minimum monetary value of fifty million rupees or more, within such time as is reasonably practicable from the date of signing such contract.”

In view of the above, in pursuance of proactive prevention regime and in line with Article 10 of UNCAC NAB has received a total of 1182 public contracts during last three years out of which 913 contracts have been scrutinized in light of relevant procurement rules amounting to 21.6 billion US Dollars whereas 269 public contracts are under scrutiny. With regard to violation of procurement rules, necessary instructions have been issued to make the procurement processes transparent and rule compliant.
MANAGEMENT OF PUBLIC FINANCES

The establishment of sound financial management practices is one of the most powerful anti-corruption devices. However, the current financial management framework is deeply flawed, undermining the goals of accountability, transparency, financial produce and effective control over public resources. These flaws provide direct and ample opportunities for corruption to go unchecked, and also contribute to the fiscal squeeze which prevents the government paying a living wage to its civil servants.

The first set of weaknesses is related to planning and budgeting. The government adopts an incremental approach, with little or no genuine debate about the levels of resources required to deliver effective public services based on agreed objectives and targets. This dysfunctional decision making denies government institutions the resource allocation they require. At a micro level, this encourages corruption when officials are forced to fund operational expenses via bribes.

Budgets are based on a traditional, line item basis, rather than delivery of outputs. The system of annual budgeting encourages a short term approach, with a particularly damaging impact in the form of delays in development projects, and leading to bribery to speed up the process. The system of budgeting is opaque and hardly any weightage is given to public opinion in determining the priorities. Budget formats and the explanatory text is too technical for a common man to understand. At the federal level, the Ministry of Finance is implementing submission of funding proposals based on the objectives and yearly budgeting framework.

There are a number of weaknesses in accounting and reporting and there is a lack of an automated, integrated financial management system, which have played a significant role in corruption. The manual, cash based, single entry systems have been ill equipped to provide accurate and timely reports of expenditure, and omit records of assets and commitments. Large discrepancies between actual and reported expenditure and revenue go unexplained, and there is a limited audit trail. New programmatic lending and budget support modalities have proved particularly difficult to account and this is of particular concern as these modalities are now gaining popularity.

Many of these are likely to be adequately must be addressed by the government’s Project to improve Financial Reporting and Auditing (PIFRA) needs to come up with a New Accounting Model which should be consistent with international best practice. Salient features should be inclusion of a new and comprehensive chart of accounts to ensure transparency of fiscal information and double entry modified cash basis of accounting. The integrated financial management system should incorporate commitment accounting, cash flow forecasting, and fixed assets accounting. Implementation of the new accounting model will require complete re-engineering of financial processes. PIFRA is well resourced to achieve this objective.

Financial controls are weak or non-existent. In particular, the devolution of the payment function to the districts has not been matched by the implementation of sound financial controls at those levels.

There is weak legislative oversight of the government’s finances. There are frequent changes in the budget during the year through supplementary grants due to poor planning and vested interests overcoming pre-set priorities mid-year. These supplementary are approved by the parliament only at the end of the year, after they have been granted.

and streamlining as they focus on compliance rather than effective use of public resources, plus do not provide adequate sanctions for poor implementation and do not support the government's paradigm of modern financial management and devolution.

Controller General of Accounts (CGA) has to play a critical role in financial management and its reform. CGA should report any wrongdoings to the Public Accounts Committee and accountability bodies like NAB & FIA on public resource utilization.

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B. UNCAC Chapter III: Criminalization and Law Enforcement

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<th>UNCAC Provisions:</th>
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<td>• Art. 15: Article 15. Bribery of national public officials</td>
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<td>• Art. 16: Bribery of foreign public officials and officials of public international organizations</td>
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<td>• Art. 17: Embezzlement, misappropriation or other diversion of property by a public official</td>
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<td>• Art. 18: Trading in influence</td>
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<td>• Art. 19: Abuse of functions</td>
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<td>• Art. 20: Illicit enrichment</td>
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<td>• Art. 21: Bribery in the private sector</td>
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<td>• Art. 22: Embezzlement of property in the private sector</td>
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<td>• Art. 23: Laundering of proceeds of crime</td>
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<td>• Art. 25: Obstruction of justice</td>
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<td>• Art. 26: Liability of legal persons</td>
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<td>• Art. 27: Participation and attempt</td>
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<td>• Art. 28: Knowledge, intent and purpose as elements of an offence</td>
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<td>• Art. 29: Statute of limitations</td>
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<td>• Art. 30: Prosecution, adjudication and sanctions</td>
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<td>• Art. 32: Protection of witnesses, experts and victims</td>
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<td>• Art. 33: Protection of reporting persons</td>
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<td>• Art. 34: Consequences of acts of corruption</td>
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<td>• Art. 35: Compensation for damage</td>
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<td>• Art. 36: Specialized authorities</td>
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<td>• Art. 37: Cooperation with law enforcement authorities</td>
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<td>• Art. 38: Cooperation between national authorities</td>
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<td>• Art. 39: Cooperation between national authorities and the private sector</td>
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<td>• Art. 40: Bank secrecy</td>
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</table>
9. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

(input by Banking Expert Pool)

It is submitted that Article 40 of UNCAC required that:

“In the case of criminal investigation of offences established in accordance with this Convention, there are appropriate mechanisms available within its domestic legal system to overcome obstacles that may arise out of the application of bank secrecy laws”.

In this regard, Section 19 of NAO, 1999 empowered NAB for provision of information from Financial Institutions / Banks. In compliance with the said provision, Banks / Financial institution are fully cooperating with NAB and no such obstacle has been observed by NAB from the said Financial Institutions.

Further, no such amendments / modification has been made in the said Section of NAO, 1999 since the 20th Steering Group Meeting held in September, 2014 in Cambodia.

(input by T&R Div)

Criminalization and Law Enforcement

- Good governance and Transparency.
- Financial Investigations.
- Interview and Interrogation Techniques.
- Preparation of Inquiry / Investigation Report.
- Judgement Reading and quoting.
- Intelligence based Investigation.
- Tendering Legal Opinion.
- Forensics Accounting / Auditing.
- Digital Forensic.
- Questioned documents Forensic Analysis.
- Fingerprint Forensic Analysis.
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<th>2. Measures Being Planned to Implement UNCAC provisions</th>
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<tr>
<td>4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III</td>
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</table>
### C. UNCAC Chapter IV: International Cooperation

**UNCAC Provisions:**
- Art. 43: International cooperation
- Art. 44: Extradition
- Art. 45: Transfer of sentenced persons
- Art. 46: Mutual legal assistance
- Art. 47: Transfer of criminal proceedings
- Art. 48: Law enforcement cooperation
- Art. 49: Joint investigations
- Art. 50: Special investigative techniques

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

   (input by T&R Div)

**International Cooperation**
- Anti-Money Laundering Laws / Investigation Compliance with international anticorruption treaties / Laws.
- Extradition of accused.
- Understanding of International Anti-corruption Laws.
- Strategic management of anti corruption at Global level.
- International framework of anticorruption conventions, protocols and best practices.
- Instructor / Trainer development.

### REVIEW OF IMPLEMENTATION OF UNCAC

**Country Review**
1. Currently, Pakistan is involved in three Country Reviews under the UNCAC. Pakistan alongwith Qatar is jointly conducting the review of the implementation of provisions of the Convention by Kazakhstan. Pakistan is also conducting the country review of Kyrgyzstan, with Indonesia as the joint reviewer. Review of Pakistan is being conducted by Norway and Solomon Islands. Pakistan is perhaps among very few Countries who have very stringent laws (in the form of NAO 1999, AMLA 2010, Anti-corruption Act 1947, FIA Act 1974, PPRA rules etc) relating to subject Convention and in this way Pakistani laws are already in conformity with most of the articles of UNCAC.

2. Pakistan had voluntarily joined Pilot Review Programme of the UNCAC where Pakistan was reviewed by the United Kingdom and Croatia which covered eight jointly selected Articles of Convention. The Country Report of Pakistan has been evaluated as largely compliant in the Pilot Review Programme.

1. **Country Review of Kazakhstan**

1. Pakistan along-with Qatar was selected to review the implementation of provisions of the Convention by Kazakhstan. It is to be noted that United Nations Office on Drugs and Crimes (UNDOC) was designated as the Secretariat to conduct / coordinate all activities in the process of review implementation.

2. After first teleconference held in January 2012, Kazakhstan provided self-assessment checklist to UNODC who, after getting the same translated into the required language(s), English in case of Pakistan, provided to NAB / Pakistan in July 2012. As per division of work, NAB / Pakistan had to review Chapter-III (Criminalization and law enforcement). After completing the Desk review, NAB / Pakistan forwarded the same to UNODC in September 2012, seeking clarifications and additional information under certain articles.

3. Kazakhstan provided interim responses through UNODC in January 2014, requesting the Secretariat to arrange a country visit, so that reviewers could discuss the issues face to face with the experts of the state under review.

4. On the request of Kazakhstan, UNODC arranged a country visit (April 7 – 11, 2014) to have a face to face dialogue amongst the experts from the reviewing states and the state under review. Accordingly, NAB / Pakistan nominated its focal person on the assignment concerning country review Kazakhstan (Zafar Iqbal Khan, Additional Director) to join the Secretariat and the experts from Qatar in Astana, Kazakhstan for a direct contact with the relevant authorities to clear certain issues raised during the Desk Review.

5. During the country visit, expert from NAB / Pakistan alongwith the Secretariat held several meetings with the authorities / experts from Kazakhstan, and had threadbare discussions on chapter-III & IV (article-wise). All relevant forums were made available by the state under review during the visit which included Financial Police (anti-corruption body); members of parliament; members of judiciary and officials from General Prosecutor Office, Finance Ministry, Financial Investigation Unit, Central Bank and representatives of an NGO etc.

6. During meetings, many issues relevant to active and passive bribery, bribery of national and foreign public officials / international organization, bribery in private sector, illicit enrichment, obstruction of justice, laundering of proceeds of crimes, freezing / seizure / confiscation of property, protection of witnesses / victims
/ experts, cooperation of law enforcement authorities at national and international level, bank secrecy, extradition and mutual legal assistance etc., were discussed in the light of the provisions of the Convention. On many issues, experts from Kazakhstan provided additional material to the Secretariat for translation as the original material was in Russian language. At present, the Secretariat is busy in getting the provided material translated into English which would be, later on, provided to the reviewing experts from Pakistan for evaluation.

7. It is important to note that the Secretariat has already shared the blueprint of the report with the experts based on provided material and clarifications prior to the country visit Kazakhstan. The report will be revisited based on the new material provided by experts from Kazakhstan after completion of evaluation which is linked with the provision of translated material.

2. **Country Review of Kyrgyzstan**

1. As per information received from UNODC on 30 April, 2014, they have recently received nomination from Indonesia and Secretariat will organize a teleconference on the review soon. On the request of Kyrgyzstan, UNODC arranged a country visit (14-20 June, 2015) to have a face to face dialogue amongst the experts from the reviewing states and the state under review. Accordingly, Sh. Muhammad Shoaib, Dy Director, the designated Expert Reviewer for Country Review of Kyrgyzstan and an expert from Indonesia visited Bishkek, Kyrgyzstan for a direct contact with the relevant authorities to clear certain issues raised during the Desk Review.

2. The team from Kyrgyz Republic after discussing all issues agreed on most of the observations made by the experts from Pakistan and Indonesia. As future action the team from Kyrgyz republic will prepare fresh Country Review report in the light of discussion held during country visit and in light of observations of the team of reviewers which will ultimately submitted to the UNODC. Pakistan and Indonesia will then conduct the final review and fresh report will be forwarded to UNODC by Pakistan and Indonesia. The final report is expected to be published in December 2015.

3. **Country Review of Pakistan**

1. In order to promote and review the effective implementation of the UN Convention against Corruption (UNCAC), each State Party is reviewed by two selected States Parties, as the joint reviewers. Accordingly, Country Review of Pakistan is being jointly conducted by Norway and Solomon Island. The draft blue Print Report of the Country review of Pakistan was shared by the joint reviewers through the UNODC Secretariat (Vienna) in December 2014 under approval by the Chairman. For the purpose of Country Review of Pakistan 13 x Governmental Experts have been nominated from Pakistan which included experts from NAB and other Ministries/Divisions/Departments of the Federal Government including M/o Law, State Bank of Pakistan, Financial Monitoring Unit (FMU), Federal Board of Revenue (FBR), Pakistan Procurement Regulatory Authority (PPRA), Securities and Exchange Commission of Pakistan (SECP),
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<table>
<thead>
<tr>
<th>Auditor General of Pakistan.</th>
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<tr>
<td><strong>Country Visit of Pakistan under the United Nations Convention Against Corruption (UNCAC) – 7-10 September 2015</strong></td>
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</table>

2. NAB / GoP arranged the Country Visit / Review of Pakistan by Joint Reviewers from Norway and Solomon Islands and representatives / experts from United Nations Office on Drugs and Crime (UNODC) Secretariat (Vienna) from 7-10 September 2015. During the country visit, detailed discussions were held which were attended by experts from NAB and various Ministries/ Divisions / Departments of the Federal / Provincial Governments. Report on Country Review/visit of Pakistan is under process.

3. Measures Being Planned to Implement UNCAC provisions

Pakistan signed the UNCAC on 9 December, 2003 and ratified the Convention on 31st August, 2007, whereby NAB has been designated as the Central Authority in Pakistan for the purpose of UNCAC. The Convention consists of 8 chapters. Its Implementation is monitored through Country Reviews, to be accomplished in two review cycles of 5 years each. In the first review cycle (currently under way) review of chapter III (criminalization and Law enforcement) and chapter IV (International Cooperation) will be carried out while in the second cycle chapter II (Preventive measures) and chapter V (Asset recovery) will be undertaken. The primary purpose of review is to determine if local laws / procedures of the country are in conformity with various articles of UNCAC. As per review mechanism each State party has to under-go review by any two State Parties (selected through Balloting) and also jointly conduct review of other State Parties.

Accordingly, Review of Pakistan is being conducted by Norway and Solomon Islands. Similarly, Pakistan and Qatar are conducting review of Kazakhstan, and Pakistan and Indonesia are conducting review of Kyrgyzstan. For the purpose of Country Review of Pakistan 13 x Governmental Experts have been nominated from Pakistan which included six experts from NAB and remaining seven experts from each of the following Ministries/Divisions/Departments of the Federal Government):

i. M/o Law
ii. SBP
iii. FMU
iv. FBR
v. PPRA
vi. SECP
vii. Auditor General Office

Pakistan’s completed Self Assessment Checklist (SAC) supported with relevant legislation, rules, procedures and statistics were sent to the joint reviewers (Norway and Solomon Islands) through the UNODC Secretariat, Vienna, Austria on 28 Nov, 2013. A video conference was held on 11 June, 2014 with Ms. Candice, Chief Implementation Support Unit, UNODC Vienna regarding country review of Pakistan by Norway and Solomon Island. She informed that the reviewing countries will submit their report through UNODC Vienna by end of July, 2014.

Pakistan is perhaps among very few Countries who have very stringent laws (in the form of NAO 1999, AMLA 2010, Anti-corruption Act 1947, FIA Act 1974, PPRA rules etc) relating to subject Convention and in this way Pakistani laws are already in conformity with most of the articles of UNCAC.

**Expended Pilot Review/ Programme under UNCAC**

Pakistan had voluntarily joined Pilot Review Programme of the UNCAC where Pakistan was reviewed by the United Kingdom and Croatia which covered eight jointly selected Articles of Convention. The Country Report of Pakistan has been evaluated as largely compliant in the Pilot Review Programme.

**Summary of Mutual Legal Assistance (MLA) Requests / Cases Processed:**

An efficient mechanism is in place in NAB for processing of Mutual Legal Assistance (MLA) requests under the United Nations Convention against Corruption. Under this mechanism, MLA requests are processed / executed in shortest possible time. Summary of MLA cases processed since July 2013 is tabulated below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Details</th>
<th>No</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Request for Legal Assistance (RLA) sent to the foreign jurisdictions</td>
<td>32</td>
</tr>
<tr>
<td>2.</td>
<td>Information / Evidence Received</td>
<td>09</td>
</tr>
<tr>
<td>3.</td>
<td>Extradition / Deportation Sent</td>
<td>02</td>
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<tr>
<td>4.</td>
<td>Extradition Successful / Completed</td>
<td>00</td>
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<tr>
<td>5.</td>
<td>Extradition Under Process</td>
<td>02</td>
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<td>3.</td>
<td>Issues, Challenges and Constraints in the Implementation of UNCAC provisions</td>
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<td>4.</td>
<td>Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV</td>
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</tr>
</tbody>
</table>
D. UNCAC Chapter V: Asset Recovery

UNCAC Provisions:
- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014
   (input by T&R Div)
   **Asset Recovery**
   - International money trial.
   - Assets tracing and recovery.
   - Tracing Assets offshore.

2. Measures Being Planned to Implement UNCAC provisions
2. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

- **Impediments in Mutual Legal Assistance faced by NAB, Pakistan**
  - Non-ratification of UNCAC by some countries
  - Absence of Bilateral MLA Treaties with foreign jurisdictions
  - Procedural delays (processing through diplomatic channels)
  - Dual Criminality Issues
  - Lack of will on part of foreign jurisdictions to transfer proceeds of crime back to its country of origin.
  - Essential national interests; Bank Secrecy Laws / Procedural matters etc.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V
### E. Additional Developments

1. **Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events** (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)

2. **Member’s Report on measures taken to share knowledge and experience with other countries**, including to help strengthen the capacity of developing countries to implement the UNCAC
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MEMBER COUNTRY – PHILIPPINES

A. UNCAC Chapter II: Preventive Measures

UNCAC Provisions:
- Art. 5: Preventive anti-corruption policies and practices
- Art. 6: Preventive anti-corruption body or bodies
- Art. 7: Public sector
- Art. 8: Codes of conduct for public officials
- Art. 9: Public procurement and management of public finances
- Art. 10: Public reporting
- Art. 11: Strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.
- Art. 12: Private sector
- Art. 13: Participation of society
- Art. 14: Measures to prevent money-laundering

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

Article 5 - Preventive anti-corruption policies and practices
Paragraph 1(1.1)

- Philippine Development Plan (PDP) for 2011-2016 (National Economic and Development Authority)

In the updated PDP, which was issued in 2014, an entire chapter is devoted to Good Governance and the Rule of Law. Curbing corruption decisively through intensifying corruption prevention is a key strategy with sub-sector outcome: transparency, citizen’s participation and accountability increased. The updated plan outlines that reducing opportunities for corruption entails a two-pronged approach: (1) strengthening internal control systems in relation to the generation and allocation of government funds; and (2) strict enforcement of penalties against those found guilty of corrupt practices.
The PDP recognizes the Office of the Ombudsman as the primary anti-corruption institution. Hence the policy thrust for anti-corruption is outlined in the 8-point Agenda of the Office of the Ombudsman (2011-2018). The PDP likewise recognizes the United Nations Convention against Corruption (UNCAC) framework as the platform in multi-sectoral anti-corruption efforts.

- **The National Anti-Corruption Framework** is initiated by the Office of the Ombudsman as the result of the Comprehensive Assessment of Anti-Corruption Infrastructure of the Philippines. The comprehensive assessment was undertaken in collaboration with the UN Bangkok Regional Hub (UN BRH) and the United Nations Office against Drugs and Crimes (UNODC) with a long-term objective of developing a 5-Year Strategic National Anti-Corruption Action Plan. Several workshops were done to come up with the National Anti-Corruption Framework of the Philippines.

- **Environmental Ombudsman Team** – initiated the implementation of the National Solid Waste Management Compliance Project for Local Government Units (LGUs), in which during the 1st Multi-Sectoral Conference in the Visayas in November 2015, the Environmental Ombudsman Layman’s Handbook was launched. The handbook aims to make filing of complaints less daunting for the layman by laying down the procedure in a simplified manual. An added feature of the handbook is that the procedures are presented not just in English but also in the five languages: Tagalog, Cebuano, Ilonggo/Hiligaynon, Waray and Ilocano.

- **Office of the Ombudsman’s Implementation of Programs and Projects**
  1. **Campus Integrity Crusaders (CIC) Program** – aims to empower the students in their involvement in corruption prevention initiatives by developing their leadership skills and instilling the values of honesty, uprightness, social responsibility and respect for human rights
  2. See **Investment Ombudsman**
  3. See **Environmental Ombudsman**
  4. **Blue Certification Program Pilot Implementation** - was implemented to determine causes of inefficiency, red tape, mismanagement, fraud and corruption in the government, and make recommendations for their elimination and the observance of high standards of ethics and efficiency. Pilot implementation was done in the cities of Makati, Marikina, Quezon and Taguig.
  5. See **Integrity Management Program**
  6. **Integrity Caravan** – which include among others, the Integrity Development Contest to introduce the fundamentals of good governance and anti-corruption in a way that will emotionally connect to the youth.

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1 The 8-Point Plan involves: (1) disposition of high-profile cases; (2) zero backlog; (3) improved “survival” rate of fact-finding; (4) enforced monitoring of referred cases; (5) improved responsiveness of public assistance; (6) improved anti-corruption policy and program coordination among sectors; (7) rationalization of the functional structure; and (8) enhanced transparency and credibility.
On 31 March 2014, Ombudsman Morales and the other Principals of the member agencies of the Inter-Agency Anti-Graft Coordinating Council (IAAGCC) launched the Revised IAAGCC Guidelines of Cooperation.

The IAAGCC member agencies are the Department of Justice, Department of Finance, National Bureau of Investigation, Office of the President, Department of Budget and Management, Civil Service Commission, Commission on Audit, and Office of the Ombudsman. The Guidelines – prepared with support also from the British Embassy Manila - feature more detailed mechanics of inter-agency cooperation starting with cases’ nomination, selection, assignment, approval and collaboration in the areas of fact-finding, preliminary investigation and prosecution. It also obtains the commitment of member agencies in the handling of IAAGCC cases thru the issuance of department orders on how to act on said cases.

The Governance Commission for [Government-Owned and Controlled Corporations] (GCG) has promulgated the following: (a) Ownership Manual for GOCCs – Memorandum Circular (MC) No. 2012-06; (b) Manual of Corporate Governance- MC No. 2012-07; (c) No Gift Policy- MC No. 2012-12; (d) Whistleblowing Policy- MC No. 2014-04; (e) Fit and Proper Rule – MC No. 2012-05; and (f) Requirement for GOCCs’ members of Governing Boards and their Officers to submit their Statement of Assets Liabilities and Net Worth (SALNs) as part of their performance evaluation requirements and condition precedent for grants of their performance as based incentives and bonuses – MC No. 2013-05.

Executive Order No. 171, s. 2014 – Creating an Inter-Agency Committee to oversee the review, implementation and monitoring of the United Nations Convention against Corruption (UNCAC) was signed on 5 September 2014. To ensure the successful implementation of the UNCAC and to demonstrate the Philippines’ strong commitment to the observance of international normative standards, this Executive Order created a Presidential UNCAC Inter-agency Committee (a multi-stakeholder mechanism)² to oversee the implementation, coordination, monitoring and review of Philippine compliance with the UNCAC.

² Its composition are: The Executive Secretary who shall serve as the Chairperson of the Committee with the following members: 1. The Secretary of Justice as Vice-Chairperson; 2. The Secretary of Foreign Affairs as Co-Vice –Chairperson; 3. The Secretary of Budget and Management; 4. The Secretary of Socio-economic Planning; and 5. The Secretary of Interior and Local Government. To mobilize support and multi-sector stakeholder participation, the Committee shall include representatives from relevant civil society organizations (CSOs), non-government organizations (NGOs), business sector, academe and other private entities engaged in anti-corruption advocacies and initiatives, as may be determined by the Committee. In addition, the Committee shall invite representatives from independent offices such as the Office of the Ombudsman, Commission on Audit, Civil Service Commission, Anti-Money Laundering Council, House of Representatives, the Senate and the Judiciary to effect the synchronization and complementation of anti-corruption programs. The Committee shall meet every quarter and/or whenever the Chairperson deems it necessary to convene the same.
Executive Order No. 176, s. 2015 [Institutionalizing the Integrity Management Program (IMP) as the National Corruption Prevention Program in all Government Departments, Bureaus, Offices, Agencies, including Government-Owned and Controlled Corporations, Government Financial Institutions, State Universities and Colleges, and Local Government Units through the Establishment of Integrity Management Systems (IMS)] was issued on 1 December 2014.

The Office of the President (OP) and the Office of the Ombudsman (OMB) consolidate and align the country’s anti-corruption thrusts, programs, and measures and establish a harmonized and simplified integrity program which will be jointly implemented across the bureaucracy as the flagship anti-corruption program of the government. The OP ensures that IMP policies, systems, strategies, processes and action plans cascade down through all public sector institutions both at the national and local levels of governance in the country, while the Office of the Ombudsman serves to monitor the general and specific performance of government officials and employees.

The IMP is a preventive anti-corruption measure of the government, aiming to establish a systematic approach in building, improving, reinforcing and sustaining a culture of integrity in public sector institutions that is rooted in acceptable values, principles and standards of good governance. The IMP has the following characteristics:

1. A strengthened program design which incorporates monitoring and evaluation, rewards and incentives, technical assistance arrangements, capacity-building initiatives, with specific anti-corruption tools and measures. The development process involves a multi-stakeholder group of anti-corruption bodies.

2. Alignment with current anti-corruption priorities and harmonization with past integrity development programs. It builds on and harmonizes the Integrity Development Review (IDR) and the Integrity Development Action Plan (IDAP), and is aligned with existing flagship programs on good governance and anti-corruption, namely, the Open Government Partnership (OGP) commitments, the Good Governance and Anti-corruption Cabinet Cluster (GGACCC) Action Plan, and the Philippine Development Plan (PDP).

Sources:
http://www.neda.gov.ph/?p=3989
http://www.integrityinitiative.com/features/partner-projects/2-uncategorised/511-integrity-management-program

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3 The Integrity Development Review (IDR) is a continuing project of the Office of the Ombudsman to reduce the incidence of corruption in government agencies. It utilizes a diagnostic tool to assess the robustness of corruption resistance mechanisms and identify the vulnerabilities to corruption of government agencies with the end view of designing and implementing safeguards to prevent corruption in the public sector. Agencies reduce corruption incidence through the institutionalization of various reform measures identified in their integrity development action plans borne out of the review exercise. A total of 18 government agencies have participated in the project since its inception. These are: BIR, BOC, DPWH, PNP, LTO, AFP-PN, BuCor, DOH, BFP, DAR, DER, LRA, LRTA, NIA, DBM-PS, PVAO, DepEd and DSWD. http://www.pdf.ph/downloads/governance/Understanding%20the%20IDR%20(PDF).pdf

Article 5,
Paragraph 4

- **Office of the Ombudsman’s Domestic and Foreign Institutional Cooperation**
  1. Strengthening the Inter-Agency Anti-Graft Coordinating Council (IAAGCC) via the Revised Guidelines of Cooperation – the highlights of the Revised Guidelines are the following: (1) Functions and duties of the member agencies were distinctly enumerated; (2) amendment of Inter-Agency Task Force into Inter-Agency Cooperation specifying the detailed mechanics of the cooperation; and (3) each member-agency shall allocate in its regular budget specific fund to support IAAGCC initiatives. (see also responses in 1.2 and 1.4)
  2. Fostering Bilateral Collaboration with Thailand’s National Anti-Corruption Commission (NACC) – the OMB and Thailand’s NACC entered into a Memorandum of Understanding on Cooperation in the prevention and fight against corruption. The MOU aims to foster and enhance international cooperation in the field of anti-corruption. The Philippines and Thailand are both signatories and State Parties to the UNCAC.
  3. In the international anti-corruption arena, the Office of the Ombudsman joins its counterpart agencies in other countries as member/endorser of the following: (1) UNCAC Conference of States Parties; (2) ADB-OECD Anti-Corruption Initiative for Asia and the Pacific; (3) South East Asia Parties Against Corruption; (4) APEC Anti-Corruption and Transparency Working Group; And (5) International Association of Anti-Corruption Authorities (e.g. Republic of Korea, Government Inspectorate of The Socialist Republic of Vietnam and Republic of Zambia).

Article 7 – Public Sector
Paragraph 4

- CSC Resolution No. 1500088 dated 23 January 2015 (SALN-Amendment to the CSC Resolution No. 1300173 (January 24, 2013) prescribing and clarifying
the Revised SALN Form.


**Article 9- Public procurement and management of public finances**

**Paragraph 2**

- The adoption of the **Grassroots Participatory Budgeting (GPB) and the Budget Partnership Agreements (BPAs)** with Civil Society Organizations (CSOs) addresses the guidance checklist on the opportunity for public input and debate concerning the proposed national budget before its adoption.

In the past, the national budget was prepared from the top, with government leaders deciding what projects to fund at the local level. With the introduction of GPB (formerly called Bottom-Up Budgeting), the process is reversed by allowing would-be project beneficiaries to identify the projects that the government will in turn include in the preparation of the national budget.

Grassroots communities are now engaged in designing the national budget. The current administration, through the Cabinet Cluster on Human Development and Poverty Reduction, has identified the poorest municipalities and have engage them in crafting community-level poverty reduction and empowerment plans.

This initiative has made the planning and budgeting processes of both local and national government more participatory through the genuine involvement of grassroots organizations and communities and strengthened the convergence of the delivery of national services in the community.

Last 24 September 2014, the Philippines was granted Gold Open Government Award for GPB in the inaugural Open Government Partnership (OGP) Awards at the United Nations Head Quarters in New York City. The country was recognized for its outstanding efforts to deepen citizen engagement in the budget process. According to the acceptance speech of DSWD Secretary Corazon “Dinky” Soliman, the award is an affirmation of the outstanding efforts of both the national and local government and the CSOs to deepen citizen engagement in the budget process.⁵

In the preparation of the National Budget for FY 2014, the Department of Budget and Management (DBM) pushed for the adoption of a new approach to budgeting. Through National Budget Memorandum (NBM) No. 117, the DBM introduced performance-informed budgeting (PIB) which required government agencies to strengthen the link between planning and budgeting and to simplify the presentation of the budget.

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With the adoption of the PIB as a budgeting scheme, the government changed the face of the budget. Beginning in FY 2014, the national budget shows the link between the funds allocated for government programs and the projected outputs. The new face of the Budget therefore represents the continuing shift away from the dominance of patronage politics and clientelistic relationships towards a more responsive, transparent and accountable public expenditure management system. In addition, a new feature to promote transparency and accountability has been added in the FY 2015 budget and this is the addition of outcome information or the results that the organization are trying to achieve.

The DBM website provides reports and status of releases and disbursements made available to the public. The posting of the releases and disbursements is in support of having a transparent and accountable government.

Department of Budget and Management (DBM) and Commission On Audit (COA) find the need of harmonizing and simplifying existing procedures in accounting and reporting of government financial transactions in order to provide timely, reliable and accurate information. Hence, COA-DBM Joint Circular No. 2013-1 dated March 15, 2013 was issued prescribing (a) the harmonized formats of the financial accountability reports (FARs) on appropriations, allotments, obligations, disbursement authorities, disbursements and balance; and (b) prescribing the guidelines on the preparation and timely submission of FARs by the agencies to the DBM and the COA after the end of each quarter.

With the implementation of important structural reforms in FY 2014, such as, the adoption of the GAA as the release document, and the Unified Accounts Code Structure (UACS), the integration of the Performance-Informed Budget (PIB) structure in the GAA, as well as the adoption of the Philippine Public Sector Accounting Standards (PPSAS), there is an urgent need to adapt to these innovations vis-a-vis the harmonized FARs.

❖ COA-DBM Joint Circular No. 2014-1 dated July 2, 2014 was issued to modify the harmonized FARs to effectively report, monitor and/or evaluate agency performance versus plans and targets which shall serve as basis for sound policy decisions. The current Circular also reiterates policies and procedures on the preparation and timely submission of budget accountability reports (BARs) and FARs by the agencies to the DBM and COA at the prescribed deadlines. Both agencies ensure that the efforts of harmonizing the accountability reports are compliant with the structural reforms being implemented in the whole of government.

The same financial accountability reports are used in the reporting of government expenditures and the management of the national budget.

Articles and Press Releases


- The Unified Accounts Code Structure (UACS) is an accounting and auditing standard that harmonizes budgetary and accounting classifications and structures for simplifying and consolidating financial reports and therefore strengthens the financial controls and accountability in government.

Joint Circular No. 2013-1 was issued by Commission on Audit (COA), Department of Budget and Management (DBM) and the Department of Finance (DOF) on August 6, 2013 prescribing the guidelines on the implementation of the UACS for all government entities.

A UACS Manual, together with the Joint Circular, has been issued to further assist the budget officers, accountants and auditors in preparing and analyzing financial transactions through a simplified and harmonized budgetary accounts code classification structure.

Further, the establishment and operationalization of internal audit units in government are being implemented. To date, there are 20 departments/department-level offices, two (2) Constitutional offices (i.e., CSC and COA), one (1) agency each in the Legislative (i.e., HOR) and Judicial (i.e., Supreme Court) Branches, and 52 GOCCs/GFIs which have an IAS/IAU.

Two (2) departments (i.e., DOTC and DFA), three (3) Constitutional Offices (i.e., COMELEC, CHR and OMB), one (1) agency in the Legislature (i.e., Senate of the
Philippines) and 25 GOCCs/GFIs are yet to organize their respective IAS/IAU.

- The Department of Budget and Management (DBM), together with the Commission on Audit (COA) and the Office of the President-Internal Audit Office (OP-IAO), is continually pursuing activities relative to the strengthening of **internal control systems (ICS) and internal audit (IA)** in government.

Specifically, the DBM has been undertaking efforts relative to the roll-out of the National Guidelines on Internal Control Systems (NGICS) and the Philippine Government Internal Audit Manual (PGIAM) which were issued through DBM Circular Letter Nos. 2008-8 dated 23 October 2008 and 2011-5 dated 19 May 2011, respectively.

The NGICS contains the fundamental principles, policies and general standards that can guide agencies in developing, implementing and monitoring their respective ICS for better governance.

To complement the adoption of the NGICS, the PGIAM was formulated and issued to serve as a generic guide for Internal Auditors in government to understand the nature and scope of the IA function in the public sector, including the institutional arrangements, protocols and processes for the conduct of internal audit.

Based on the PGIAM, internal control or management control comprises the plan of the organization and all the coordinated methods and measures adopted within an agency to ensure that resources are used consistent with laws, regulations and policies. On the other hand, internal audit is defined as the evaluation of management control and operations performance and the determination of the degree of compliance with laws, regulations, managerial policies, and contractual obligations.

In the first phase of the PGIAM trainings in 2012, four (4) batches of capacity-building trainings were conducted, which were participated in by around 1,370 IAS/IAU personnel from 33 Departments/Agencies/GOCCs, including the DBM.

Since the start of the effort in strengthening the IA/ICS in government in 2012, about 80% of Departments/Agencies concerned with an IAS/IAU, i.e., 61 out of 77 Agencies, have already been trained on the PGIAM.

For FY 2014, the DBM is pursuing the conduct of the third and last phase of the capacity-building trainings on the PGIAM/NGICS for the IAS/IAU personnel of about 15 Agencies that were not trained in the first two (2) phases of the PGIAM trainings.
For this year, only one (1) batch of Module 1 training was conducted on July 22, 2014 for personnel concerned of Departments/Agencies whose IAS/IAU was recently approved for creation by the DBM, such as the Departments of Agriculture, National Defense, and the Trade and Industry, as well as those who were not able to attend said trainings in FYs 2012 and 2013.

In addition, two (2) batches of the PGIAM/NGICS trainings on Modules 2-8 are being pursued this year. Said PGIAM/NGICS trainings commenced on July 23, 2014 and ended on September 17, 2014.

**Article 10 - Public reporting**

**Article 11 - Measures relating to the judiciary and prosecution services**

*Paragraph 1*

- The New Code of Judicial Conduct consists of Canons pertaining to *Independence, Integrity, Impartiality, Propriety, Equality, Competence* and *Diligence*, while the Code of Conduct for Court Personnel consists of Canons pertaining to *Fidelity to Duty, Confidentiality, Conflict of Interest* and *Performance of Duties*. These Codes provide for observable norms to prevent the image of the judiciary from being tarnished by reason of corruption and other considerations and spoke of the country's solidarity with the call for a universal code of judicial ethics.

For the year 2012 to August 2014, there was a decrease in the number of second-level judges dismissed from the service, while there was an increase in the number of dismissals for first-level judges and court personnel in 2013 and a decline as of August 2014.

Besides the foregoing Codes, the Supreme Court *En Banc* also approved the Judiciary Human Resources Manual on January 31, 2012 in A.M. No. 00-6-1-1 SC. It incorporated the Code of Conduct for Court Personnel and the New Code of Judicial Conduct for the Philippine Judiciary in addition to administrative circulars promulgated by the High Court in response to changes of the times, such as issues on graft and corruption, gender equality, and employee welfare.

**Criminal Cases Resulting from Administrative Sanctions**

Once an administrative case has been decided dismissing an erring court official or employee from the service and the nature of the offense involves graft, malversation, and other financial related issues, the Supreme Court by directive/resolution indorses the case to the Office of the Ombudsman for filing and prosecution of criminal charges.
Statistics

The following data on criminal cases resulting from administrative sanctions are informative:

- with directive from SC (by Court Resolution) - 50
- filed with OMB - 38
- filed by OMB before courts - 12
- convicted - 2

Article 12 – Private Sector
Paragraph 1 - Measures to prevent corruption involving the private sector

1. **Capital Markets Integrity Corporation Rules** (applies to Trading Participants, that is, brokers and/or dealers duly licensed by the SEC and authorized to exercise a Trading Right pursuant to the rules of the Philippine Stock Exchange (PSE). Unless the context requires otherwise, the term shall include directors, officers, Associated Persons, Salesmen and other agents of Trading Participants)
2. **The Corporate Governance Guidelines for Companies Listed on the PSE**
3. **Bangko Sentral ng Pilipinas (BSP) Circular No. 749, series of 2012 - Guidelines in Strengthening Corporate Governance in BSP Supervised Financial Institutions, as amended**
4. **Integrity Initiative’s Unified Code of Conduct for Business**
5. **Association of Southeast Asian Nations (ASEAN) Corporate Governance Scorecard** (applies to select publicly listed companies)

Sources:
http://www.bsp.gov.ph/regulations/regulations.asp?type=1&id=2894

Paragraph 1, Measures to enhance accounting and auditing standards
1. See above
2. **Philippine Financial Reporting Standards**

**Paragraph 2**

1. Promote and encourage cooperation between law enforcement agencies and relevant private entities, including the following:
   - Mechanisms for internal reporting of corruption and whistle-blower protection;
   - Legal or other incentives that encourage private entities to report instances of corruption to law enforcement agencies; and
   - Mechanisms and procedures used by law enforcement to strengthen cooperation with the private sector, including outreach, points of contact and confidential reporting lines.

   1. Office Order No. 327, series of 2014 - Investment Ombudsman Team
   2. Contact Center ng Bayan
   3. Business One-Stop Shop Assistance Center

**Sources:**

2. Promote the development of standards and procedures designed to safeguard the integrity of private sector entities, including through the distribution of models, guidance and/or training on the following:

   • Codes of conduct for private entities in the performance of business activities, including for relevant professions (legal, medical, construction, etc.) and in the prevention of conflicts of interest; and

   1. **See measures enumerated under Article 12 paragraph 1**

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*It is composed of a set of accounting principles, standards, interpretations and announcements that are required to be adopted by large and/or publicly-accountable companies for the purpose of preparing and submitting their annual financial statements.*
3. Promote transparency among private entities, such as through public corporate registration requirements, including the identities of legal and natural person involved in the establishment and management of corporate entities.

4. Provide public oversight of the use by private entities of subsidies and licenses granted by public authorities for commercial activities, including appropriate sanctions and penalties for their misuse.

5. Seek to prevent conflicts of interest between former public officials and private entities, such as through the following:

6. Require private enterprises to establish internal auditing controls sufficient, based on their structure and size, to assist in preventing and detecting acts of corruption. Such measures may include the following:

   • Mandatory periodic disclosure to government audit or oversight bodies of financial statements of private enterprises;

     1. See measures enumerated under Article 12 paragraph 1

     • Random and/or regular government audit and certification procedures for financial records of private enterprises; and

     2. See measures enumerated under Article 12 paragraph 1

     • Promulgation of standards for the establishment internal auditing controls in private enterprises, including recordkeeping, financial management reporting and compliance with applicable laws and regulations.

     3. See measures enumerated under Article 12 paragraph 1

Paragraph 3
(a) Set forth rules, regulations and procedures for private entities regarding the maintenance of books and records, financial statement disclosures and accounting and auditing standards. In describing these measures, please make reference to those that aim to prohibit the following acts:
• The establishment of off-the-books accounts;
• The making of off-the-books or inadequately identified transactions;
• The recording of non-existent expenditure;
• The entry of liabilities with incorrect identification of their objects;
• The use of false documents; and
• The intentional destruction of bookkeeping documents earlier than foreseen by the law.

1. See measures enumerated under Article 12 paragraph 1

(b) Outline possible sanctions, penalties or offences the government may impose on private entities for failure to comply with such rules, regulations and procedures.

2. See outline illustrated under Article 12 paragraph 1

Article 13 – Participation of Society

Department of Budget and Management (DBM)

Executive Order No. 99 on Reconstituting the Office of the Cabinet Secretariat, Renaming it as the Office of the Cabinet Secretary, Defining its Powers and Functions, Providing for its Support Staff and for Other Purposes.

DBM Planning Tool
The President signed on October 31, 2012 Executive Order No. 99 on Reconstituting the Office of the Cabinet Secretariat, Renaming it as the Office of the Cabinet Secretary, Defining its Powers and Functions, Providing for its Support Staff and for Other Purposes. (http://bit.ly/1fWrk1A)

Included as part of its function, as stated in Section 2.a., is to facilitate the identification of a list of priority areas and outcome-based targets in the Social Contract and PDP 2011-2016.

The Office of the Cabinet Secretary implemented the Planning Tools to serve as a strategic plan which will reflect the commitments of the Cabinet Secretaries. Included in the Planning Tools are the priority projects and programs identified and aligned with the Social Contract as well as targets from
The DBM Planning Tool includes as part of its strategic plan the strategy to improve fiscal transparency and citizen participation in the budget process (A1.1).

Actions under this strategy include the following:

A1.1.b. - Engage civil society organizations (CSOs) in priority transparency reforms through Open Government Partnership (OGP)

A1.1.c. – Enhance citizen’s participation in Local Government Units (LGU) Budgeting

A1.1.d. – Institutionalize Grassroots Participatory Budgeting (GPB), formerly Bottom-Up Budgeting (BUB)

(a)  DBM-DILG-DSWD-NAPC JMC No. 01, s. 2012 issued on 08 Mar. 2012 Re: Policy Guidelines and Procedures in the Implementation of the Bottom-up Budgeting and Planning for the FY2013 Budget Preparation

Issuance on Grassroots Participatory Budgeting/ Bottom Up Budgeting

In the past, the national budget is being prepared from the top, with government leaders deciding what projects to fund at the local level. With the introduction of Grassroots Participatory Budgeting (formerly called Bottom-Up Budgeting), the process is reversed by allowing would-be project beneficiaries to identify the projects that the government will in turn include in the preparation of the national budget.

Grassroots communities are now engaged in designing the national budget. The current administration, through the Cabinet Cluster on Human Development and Poverty Reduction, has identified the poorest municipalities and have engaged them in crafting community-level poverty reduction and empowerment plans.

This initiative has made the planning and budgeting processes of both local and national government more participatory through the genuine involvement of grassroots organizations and communities and strengthened the convergence of the delivery of national services in the community.

To ensure a more participatory type of budgeting, the national budget for 2013 was prepared using a breakthrough “bottom-up” approach through the adoption of the DBM, DILG, DSWD and NAPC Joint Memorandum Circular (JMC) No. 1, Series of 2012, dated March 8, 2012 (http://bit.ly/1n0PSjP). The JMC provided the policy guidelines and procedures in the implementation of bottom-up planning and budgeting for the FY 2013 budget preparation.
Section 5.0 thereof discusses the empowerment process and bottom-up procedure. The process starts with social preparation wherein communities from the identified municipalities are capacitated and given a clear understanding on how they can provide inputs into policies and programs that affect the lives of the community members and participate in local governance. Once capacity building activities have been conducted, the communities become capable of identifying priority poverty reduction projects which will be funded by the local government units and those which will be submitted to the national agencies for consideration in their 2013 budget proposals. Before the list of priority projects may be considered by the national government, endorsement and approval from Civil Society Organizations and the local legislative bodies (known as the Sanggunians) must be secured. The roles and responsibilities of the stakeholders in the implementation of bottom-up budgeting are reflected in Section 7.0.

For the FY 2014 budget preparation, the policy guidelines and procedures in the implementation of bottom-up budgeting are found in the DBM, DILG, DSWD and NAPC JMC No. 3, Series of 2012, dated December 20, 2012 (http://bit.ly/1iJMVzR).

In the FY 2015 budget preparation, the DBM, DILG, DSWD and NAPC issued JMC No. 4 dated November 26, 2013 (http://bit.ly/1nJEI37). The JMC renamed bottom-up budgeting to Grassroots Participatory Budgeting (GPB).

Guidelines for the implementation and monitoring of FY 2013 and FY 2014 GPB projects are found in National Budget Memorandum (NBM) No. 121 issued by the DBM on March 18, 2014. NBM No. 121 provides the guidelines in the implementation of monitoring of GPB projects from unobligated allotments/unreleased appropriations under Republic Act No. 10352 (General Appropriations Act for FY 2013) which the validity has been extended by Congress by Joint Resolution No. 1 dated December 26, 2013.

DBM is targeting an increase in budget allocation for GPB Projects from P8.4 Billion to P20 Billion in the 2015 proposed budget. Similarly for 2016, an increase in budget allocation to P25 Billion is being targeted.

Source:
Institute on Disability and Public Policy in ASEAN region: “IDPP Program Associate Attends Philippines CSO Budgeting Workshop” - http://bit.ly/1v3ojMo
Article 13, Section 1
Paragraph b - Ensuring that the public has effective access to information

❖ National Budget Circular 542 of the Department of Budget and Management


Section 93 is the Transparency Seal provision, to quote:
Sec. 93. Transparency Seal. To enhance transparency and enforce accountability, all national government agencies shall maintain a transparency seal on their official websites. The transparency seal shall contain the following information: (i) the agency's mandates and functions, names of its officials with their position and designation, and contact information; (ii) annual reports, as required under National Budget Circular Nos. 507 and 507-A dated January 31, 2007 and June 12, 2007, respectively, for the last three (3) years; (iii) their respective approved budgets and corresponding targets immediately upon approval of this Act; (iv) major programs and projects categorized in accordance with the five key results areas under E.O. No. 43, s. 2011; (v) the program/projects beneficiaries as identified in the applicable special provisions; (vi) status of implementation and program/project evaluation and/or assessment reports; and (vii) annual procurement plan, contracts awarded and the name of contractors/suppliers/consultants.

The respective heads of the agencies shall be responsible for ensuring compliance with this section.

A Transparency Seal, prominently displayed on the main page of the website of a particular government agency, is a certificate that it has complied with the requirements of Section 93. This Seal links to a page within the agency's website which contains an index of downloadable items of each of the above-mentioned documents.

Source: (http://www.dbm.gov.ph/?page_id=4273)
Data.gov.ph

As one of the eight founding states of the Open Government Partnership, the Philippine government is committed to open governance through initiatives such as this website.

Data.gov.ph aims to make national government data searchable, accessible, and useful, with the help of the different agencies of government, and with the participation of the public.

This website consolidates the datasets of different government agencies, allowing users to find specific information from a rich and continuously growing collection of public datasets.

Article 13, Section 1, Paragraph c - Undertaking public information activities that contribute to non-tolerance of corruption, as well as public education programmes, including school and university curricula

Office of the Ombudsman and Commission on Higher Education (CHED) MOA between OMB-Visayas and CHED-Visayas signed on 03 Sep. 2013 re Anti-Corruption Module for Tertiary Students in Central Visayas

Office of the Ombudsman & Department of Education, Memorandum Circular. No. 04, s. 2012, re Guidelines on Campus Integrity Crusaders (CIC) Accreditation

Office of the Ombudsman conducts Integrity, Transparency and Accountability in Public Service Seminars (ITAPS)

Implementation of the applicable measure (with evidence of implementation)

Office of the Ombudsman
No. of school-based organizations accredited as CICs – 349 in 2013 (nationwide); 87 in 2014 (NCR)
No. of CIC Orientation and Planning Workshops/Leadership and Integrity Seminars conducted – 176 in 2012 (NCR); 5,335 in 2013 (nationwide); 882 student-leaders; 203 teachers/advisers; 187 orgs in DepEd Divisions NCR in 2014
No. of implemented CIC-enrolled activities promoting integrity and social responsibility – 340 in 2013 (nationwide)
No. of accredited JGUs in 2012 (NCR) – 1,109
Article 13, Section 1,
Paragraph d

The Senate Bill 2860 of March 2012, which provides for protection, security and benefits of whistleblowers, has been favorably recommended by the Senate Committees on Justice and Human Rights, and Finance. A counterpart bill in the lower house, House Bill No. 2922, is also pending. The said bills, however, have not been passed into law.

The salient provisions are as follows:
“Whistleblower” shall refer to an informant or any person who has personal knowledge or access to data of any information or event involving improper conduct by a public officer and/or a public body.

Whistleblowers or informants, whether from the public or private sector, shall be entitled to the benefits under this Act, provided, that all the following requisites concur:
- The disclosure is voluntary, in writing and under oath;
- The disclosure relates to acts constituting improper conduct by public officers and/or public bodies; and
- The information to be disclosed is admissible in evidence.

Before a person is provided protection as a whistleblower or informant for the State, he shall first execute a Memorandum of Agreement (MOA) which shall set forth his/her responsibilities.
Substantial breach of the MOA shall be a ground for the termination of the protection provided under the Act.

Except insofar as allowed by this Act, during and after the disclosure, and throughout and after any proceeding taken thereafter, a whistleblower or an informant is entitled to absolute confidentiality as to:
- His identity;
- The subject matter of his disclosure; and,
- The person to whom such disclosure was made.
A whistleblower, informant or any person who has made a disclosure under this Act shall have, as defense in any other inquiry or proceeding, the absolute privilege with respect to the subject matter of his/her disclosure or information given to the proper authorities.

A whistleblower, informant, or a person who has made or is believed or suspected to have made a disclosure under this Act is not liable to disciplinary action for making said disclosure. When determined to be necessary and appropriate, a whistleblower or informant, even if the disclosure is made in confidence, shall be entitled to personal security. Should, at anytime the identity of the informant be revealed, or his anonymity compromised, the whistleblower or informant shall, in addition to the other benefits under this Act, and when warranted, be entitled to the benefits of R.A. No. 6891.

Assuming that Senate Bill 2860 passes into law, the reviewers deemed the Bill to legislatively cover the provision under review, and further recommended that sufficient resources be provided for its effective implementation.

Public Attorney’s Office (PAO)
Memorandum Circular (M.C.) No. 2, series of 2011 re Clarification on Assistance in Preparation of Extra-Judicial Confession of Inquest Duties
M.C. No. 6, series of 2009 re Prior Clearance from the Office of the Chief Public Attorney for All Media Interviews
M.C. No. 1, series of 2012 re PAO Revised Standard Procedure in Mediation and Conciliation
M.C. No. 2, series of 2012 re Revised Standard Office Procedure in Extending Legal Assistance During Custodial Investigation and Inquest Proceedings
M.C. No. 6, series of 2012 re Strict Implementation of the Merit Test in Giving Legal Assistance to Victims (on First Come, First Served Basis)

Commission on Human Rights (CHR)

Source: http://www.chr.gov.ph/MAIN%20PAGES/about%20hr/position%20papers/reso_15Apr2010_A2010-064.htm

Article 14- Measures to prevent money-laundering
Paragraph 1
Paragraph 4

The subject provision of the UNCAC is being complied with. Republic Act No. 9160 is continuously being amended to conform to the policies and directives of the APG, Egmont Group and FATF.

Paragraph 5

The Anti-Money Laundering Council (AMLC) is an active member of the Asia Pacific Group on Money Laundering (APG) and the Egmont Group of Financial Intelligence Units (Egmont Group). It also abides by the Forty Recommendations of the Financial Action Task Force on Money Laundering (FATF). Currently, the country is conducting the National Money Laundering and Terrorist Financing Risk Assessment.

A Philippine Center on Transnational Crime was also created to perform these functions, among others:

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7 Effective 17 October 2001.
1. To establish, through the use of modern information and telecommunications technology, a shared central database among government agencies for information on criminals, methodologies, arrests and convictions on transnational crimes such as money laundering;
2. To supervise and control the conduct of anti-transnational crime operations of all government agencies and instrumentalities; and
3. To establish a central database on national as well as international legislation and jurisprudence on transnational crime, with the end in view of recommending measures to strengthen responses and provide immediate intervention for the prevention, detection and apprehension of criminals operating in the country.

Moreover, the Philippines have entered into a number of treaties with other countries on mutual assistance on criminal matters.

### 2. Measures Being Planned to Implement UNCAC provisions

**Article 5 – Preventive anti-corruption policies and practices**
- Amend the Bank Secrecy Law to provide exceptions for its applicability and introduce changes in the contents of the Statement of Assets, Liabilities and Net Worth (SALN);
- Ensure that the subsequent PDP specifically articulate the national anti-corruption policy with respect to the operation and management of State-owned enterprises, particularly in relation to fiscal risks to the National Government;
- Create a governance monitoring system which ensures compliance with the approved manual of corporate governance of GOCCs;
- Make parent GOCCs accountable for the performance of their subsidiaries through their own Performance Agreements with the GCG;
- Expedite the Implementation of the Integrated Corporate Reporting System (ICRS);
- Increase participation in regional and international anti-corruption associations.

**Article 6 – Preventive anti-corruption body or bodies**
- Institutionalize a multi-sectoral anti-corruption body;
- Strengthen the power and authority of the Ombudsman and other anti-corruption bodies;
- Recruit and train personnel with specialized knowledge in accounting and auditing;
- Amend the GOCC Governance Act of 2011, strengthening the power of the GCG to access information/data from GOCCs and other National Government Agencies (NGAs) for the purpose of detecting corruption-related incidents, with the end view of exercising information-dissemination functions.

**Article 7 – Public Sector**
- Enhance the powers of the Career Executive Service Board (CESB);
- Enact pending bills (House Bill Nos. 172, 837 and 2911 and SB Nos. 55, 1580 and 1906) and expedite the subsequent issuance by the Commission on
Elections (COMELEC) of the Implementing rules and regulations.
- Enact pending bills (Senate Bill Nos. 1694, 1099, 971, 1996 and 38) (House Bill Nos. 308, 389, 2362 and 3242) and ensure the effective implementation thereof primarily by the COMELEC with the help of other government agencies such as the Bureau of Internal Revenue (BIR)

Article 8 – Codes of conduct for public officials
- Study the relevant initiatives of regional, interregional and multilateral organizations, such as the International Code of Conduct for Public Officials contained in the annex to General Assembly resolution 51/59 of 12 December 1996 to further improve the provisions for the code of conduct of public officials and employees by updating, amending or revising the existing code.

Article 9 – Public procurement and management of public finances
- Exhort the continuous posting of the procurement documents to promote transparency in the procurement process in government;
- Urge the Department of Budget and Management (DBM), as the agency tasked to do the validation, to provide assistance to agencies with regards to the requirements of the Transparency Seal;
- Revisit the Performance-informed Budget (PIB) to improve the performance information reflected in the budget. This will ensure that the indicated performance information and relevant performance indicators will capture the true measure of an agency’s performance;
- Provide continuous capacity-building especially for the new systems adopted in the preparation of the budget such as the Online Submission of Budget Proposals Systems (OSBPS). This will prevent discrepancies between the system and the required budget preparation documents, as required in the Budget Call, submitted by the agency to DBM;
- Strengthen the monitoring and evaluation of DBM, as an over-sight agency, to be able to recommend interventions to boost performance in national government;
- Encourage participation of the public and media during budget proceedings;
- Institutionalize Grassroots Participatory Budgeting (GPB) and sustain through legislation executive/department orders and strong government inter-agency and government-CSO structures and mechanisms;
- Enact legislation institutionalizing the “No Report, No Release” policy in the budget system to ensure that the required reports needed by the oversight agencies in terms of department revenue and expenditures are met for purposes of policy decision-making;
- Finalize the Generic Manuals on Quality Management System (QMS) and Risk Management System (RMS) to provide departments/agencies with guides on how to operationalize their respective QMS and RMS, to include records management;
- Solicit the assistance of other oversight departments that may be able to provide recommendations on how to address the gaps and the challenges in implementation of Revised Rules on Administrative Cases in the Civil Service (RRACCS), among others.

Article 10 – Public Reporting
Strengthen outreach and IEC efforts through mass media (TV and radio);
Conduct mandatory seminars for government officials.
Pass the FREEDOM OF INFORMATION BILL

Noteworthy to mention is the submission to the Congress of the Freedom of Information Bill which is part of the list of Priority Measures of the President. After its approval in the Senate on third reading last 10 March 2014, the bill is currently for sponsorship and approval in the House of Representatives’ Committee on Public Information. Accordingly, the following provisions in the Freedom of Information Bill fall squarely with the requirements of Article 10.8

8 Adopting procedures or regulations allowing members of the general public to obtain, where appropriate, information on the organization, functioning and decision-making processes of its public administration and, with due regard for the protection of privacy and personal data, on decisions and legal acts that concerns members of the public;
Sec. 6. Presumption. – it provides legal presumption in favor of access to information which may only be denied if it clearly falls under the exceptions provided in Sec. 7;
Sec. 9. Mandatory Disclosure of Information. – it enumerates matters which must be mandatorily disclosed to the public by government officials as well as information or documents/records which must be published on the website of, and must be updated on a monthly basis by, all agencies of all branches of government;
Sec. 10. Promotion of Openness in Government. – to promote openness in Government, key information pertaining to the mandate, structures, powers, functions of an agency, its key officials with their powers, profiles and curriculum vitae, etc. are required not only to be published in the agency’s website, but must also be printed and disseminated at no cost to the public;
Sec. 13. Additional Protection of Privacy. – aside from the exceptions to access to information provided in Sec. 7, Sec. 13 provides additional protection to privacy which recognizes the equally important right to privacy of individuals;
Sec. 18. Procedure of Access. – it outlines the procedures in accessing information free of charge; and
Sec. 21. Remedies in Cases of Denial. – it provides for available remedies to the public in case of denial of request for access to information.
Simplifying administrative procedures, where appropriate, in order to facilitate public access to the competent decision-making authorities; and

Sec. 17. Freedom of Information Manual. – it requires all government agencies to prepare a Freedom of Information Manual which sets forth, among others, the procedures for filing requests, types of information it generates, produces, holds and/or publishes, the process of disposition of the request, the schedule of service or processing fees and the procedure for the administrative appeal in case of denial of request;
Sec. 25. Publication of Government Data in the Open Data Philippines Website. – it mandates all agencies to publish in the Open Data Philippines website their respective mandates, programs, activities and projects which datasets must be updated at least once every quarter of the year;
Sec. 26. Tracking Requests for Information. – it provides the process through which requesting public can track the status of their requests, the decision and in case of denial, the reasons thereof; and
Sec. 27. Release to One, Release to All. – it allows information provided to an individual to be available to all others through publication to appropriate website.
Publishing information, which may include periodic reports on the risks of corruption in its public administration.
### Article 11 – Measures relating to the judiciary and prosecution services
- Promote multi-sectoral agency training/ Memorandum of Agreement (MOA) between the Supreme Court and various agencies with specialties in the conduct of lifestyle check investigations.
- Coordinate with the Department of Justice representatives for the fast-tracking of the passage of the bills on freedom of information, whistle-blowing, and witness protection.
- Strengthen the information, education, and communication capabilities of the CA, Sandiganbayan and CTA considering these third-level courts are deciding high profile cases involving public interest.

### Article 12 – Private Sector
- Develop codes of conduct, guidance on corruption, corporate governance codes, conflict of interest and internal audit controls for ALL private sector legal entities;
- Prepare regularly the reports that show the number of ALL private sector legal entities (i.e. corporations, foundations, broker dealers, traders, salesmen, BSP-supervised financial institutions, IC-supervised institutions, DPWH) that adopt and implement in the private sector of guidelines, procedures or policies promulgated by the government to prevent corruption;
- Devise a mechanism for the internal reporting of corruption and whistleblower protection in the private sector;
- Enact a law to criminalize the bribery of foreign public officials and officials of public international organizations; and
- Propose an amendment to the National Internal Revenue Code, expressly exempting instances covered by Section 18 thereof from the prohibition under Section 270, in order to avoid confusion.

### Article 13 – Participation of society
- Strengthen the implementation of the joint memorandum circular on the bottom-up budgeting process specifically in the local level;
- Pass the Freedom of Information (FOI) Bill;
- Provide access to internet to all local government units (LGUs) nationwide;
- Strengthen the Ombudsman Act of 1989 and Code of Conduct and Ethical Standards for Public Officials and Employees.

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**Sec. 29. Annual Reports on Actions Taken on Requests for Access to Information.** – it requires all government agencies to make and publish/post on their respective websites an annual report on the number of requests for information it received, processed, granted and denied; of appeals made from such denials of requests; and of pending court actions it is a party to as a result of such requests.
### Article 14 – Measures to prevent money-laundering

- Enhance on-site audit/examination;
- Include/prioritize entities engaged in money service businesses which are not subsidiaries of banks in the examination program.

### 3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

The Philippines has identified the following challenges and issues in fully implementing the article under review:

**Article 5**

1. Sustainability of the program (OP-OMB on IMP);
2. Competing priorities of the agency, limited institutional capacities and limited resources can hamper the wide-range implementation to targeted government agencies in the national and regional levels (OMB);
3. There are delays in submissions of reportorial requirements of the GOCCs to the GCG which translates also to slower performance assessment by the Commission;
4. A more effective inter-institutional coordination is required between the GCG and parent GOCCs for the purpose of monitoring inactive and/or non-performing subsidiaries (GCG);
5. The Governance Commission for GOCCs stated that there is a need to set up a real-time access of pertinent data from GOCCs. The IT infrastructure needed is not currently in place;
6. Limited resources and institutional capacities to engage in nationwide risk and vulnerability assessments (NEDA);
7. Need for technical assistance in the development of instruments and conduct of risk assessments at the Sectoral and national levels (NEDA);
8. One of the challenges is that private interest protected under the Bank Secrecy Law should yield to the greater public interest (COA).

**Article 6**

The Philippines has identified the following challenges and issues in fully implementing the article under review:

(a) Full implementation of the Integrated Corporate Reporting System (ICRS);
(b) Approval of the Compensation Position Classification System (CPCS);
(c) Inter-institutional or inter-agency coordination is needed between the Governance Commission for GOCCs (GCG) and other agencies like the Civil Service Commission (CSC), the Office of the Ombudsman (OMB), the Commission on Audit (COA) and other agencies with expertise in providing the required skillset to exercise an anti-corruption mandate.
Article 7
The Philippines has identified the following challenges and issues in fully implementing the article under review:

1. In Frivaldo vs. Comelec, the Supreme Court held that: “Qualifications for public office are continuing requirements and must be possessed not only at the time of appointment or election or assumption of office but during the officer’s entire tenure. Once any of the required qualifications is lost, his title may be seasonably challenged.” However, it bears emphasizing that the law/rules governing nuisance candidates, petitions for disqualification, denial due course to or cancellation of Certificate of Candidacy and quo warranto prescribe a limited period within to file the same and do not extend until the end of the tenure of the elected official.

2. Immediate enactment of the pending bills before Congress and effective implementation thereof primarily by the COMELEC with the help of other government agencies such as the Bureau of Internal Revenue.

Article 8
The Philippines has identified the following challenges and issues in fully implementing the article under review:

1. The challenge in the implementation of the measures is the information dissemination because even if the code of conduct for public officials and employees is a law, the public in general is not fully aware of the conduct expected of the public officials and employees. There are still certain areas in the Philippines that require extensive information dissemination on the matter so that proper feedback mechanism will be put in place.

2. With regard to the public officials and employees, incorporation of the ethical values embodied in the code of conduct is needed to be achieved in order for them to be equipped with the knowledge on what is proper or not.

3. There is a need to amend the existing code of conduct for public officials and employees in order to align this with the UNCAC provisions. At present, a proposed revision or amendment to RA 6713 is already pending the approval of the legislative body at the initiative of the CSC.

Article 9
The Philippines has identified the following challenges and issues in fully implementing the article under review:

1. The gaps in implementation were due to the agencies’ insufficient understanding of the reports/documents/information which are required to be posted, as well as the corresponding templates to be used to comply with the Transparency Seal. Further, there is the presence of a weak IT infrastructure and network which leads to slow uploading and access of data over the internet which may be the reason for the inactive links to access the uploaded reports.

2. There is difficulty in attaining the full support of national government agencies (NGAs) in the budgetary reforms advocated by the DBM. Aside from this, the
reforms are done one after the other without evaluating the effectiveness of the reforms implemented.

3. A challenge in implementing the use of the OSBPS is the readiness of the agency users in using the system.

4. There is also a challenge to strengthen the monitoring and evaluation function of the DBM to enable it to come up with appropriate interventions that will help speed up spending and improve performance of NGAs.

5. The role of the media during the budget preparation phase is very limited. It is only during the DBCC presentation of the budget to Congress that there is wide media coverage. Congress deliberation of the budget is also open to the media.

6. There is also a need to assess the extent to which the budget partnerships with CSOs affect the agency budget proposals.

7. The value of GPB lies in the participation of the organized poor. CSOs need to ensure the proper implementation and integrity of the projects under the GPB.

8. The continuous effort to commit for the timely passage of the budget should be sustained in order for government to be able to implement its priority programs and projects at the beginning of the fiscal year.

9. The implementation of a “No Report, No Release” policy is a challenge which the DBM has to enforce as an oversight agency.

10. The expenditure reports, as reported by DBM, should continuously be monitored and updated in the DBM website. On the other hand, there is also the need to strengthen the monitoring and evaluation function of the DBM to ensure that spending on the intended programs and projects is on track.

11. The challenge in implementing this measure is the timely collection of information and submission by the agencies of their reports on allotments, obligations and disbursements.

12. In terms of the establishment of internal audit in government, the challenge is to provide the appropriate capacity building to the internal auditors of the agencies.

13. Strengthening of the IAS/IAU’s capacity to function as the internal auditors of their respective agencies.

14. Finalize the Generic Manuals on Quality Management System (QMS) and Risk Management System (RMS) to provide departments/agencies with guide on how to operationalize their respective QMS and RMS, to include records management.

15. The delayed modernization of some government websites is also considered a problem.

Article 10
The Philippines has identified the following challenges and issues in fully implementing the article under review:

1. It is observed that the recurring mistake a number of government agencies commit is the lack of a proper monitoring mechanism to oversee the quality of
documents that are disclosed to the public. Among the public complaints are the agencies’ failure to submit documents or issue a response on time, to update pertinent data, and to make the language simplified for the public.

2. Another factor is non-compliance of agencies with ARTA provisions.

Article 11
The Philippines has identified the following challenges and issues in fully implementing the article under review:

1. The need for adequate appropriations in the national budget to be able to effectively and efficiently dispense justice, its primary mandate.
2. House Bills (HB) Nos. 4738 and 4690 propose to transfer the administration and control of the Judicial Development Fund to the National Treasury. There appears a need to accord full recognition of the independence and fiscal autonomy of the judiciary by the executive and legislative branches.
3. While the OCA-Legal Office handles lifestyle checks based on received verifiable complaints, there is no division which is specifically tasked to conduct these lifestyle checks.
4. Also, there is a lack of coordination with other agencies of the government who are also doing lifestyle checks.
5. There must be greater cooperation from the public to aid in weeding out the “bad eggs” in the judiciary.
6. Per inputs from the Department of Justice representatives, the bills on freedom of information, whistle-blowing, and witness protection should be fast-tracked. There should also be improved information dissemination of the Codes of Conduct to the public who could act as complainants/witnesses against erring justices, judges, or court personnel.
7. In view of the insufficiency of manpower and resources, the survey system is not applied to first and second level courts applicants.

Article 12
The Philippines has identified the following challenges and issues in fully implementing the article under review:

1. Devise a mechanism for the internal reporting of corruption and whistleblower protection in the private sector.
2. Adopt formal procedures governing the move of public officials on resignation or retirement to those private sector entities with whom they have had dealings while in public service or for whom they may hold confidential or commercial information or where they may be employed to influence their former employers or colleagues.

Article 13
1. There is a need to further strengthen the implementation of Joint Memorandum Circular on the bottom-up budgeting process specifically in the local level.
2. Need for a comprehensive law setting standards on how the public can access information kept by the government.
3. Provide access to internet to all LGUs nationwide
4. A need to increase the budget of law enforcement agencies.
5. Need for mechanism to protect government officials and employees from harassment suits.
6. Need to strengthen OMB investigation, PI/AA and prosecution services.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II
   (a) Continuous capacity building should also be provided especially for the new systems adopted in the preparation of the budget such as the Online Submission of Budget Proposal System (OSBPS). This will prevent discrepancies between the system and the required budget preparation documents, as required in the Budget Call, submitted by the agency to DBM.
   (b) There is a need for a long-term capacity building plan that will enable the people in government organizational to be efficient and productive at the workplace.
   (c) To ensure the continuous capacity building trainings for the IAS/IAU personnel, there should be a long-term capacity building plan that will enable the people in the organization on the application of theories that will guide them in their work.
   (d) Because of the Supreme Court's limited resources, there is a need for a collaborative multi-sectoral agency training/ Memorandum of Agreement (MOA) between the Supreme Court and various agencies with specialties in the conduct of lifestyle check investigations.
   (e) Capacity-building programmes for authorities responsible for establishing and managing protection programmes for reporting persons;
### B. UNCAC Chapter III: Criminalization and Law Enforcement

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10. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

The Office of the Ombudsman (OMB) and Office of the President – Office of the Deputy Executive Secretary for Legal Affairs (ODESLA) has so far held two State Conferences which were both attended by the heads of the three branches of government, officials and employees of the Constitutional Commissions, national government agencies, development partners, civil society organizations, private sector representatives and the media. During these Conferences, various stakeholders reported on achievements in the implementation of the Convention, as well as on commitments to furthering the rate of compliance; and the 2nd State Conference Resolution entitled “Strengthening Multi-Stakeholders Collaboration and Coalition in Pushing Urgent Measures on corruption Prevention and Criminalization, International Cooperation and Asset Recovery Towards Improving Integrity in Governance” was signed.

Last September 5, 2014, His Excellency President Benigno S. Aquino III issued Executive Order No. 171, series of 2014, created the Philippine UNCAC Inter-Agency Committee (PUICOM) to oversee the review, implementation and monitoring of the UNCAC. The Committee is headed by the Honorable Executive Secretary, and composed of the Honorable Secretaries of the Departments of Justice, Foreign Affairs, Budget and Management, Socioeconomic Planning and Interior and Local Government.

Article 15

There are already bills pending in Congress, e.g., House Bill No. (HBN) 04783 and Senate Bill No. (SBN) 2311. They both contain an amendatory provision, viz: Section 3 xxx (k) “Public Servant” includes any person holding or performing a public function in the legislative, executive, administrative or judicial office in the government, regardless of status of employment or engagement, and whether or not they receive compensation xxx. The proposed definition is in line with UNCAC article 2; however, the bills do not propose the inclusion of foreign public officials and officials of public international organizations in the definition of a public official (or servant). Both bills are pending at the Committee level.

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9 An Act Strengthening the Code of Conduct and Ethical Standards for Public Servants
10 *ibid.*
The Secretary of Justice created a Criminal Code Committee to undertake the review of the Revised Penal Code, as amended, and all existing criminal statutes. The Committee was tasked to draft an organic, Filipino and modern criminal code that consolidates and harmonizes the penal laws for an effective, efficient and economical administration of criminal justice.¹¹

During the country visit, reviewing experts and the TWG were informed by the Committee that there is a standing proposal to devote a chapter in the proposed Criminal Code exclusively to graft and corrupt acts; this would effectively address the challenge to adopt a stand-alone corruption-related law. However, whether it would contain a provision on active bribery remains to be seen. The OMB and/or ODESLA may have to make representations with the Committee for the inclusion of the offense of active bribery.

**Article 16**
There is already a draft bill proposing the expansion of the definition, but it has yet to be filed in either House in Congress. The Philippines may need technical assistance in the form of model legislation and best practices.

**Article 17**
A bill is also pending in Congress that seeks to constitute the Commission on Audit (COA), Office of the Ombudsman, and Committee on Oversight of Congress into a tripartite body to be known as the Legislative Audit Council to perform identified tasks enabling government to effectively run after corrupt officials and private individuals and make them to account for embezzlement of public funds.¹²

**Article 18**
There are already bills pending in Congress, e.g., HBN 0482¹³ and SBN 118.¹⁴ The former defines influence peddling as the “act of representing oneself, either orally or in writing, as being able, whether real or imagined, to influence, facilitate or assist another person having some business, transaction, application, request or contract with the government in which the public official or employee has to intervene, in consideration of any present, gift or material or pecuniary advantage.” On the other hand, the latter defines influence peddling as the “act of representing oneself, either orally or in writing, as being able, whether real or imagined, to influence, facilitate or assist another person having some business, transaction, application’, request or contract with the government in which a public official or employee has to intervene.”

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¹¹ Department of Justice Circular No. 19 dated April 20, 2011, Criminal Code Committee  
¹² HBN 426  
¹³ An Act Penalizing Influence Peddling  
¹⁴ An Act Penalizing Influence Peddling and for Other Purposes
From the foregoing definition, it can be gathered that the House version contains what is referred to as passive trading in influence, while the Senate version contains what is called active trading in influence. The House version passed on third reading and had been transmitted to the Senate for its concurrence. The Senate version is pending at the Committee level. Both bills are presently pending at the Committee level.

**Article 21**
A House bill had been filed during the previous regular session, but it was not re-filed during the present session. The private sector should take the initiative in drafting the bill on bribery in the private sector. It may coordinate with the concerned organizations to accomplish such initiative.

**Article 23**
The Anti-Money Laundering Act of 2001 was further amended to include bribery, corruption of public officers and malversation of public funds and property, among others, as predicate crimes. It was also further amended to prohibit the conversion, transfer, disposal, movement, acquisition, possession or use of, or the concealment and disguise of the true nature, source, location, disposition, movement or ownership or rights with respect to, monetary instrument or property, that represents, involves, or relates to the proceeds of any unlawful activity.

**Article 26**
A bill introducing amendments to the Corporation Code of the Philippines (CorpCode) has been filed with the Congress of the Philippines. Though an initial hearing is still to be scheduled in the House of Representatives Committee on Trade and Industry, the Senate Committee on Trade, Commerce and Entrepreneurship has already held several meetings and has formed a Technical Working Group made up of representatives of various stakeholders both from the government and from the private sector.

The CorpCode, being a 1980 legislation, was overdue for updating not only as to the ease of doing business provisions but also as to provisions on investor protection, corporate governance and administrative, civil and criminal sanctions.

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16 An Act Further Strengthening the Anti-Money Laundering Law, Amending for the Purpose Republic Act No. 9160, Otherwise Known as the “Anti-Money Laundering Act of 2001”, As Amended.

The CorpCode Amendments include several provisions recognizing corporate criminal liability for graft and corrupt practices and have provided for the imposition of stiff fines not only for acting as intermediaries for graft and corrupt practices but for engaging intermediaries for the said purpose. Further, in both instances, the failure of a corporation to show that it has installed company policies and procedures against graft and corruption, shall be prima facie evidence of its liability.

To note, the creation of a corporation for graft and corruption as well as the commission by a corporation of graft and corrupt practices have been made grounds for the dissolution of the said corporate entity.

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18 Sec. 169. Acting As Intermediaries For Graft And Corrupt Practices; Penalties. – A Corporation Created For The Purpose Of Committing, Or Aiding In The Commission Of, Graft And Corrupt Practices Or In The Concealment Thereof Shall Be Punished By A Fine Ranging From One Million (Php1,000,000.00) To Five Million (Php5,000,000.00) Pesos And Imprisonment Of Ten (10) Years.

The Corporation’s Failure To Show That It Has Installed Safeguards To Ensure That It Is Carrying Out Its Services In A Transparent And Lawful Manner, And That It Has Installed Policies, Codes Of Ethics And Procedures Against Graft And Corruption, When Coupled With A Finding Of Graft And Corrupt Practices Against Any Of Their Directors, Officer, Employees, Agents, Or Representatives, Shall Be Prima Facie Evidence Of Liability Under This Section.

19 Sec. 170. Engaging Intermediaries For Graft And Corrupt Practices; Penalties. – A Corporation That, For The Purpose Of Shielding Itself From Liability For Graft And Corrupt Practices, Engages The Services Of An Intermediary Who Commits Graft And Corrupt Practices For The Corporation’s Benefit Or In Its Interest, Shall Be Punished By A Fine Of One Million Pesos (Php1,000,000.00) And Imprisonment Of Ten (10) Years.

The Corporation’s Failure To Show That It Has Used The Highest Degree Of Diligence And Care When Acquiring The Services Of An Intermediary, That It Has Sufficient Knowledge And Has Installed Safeguards To Ensure That The Intermediary Is Carrying Out The Contracted Services In A Transparent And Lawful Manner, And That It Has Installed Policies, Codes Of Ethics And Procedures Designed To Prevent Graft And Corruption, When Coupled With A Finding Of Graft And Corrupt Practices Against The Intermediary, Shall Be Prima Facie Evidence Of Liability Under This Section.

20 Sec. [117]136. Methods of dissolution; EFFECTIVE DATE OF DISSOLUTION. - A corporation formed or organized under the provisions of this Code may be dissolved IN ANY OF THE FOLLOWING WAYS: voluntarily or involuntarily:

1. Xxx
2. Xxx
3. Xxx
4. By Order Of The Commission When The Corporation:
   a. Xxx
   c. Has Been Found To Have Been Created For The Purpose Of Committing Or Concealing, Or Aiding In The Commission Or Concealment Of, Securities Violations, Smuggling, Tax Evasion, Money Laundering, Or Graft And Corrupt Practices;
   d. Has Been Found To Have Committed Or Aided In The Commission Of Securities Violations, Smuggling, Tax Evasion, Money Laundering, Or Graft And Corrupt Practices, And Its Stockholders Knew Or Were In A Position To Know About Such Illegal Acts;
   e. For The Purpose Of Shielding Itself From Liability For Graft And Corrupt Practices, Has Been Found To Have Engaged The Services Of An Intermediary Who Commits Graft And Corrupt Practices For The Corporation’s Benefit Or In Its Interest, And Its Stockholders Knew Or Were In A Position To Know About The Engagement;
The fight against graft and corruption has also been brought to an individual level by the amendments as directors, trustees or officers of a corporation who tolerate graft and corrupt practices committed by other individuals involved in the corporate operations are punished for their failure to report the said incidents.  

To greatly ensure that corporate graft and corrupt practices are reported and may be substantiate by those who have first-hand knowledge of the violations, one of the proposed amendments provides for the protection of whistleblowers and the imposition of a hefty penalty on any person who shall retaliate against a whistleblower.  

Lastly, as to all other offenses or violations of the CorpCode, the fine has been increased from One Thousand Pesos (Php1,000.00) but not more than Ten Thousand Pesos (Php10,000.00) or by imprisonment for not less than thirty (30) days but not more than five (5) years, or both, at the discretion of the court. Further, the corporation may also be dissolved in appropriate proceedings.

The CorpCode Amendments are set for Joint Deliberations in the Congress in the 4th Quarter of 2015.

21. Sec. 171. Tolerating Graft And Corrupt Practices; Penalties. – A Director, Trustee, Or Officer Of The Corporation Who Knowingly Allows Or Tolerates The Commission Of Graft And Corrupt Practices Or Other Fraudulent Acts By Its Directors, Trustees, Officers, Or Employees, Failing To Sanction Them, Report Their Actions To The Proper Agencies, And/Or File The Appropriate Action Against Them; Shall Be Punished By A Fine Of One Million Pesos (Php1,000,000.00) And Imprisonment Ten (10) Years.

22. Sec. 172. Retaliation Against Whistleblowers. – Any Person Who, Knowingly And With The Intent To Retaliate, Takes Any Action Harmful To Another Person, Including But Not Limited To Interference With The Lawful Employment Or Livelihood Of Any Person, For Providing Any Truthful Information Relating To The Commission Or Possible Commission Of Any Offense Or Violation Under This Code, Shall Be Punished With A Fine Ranging From Five Hundred Thousand Pesos (Php500,000.00) To One Million Pesos (Php1,000,000.00) And Or Imprisonment Of Five (5) To Ten (10) Years, At The Discretion Of The Court.

23. Sec. [141]173. OTHER Violations of the Code; SEPARATE LIABILITY. – Violations of any of the other provisions of this Code or its amendments not otherwise specifically penalized herein shall be punished by a fine of not less than [one] FIFTY thousand [Php10,000.00] (Php50,000.00) pesos but not more than ONE MILLION (Php1,000,000.00) [ten thousand (Php10,000.00)] pesos AND/or imprisonment [for] OF not less than thirty (30) days but not more than five (5) years, or both, [in] AT the discretion of the court. If the violation is committed by a corporation, the same may, after notice and hearing, be dissolved in appropriate proceedings before the [Securities and Exchange] Commission. Provided, That such dissolution shall not preclude the institution of appropriate action against the director, trustee or officer of the corporation responsible for said violation: Provided, further, That nothing in this section shall be construed to repeal the other causes for dissolution of a corporation provided in this Code.

Liability For Any Of The Forgoing Offenses Shall Be Separate From And Without Prejudice To Any Other Administrative Civil, Criminal Liability Under This Code And Other Laws.
Article 27 –
The Philippines has fully addressed the challenge. Article 27 paragraph 3 of the Convention enjoins States parties to consider the criminalization of the preparation of an offence established in accordance with the Convention. The Legislative Guide for the implementation of the UNCAC points to Article 1 paragraph 2 of the OECD Bribery Convention for guidance. The same states: "Each Party shall take any measures necessary to establish that complicity in, including incitement, aiding and abetting, or authorisation of an act of bribery of a foreign public official shall be a criminal offence. Attempt and conspiracy to bribe a foreign public official shall be criminal offences to the same extent as attempt and conspiracy to bribe a public official of that Party."

Under the Revised Penal Code, the incitement, aiding and abetting, or authorization of acts punishable under the Code are considered criminal offenses; the same can be said for attempt and conspiracy. These acts are differently-terms under Philippines laws, e.g., incitement/inducement, aiding and abetting/serving as accomplice or accessory, but they are essentially the same.

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25 Act No. 3815, The Revised Penal Code

Art. 16. Who are criminally liable. — The following are criminally liable for grave and less grave felonies:
1. Principals
2. Accomplices
3. Accessories

The following are criminally liable for light felonies:
1. Principals
2. Accomplices

Art. 17. Principals. — The following persons are considered principals:
1. Those who take a direct part in the execution of the act;
2. Those who directly force or induce others to commit it;
3. Those who cooperate in the commission of the act by another act without which it would not have been accomplished.

Art. 18. Accomplices. — Accomplices are those persons who, not being included in Art. 17, cooperate in the execution of the offense by previous or simultaneous acts.

Art. 19. Accessories. — Accessories are those persons who, having knowledge of the commission of the crime, and without having participated therein, either as principals or accomplices, take part subsequent to its commission in any of the following manners:
1. By profiting themselves or assisting the offender to profit by the effects of the crime.
2. By concealing or destroying the body of the crime, or the effects or instruments thereof, in order to prevent its discovery.
Article 32 –

SBN 2860 was filed during the 15th session of the Philippines Congress, i.e. 2010-2013. However, similar bills are pending in the 16th Congress, e.g. HBN 145.27

The pending legislation would extend protection, security and benefits to other witnesses, including law enforcers. Section 29 of the bill provides, “(n)othing in this Act shall disqualify a law enforcement officer, otherwise qualified to stand as witness for the State, from being entitled to the full protection and benefits of the Legal Protection Service; Provided however, that the matter for which his testimony is necessary is not the matter subject of his official investigation or inquiry.” Under the same bill, certain rights of the qualified witness may be extended to any member of his family within the second civil degree of consanguinity or affinity. These would effectively address the observation of the reviewing experts that there is a need to provide effective protection to testifying witnesses, their relatives and persons close to them. The bill is pending at the Committee level.

The Philippines does not have existing agreements with other states for relocation. The existing law says a witness is, as far as practicable, entitled to relocation but this provision has not been implemented because of absence of international agreements. The Philippines has, however, endeavored to relocate witnesses locally and the country is preparing for international relocation by requesting trainings on this matter from foreign countries.

SBN 2860 was filed during the 15th session of the Philippines Congress, i.e. 2010-2013. However, similar bills are pending in the 16th Congress, e.g. HBN 145.28

The pending legislation would extend protection, security and benefits to other witnesses, including law enforcers. Section 29 of the bill provides, “(n)othing in this Act shall disqualify a law enforcement officer, otherwise qualified to stand as witness for the State, from being entitled to the full protection and

3. By harboring, concealing, or assisting in the escape of the principals of the crime, provided the accessory acts with abuse of his public functions or whenever the author of the crime is guilty of treason, parricide, murder, or an attempt to take the life of the Chief Executive, or is known to be habitually guilty of some other crime.

26 Ibid.

Art. 6. Consummated, frustrated, and attempted felonies. —

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There is an attempt when the offender commences the commission of a felony directly or over acts, and does not perform all the acts of execution which should produce the felony by reason of some cause or accident other than this own spontaneous desistance.

xxx

Art. 8. Conspiracy and proposal to commit felony. — Conspiracy and proposal to commit felony are punishable only in the cases in which the law specially provides a penalty therefor. A conspiracy exists when two or more persons come to an agreement concerning the commission of a felony and decide to commit it. xxx

27 An Act Providing Protection and Benefits to Persons who Disclose Conduct Constituting Graft and Corruption and to Witnesses for the Prosecution Thereof, Providing Penalties for Violations Hereof, and for other purposes

28 An Act Providing Protection and Benefits to Persons who Disclose Conduct Constituting Graft and Corruption and to Witnesses for the Prosecution Thereof, Providing Penalties for Violations Hereof, and for other purposes
benefits of the Legal Protection Service; Provided however, that the matter for which his testimony is necessary is not the matter subject of his official investigation or inquiry." Under the same bill, certain rights of the qualified witness may be extended to any member of his family within the second civil degree of consanguinity or affinity. These would effectively address the observation of the reviewing experts that there is a need to provide effective protection to testifying witnesses, their relatives and persons close to them. The bill is pending at the Committee level.

**Article 36**

There are already more than a dozen bills pending in Congress aimed at strengthening the institutional capacity of the Office of the Ombudsman, e.g., HBN 5044 and SBN 605.

The former would allow the Office of the Ombudsman to deputize private lawyers to act as investigators or prosecutors to act under the direct control and supervision of the Ombudsman in certain special and meritorious circumstances. The latter, according to its sponsor, intends to augment the financial resources of the Ombudsman by giving it a share in any property forfeited in favor of the State under Republic Act No. 1379, otherwise known as the Forfeiture Law; and thus increase its funding. The bill provides a mechanism wherein 30% of the value of forfeited assets shall be used as funding for the Ombudsman which will assist the continued progress of cases. The method therefore ensures additional funding to the Ombudsman, and eliminates the need to reallocate funding from a stretched national budget. Both bills are pending at the Committee level.

**Article 37**

The Philippines has fully addressed the challenge. The Philippines has an existing IAAGCC. It is a voluntary alliance of agencies of the government that have taken the initiative to formulate and develop concerted techniques and strategies in the prevention, detection, investigation and prosecution of graft cases.

The IAAGCC has recently adopted a Strategic Plan for 2015-2018. A few of the major plans are the roll-out of a Revised Guidelines on Cooperation; publication of an Integrated Anti-Graft Investigation and Prosecution Manual; and development of an Integrated Case Management System for Graft and Corruption Cases.

**Article 40**

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30 An Act Amending Section 6 of Republic Act No. 1379, otherwise known as the Forfeiture Law, to Provide A Fixed Percentage of the Value of Forfeited Properties in Corruption Cases as Additional Funding for the Office of the Ombudsman and for Other Purposes
Under the Ombudsman Act of 1989, the Ombudsman has the power to request any government agency for assistance and information necessary in the discharge of its responsibilities, and to examine, if necessary, pertinent records and documents; and to issue subpoena duces tecum, including the power to examine and have access to bank accounts and records.

However, in practice, the Ombudsman can only seek a court order to obtain bank records through the Anti-Money Laundering Council. It may not do so directly.

This issue is sought to be remedied through the passage of HBN 3739 and SBN 184. Both bills intend to require all public officials and employees, except those who serve in an honorary capacity, to submit with the Office of the Ombudsman a written permission or waiver in favor of the latter to look into deposits of whatever nature with banks or banking institutions, both within and outside the Philippines, including investment bonds issued by the government of the Philippines, its political subdivisions and instrumentalities. Both bills are pending at the Committee level.

2. Measures Being Planned to Implement UNCAC provisions

In order to improve its compliance with the provisions of Chapters III and IV of the UNCAC, the Philippines endeavors to undertake the following actions:

1. To follow up on the finalization of the draft bills on extradition and mutual legal assistance to speed up their filing in Congress. For this purpose, the PUICOM secretariat shall coordinate with DOJ on the status of these bills.

2. To advocate for the passage of bills already filed in Congress. For this purpose, the PUICOM endeavors to write a letter to the Speaker of the House and Senate President, attaching a copy of this report and exhorting them to urge both Houses of Congress to pass the bills.

3. To draft the necessary bills and administrative issuances with the assistance of lead agencies, other stakeholders and, hopefully, the UNODC. For this purpose, the PUICOM secretariat shall conduct several workshops in the coming months or years.

4. To continuously monitor the status of other action agenda and challenges pertaining to administrative and other issuances, including their implementation. For this purpose, the PUICOM secretariat shall remind the UNCAC clusters of their commitments in pushing for their respective action agenda.


The reviewing experts from Egypt and Bangladesh made note of 22 challenges the Philippines encountered in the implementation of the provisions of

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31 An Act Requiring Public Officials and Employees to Submit a Written Permission or Waiver in favor of the Ombudsman to Look Into All Deposits of Whatever Nature With Banks or Banking Institutions Both Within and Outside the Philippines including Investment Bonds issued by the Government of the Philippines, its Political Subdivisions and Instrumentalities and Providing Penalties Therefor

32 Ibid.
Chapter III of the UNCAC.

1. Consider adopting a unified definition of public officials in line with UNCAC article 2, as well as expanding this definition to include foreign public officials and officials of public international organizations, notwithstanding any existing privileges.

2. Consider, in the context of ongoing legal reforms, a stand-alone corruption related law, which would include an offence of active bribery of national public officials, ensure consistency in its application, and extend the bribery offence to transactions other than those listed in subsections 3(b) and (c) of RA 3019.

3. Inter-agency coordination and limited resources were noted as challenges in the pursuit of bribery and embezzlement cases.

4. Consider legislative or other measures to enact active and passive trading in influence provisions in line with the Convention.

5. A reported challenge is that asset and income disclosures are not reviewed unless a complaint is received.

6. Consider enacting a law to penalize and criminalize the offence of bribery in the private sector.

7. Enact amendments to AMLA to cover the requirements of UNCAC article 23, in particular the conduct described in subparagraphs (1)(a) and (1)(b)(i), and to include all UNCAC-related offences as predicate crimes.


9. Consider whether the criminal or non-criminal sanctions for legal persons are effective, proportionate and dissuasive.

10. Criminalize the preparation of corruption-related offences.

11. Ensure that grants of executive clemency do not create a situation of impunity.

12. Consider entering into agreements or arrangements with other States for the relocation of witnesses and experts who give testimony.

13. Provide sufficient resources for the effective implementation of Senate Bill 2860, once adopted into law.

14. Extend the mandate of OMB to enter and inspect private property.

15. Limited capacity and resources for law enforcement agencies (such as the absence of any OMB regional offices) were noted as a challenge, including to address the consequences of corruption.

16. Authorize OMB to have access to all relevant data and information, including tax, custom, financial and bank records.

17. Adopt proposed amendments to RA 1379 eliminating the restriction that a matter cannot be filed before court one year prior to a general election.


19. To overcome challenges of inter-agency coordination, grant a competent anti-corruption body/bodies the necessary law enforcement and prosecutorial powers to carry out its functions effectively and without undue influence in the private and public sectors, with a clear legislative mandate and
appropriorate resources and training to carry out its functions nationally.

20. Consider enhancing law enforcement cooperation, in particular to ensure that public officials and authorities cooperate sufficiently in criminal investigations and prosecutions; limited financial incentives were noted as a challenge in this context.

21. Consider extending the direct privilege to request a Court order for access to bank/financial records to other anti-corruption authorities where appropriate.

22. Provide for the active and passive jurisdictional personality principles; the application of jurisdiction in extradition cases abroad is a reported challenge.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III

In order to address some of the 22 challenges pertaining to Chapter III, the Philippines would need the following forms of technical assistance: (1) model legislation; (2) best practices / lessons learned; (3) legal advice; (4) legislative drafting; and (5) capacity-building.

The Philippines needs model laws that define foreign public officials and officials of public international organizations, as well as laws that criminalize the active bribery of national public officials.

The country also needs a sample of best practices or lessons learned by other States Parties concerning their experiences in the implementation or enforcement of the coverage of foreign public officials and officials of public international organizations under their criminal laws; review of asset and income disclosures; proscription of bribery in the private sector; granting of executive clemency; and the application of the passive jurisdictional personality principle in extradition cases.

The country also needs to be clarified as to what the reviewing experts envision ‘conflict of interest’ should cover.

The Philippines also needs assistance in drafting bills that intend to criminalize active bribery of national public officials and bribery in the private sector; establish a system of mandatory review of asset and income disclosures; extend the mandate of the Ombudsman to enter and inspect private property and to directly request a Court order for access to bank/financial records.

Finally, the country needs assistance in enabling concerned public officers to conduct the mandatory review of asset and income disclosures.
C. UNCAC Chapter IV: International Cooperation

UNCAC Provisions:
- Art. 43: International cooperation
- Art. 44: Extradition
- Art. 45: Transfer of sentenced persons
- Art. 46: Mutual legal assistance
- Art. 47: Transfer of criminal proceedings
- Art. 48: Law enforcement cooperation
- Art. 49: Joint investigations
- Art. 50: Special investigative techniques

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

**Article 44** –
At the time of deposit of its Instrument of Ratification, the Philippines made a declaration that “dual criminality is required under its extradition law and the Philippines therefore cannot consider the Convention as the legal basis for cooperation on extradition xxx.” The reviewers from Egypt and Bangladesh welcome indications by the Philippines that it may consider amending its declaration to use the UNCAC as a legal basis for extradition in the future provided dual criminality is satisfied.

The Department of Foreign Affairs (DFA) has already prepared a proposed draft amendatory declaration to the UNCAC. However, in view of the ongoing discussions and inter-agency consultations on the repeal of Presidential Decree (PD) No. 1069 to give way to a more comprehensive Philippine Extradition Law, the finalization and deposit of an Amended Declaration was held in abeyance, considering that the language of the amendatory declaration is contingent on the outcome of the new Philippine Extradition Law.

As discussed during the workshops for the UNCAC implementation and review, it may not be enough to just amend P.D. 1069, which was issued in 1977. Given the country’s experience in the various extradition requests it received and the challenges that it has encountered in the process, the better option is to repeal P.D. No. 1069 and to come up with a comprehensive law on extradition, consistent with international best practices, and which at the same time, address the challenges encountered in the implementation of our extradition treaties.

The Secretary of Justice (SOJ) created a Technical Working Group in the Department of Justice (DOJ) to prepare the draft bill to repeal P.D. No. 1069. Last 19-20 March 2015, the DOJ and the European Union (EU) – UNODC conducted a joint workshop on the proposed amendments to the Extradition Law. Among the
participants were the officials of different government agencies from DOJ, DFA, OMB, AMLC Secretariat, Philippine Center on Transnational Crime (PCTC), PNP, NBI, House of Representatives and Senate. The proposed revisions include the matters declared in the 21-Point Agenda. For the same purpose, the DOJ is also revisiting the Philippines’ obligations under existing extradition treaties.

The DOJ TWG is currently revising the draft bill, taking into consideration the comments and suggestions of the UNODC experts. According to the UNODC, a follow-up workshop will be organized in order to facilitate the finalization of the draft bill. If necessary, policy issues shall be referred to the SOJ and to the Office of the President.

There is a need for the Supreme Court to promulgate a Special Rules of Procedure Governing Extradition Cases to provide predictability and uniformity in the rules to be followed in extradition proceedings. This goes hand in hand with and depends on the passage of the draft bill on extradition.

Under existing jurisprudence, extradition proceedings are *sui generis*. At present, petitions for extradition are docketed in the various Regional Trial Courts (RTCs) either as a Criminal Case, Civil Case or Special Proceedings. This difference in classification is relevant since it has an effect on the rules to be applied in the course of the proceedings, not only at the level of the RTCs but also during appeal as well. Moreover, while extradition proceedings should be summary in nature and more expeditious than other cases, there are extradition cases which are still pending in courts, at various stages, for more than ten (10) years now. In the various assessments/evaluations undergone by the Philippines, the usual observation is the lengthy extradition process, given the multiple levels of appeal.

The Judiciary plays a very important role in the whole extradition process. It is not the DFA as Executive Authority nor the DOJ as counsel/representative of Philippine treaty partners before Philippine courts, but the courts which will ultimately decide on whether a fugitive should be extradited or not.

The DOJ-Office of the Chief State Counsel (OCSC) advised that the proposed Special Rules to Govern Extradition Cases be drafted and updated, depending on the development of the deliberations on the draft bill repealing P.D. No. 1069 so that the draft Rules will be ready for the consideration of the Supreme Court once the new Philippine Extradition Act is passed into law.

The DOJ will continue its coordination efforts with the Office of the Chief Justice of the Supreme Court for the possible issuance of the rules. As suggested during the 14 October 2014 meeting by the representatives from the Supreme Court, this issue may also be raised with the Justice Sector Coordinating Council, including possible multi-disciplinary trainings on extradition, as well as the possibility of proposing the inclusion of extradition cases in the coverage of the Mandatory Continuous Trial (Speedy Trial Act). The target date is on the first quarter after the enactment of the Extradition Law.

**Article 45** –
HBN 780[^33] was filed in Congress on 01 July 2013. The bill was referred to the Committee on Justice and has been pending since 24 July 2013. A review of HBN 780 by Cluster E is still necessary to identify possible provisions that may be suggested as inclusions in the bill. These provisions may be in the form of policy considerations (to be referred to the DOJ, DFA, Office of the President, etc.) in relation to the provisions in the bill.

**Article 46** –

The challenges have not been sufficiently addressed. Last 19-20 March 2015, the DOJ and the EU – UNODC conducted a joint workshop on the Philippine Bills on Mutual Legal Assistance in Criminal Matters Act of 2015. Among the participants were the officials of different government agencies from DOJ, DFA, OMB, AMLC Secretariat, Philippine Center on Transnational Crime (PCTC), PNP, NBI, House of Representatives and Senate.

The challenge that the request for MLA may not be refused on the ground that the offense involves fiscal matters is already included in the draft MLA bill. As of this time, there is no intention to amend the PH-Switzerland MLAT as recommended by the reviewing experts.

The DOJ TWG is currently revising the draft bill, taking into consideration the comments and suggestions of the UNODC experts. According to the UNODC, a follow-up workshop will be organized in order to facilitate the finalization of the draft bill. If necessary, policy issues shall be referred to the SOJ and to the Office of the President.

**Article 48** –

The challenges have been partially addressed.^[34] The following supplementary challenges were likewise noted:

- **a.** OMB to officially communicate to foreign counterparts its intention to have sharing of intelligence and good practices in combating corruption offences.
- **b.** OMB to host conferences strengthening regional partnerships to combat corruption and invite anti-corruption bodies and offices in other countries.
- **c.** OMB to conclude agreements for further collaboration and cooperation, including MOUs for the sharing of information and good practices and assistance in combating corruption offences.
- **d.** Create an anti-corruption division in PNP.
- **e.** Creation of inter-agency body engaging concerned law enforcement agencies (PDEA, NBI, PNP, AMLC, PCTC, etc.)

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[^33]: An Act Authorizing and Providing for the Procedures for the Transfer of Sentenced Persons to or from Foreign Countries and for other Purposes.

[^34]: See comments on Challenge Nos. 3, 15, 19 and 20 on Chapter III for discussions related to the noted challenges in this portion.
There are currently no updates on items a, b, c and e.

As for item d, the PNP has an Integrity Development Unit (IDU), in-charge of its anti-corruption activities. IDU is under the supervision of the Internal Affairs Service (IAS), headed by an Inspector General.

On the matter of streamlining the criminal investigation process, SBN 2670, which seeks to repeal R.A. No. 5180, was filed on 25 February 2015. After its first reading, the bill was referred to the Committee on Justice and Human Rights and has been pending since 02 March 2015. Joint Committee Meetings/Hearings were conducted on 24 March 2015.

Furthermore, Administrative Order No. 79, series of 1999, established the Inter-Agency Anti-Graft Coordinating Council (IAAGCC), a voluntary alliance of agencies of the government that have taken the initiative to formulate and develop concerted techniques and strategies in the prevention, detection, investigation and prosecution of graft cases. The IAAGCC has recently adopted a Strategic Plan for 2015-2018. A few of the major plans are the roll-out of a Revised Guidelines on Cooperation; publication of an Integrated Anti-Graft Investigation and Prosecution Manual; and development of an Integrated Case Management System for Graft and Corruption Cases.

**Article 50**

HB05044 was filed on 24 September 2014. The bill was referred to the Committee on Justice and has been pending since 25 September 2014. Included in the bill is the proposal to allow the Ombudsman to “employ wiretapping as an investigative technique when the circumstances of a case so warrant,” and allowed by the courts.

It is suggested that the bill be included as part of the agenda of the Legislative-Executive Development Advisory Council (LEDAC).

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26 An Act Institutionalizing a Criminal Investigation System, Repealing for the Purpose Republic Act No. 5180, otherwise known as ‘An Act Prescribing a Uniform System of Preliminary Investigation by Provincial and City Fiscals and their Assistants, and by State Attorneys or their Assistants’, and for other Related Laws and Issuances. This bill seeks to streamline the criminal investigation process by making it a two-step process: First, the criminal investigation stage where the police and the investigating prosecutor coordinate closely to gather evidence and build the case, and during the end of which a *prima facie* determination of the propriety of filing an information shall be made by the investigating prosecutor without need of adversarial proceedings; and Second, the preliminary hearing stage where the trial judge evaluates the evidence of both parties and resolves all other pre-trial incidents in one proceeding, and during the end of which a determination shall be made using the standard of preponderance of evidence whether a full-blown criminal trial is warranted (Explanatory Note).

27 *Supra*, at note 15.

28 *Supra*, at note 14.
Further, EU supports the EU-Philippines Justice Support Programme (EPJUST) project of the law enforcement agencies, DILG and the Office of the Ombudsman. PNP has received trainings and technical assistance relevant to EPJUST.

PNP training programs sponsored by foreign counterparts\(^4^0\) include:

- Capacity Building for Elaborating Information Security Policy
- Law Enforcement Leadership Development Course
- 4\(^{th}\) INTERPOL Radiological and Nuclear Investigation Training Course
- Anti-Kidnapping and Anti-Extortion Senior Leadership Consultation

PNP also has an Investigative Training Program through LOI Criminal Investigation Course.\(^4^1\)

2. Measures Being Planned to Implement UNCAC provisions

In order to improve its compliance with the provisions of Chapters III and IV of the UNCAC, the Philippines endeavors to undertake the following actions:

- To follow up on the finalization of the draft bills on extradition and mutual legal assistance to speed up their filing in Congress. For this purpose, the PUICOM secretariat shall coordinate with DOJ on the status of these bills.

- To advocate for the passage of bills already filed in Congress. For this purpose, the PUICOM endeavors to write a letter to the Speaker of the House and Senate President, attaching a copy of this report and exhorting them to urge both Houses of Congress to pass the bills.

- To draft the necessary bills and administrative issuances with the assistance of lead agencies, other stakeholders and, hopefully, the UNODC. For this purpose, the PUICOM secretariat shall conduct several workshops in the coming months or years.

- To continuously monitor the status of other action agenda and challenges pertaining to administrative and other issuances, including their implementation. For this purpose, the PUICOM secretariat shall remind the UNCAC clusters of their commitments in pushing for their respective action agenda.

\(^3^9\) Created through R.A. No. 7640 approved by then President Fidel V. Ramos on December 9, 1992. The LEDAC serves as a consultative and advisory body to the President, Chair of the NEDA Board, on certain programs and policies essential to the realization of the goals of the national economy. The LEDAC also serves as a venue to facilitate high-level policy discussions on vital issues and concerns affecting national development.

\(^4^0\) 2014 PNP Annual Accomplishment Report

\(^4^1\) www.pnp.gov.ph
3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

For Chapter IV of the UNCAC, the reviewing experts noted 12 challenges in the Philippines’ implementation of its provisions, viz:

1. Consider using the Convention as a legal basis for extradition, noting indications that the Philippines may consider amending its declaration in this regard, provided dual criminality is satisfied.\(^{42}\)

2. Consider amending its extradition treaties to address the right to refuse extradition on the ground of a discriminatory purpose of the request.\(^{43}\)

3. Consider amending its bilateral treaties to ensure that consultations are held with requesting States before refusing extradition and that there is no discretion to refuse extradition in cases involving fiscal offences.\(^{44}\)

4. Identified challenges related to extradition are the inadequacy of existing normative measures, limited capacity and inter-agency coordination, in particular a need for the judiciary and courts to be familiar with extradition process.\(^{45}\)

5. Regarding the transfer of prisoners, reported challenges are specificities in the legal system, competing priorities, limited capacity and limited resources.\(^{46}\)

6. Consider enacting an MLA law or provisions in the Rules of Criminal Procedure in line with the Convention; a consultation process is underway in this regard.\(^{47}\)

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\(^{42}\) This challenge is related to Agenda Nos. 7 (Amendment of Presidential Decree No. (PD) 1069, otherwise known as the Decree ‘Philippine Extradition Law’ to grant extradition on the basis of reciprocity) and 16 (Submission to the United Nations of a revised declaration allowing the Philippines to extradite persons with the UNCAC as basis) of the 21-Point Agenda.

\(^{43}\) This challenge is related to Agenda No. 7 of the 21-Point Agenda. As of this time, there is no intention to amend the existing extradition treaties to address this issue. As stated in the Philippines’ comment in page 200 of the UNCAC Country Review Report, specifically paragraphs 562 and 563, while the extradition treaties with India, Indonesia, Thailand and the United States do not contain a provision on the refusal of extradition on the ground of a discriminatory purpose of the request, said provision will be considered, whenever necessary, by the Department of Justice in evaluating the requests for extradition considering that the Philippines has acceded to the 1951 Convention and 1967 Protocol relating to the Status of Refugees. The same Office in the DOJ which evaluates requests for extradition also processes requests for recognition of refugee status to which this particular UNCAC provision is relevant.

\(^{44}\) This challenge is related to Agenda No. 15 (Promulgation of Rules of Procedure Governing Extradition Cases) of the 21-Point Agenda.

\(^{45}\) This challenge is related to Agenda No. 18 (Enactment of a law on mutual legal assistance in criminal matters, as well as a law on transfer of [sentenced] persons from the requested State to the requesting State) of the 21-Point Agenda. It is likewise related to Article 45 of the UNCAC, which provides that “States Parties may consider entering into bilateral or multilateral agreements or arrangements on the transfer to their territory of persons sentenced to imprisonment or other forms of deprivation of liberty for offences established in accordance with this Convention in order that they may complete their sentences there.” The reviewers from Egypt and Bangladesh found that the Philippines has fully complied with this provision. However, the Philippines identified the challenge under review.
7. Consider amending its existing MLATs to ensure that MLA will not be refused on the ground that the offence involves fiscal matters. 

8. Further strengthening direct law enforcement cooperation, particularly by OMB, to enhance the effectiveness of international cooperation efforts.

9. Competing priorities have resulted in limited funding and personnel for anti-corruption functions under one agency could address the lack of coordination. Limited capacity, especially the absence of an anti-corruption division in PNP, and limited law enforcement cooperation internally were noted.

10. Inter-agency coordination is a reported challenge to conducting special investigative techniques, which could be addressed through more active involvement by OMB and other agencies.

11. The Anti-Wiretapping Law could be amended to permit wiretapping in corruption cases.

12. Competing priorities and the wide mandate of PNP were noted as challenges to using special investigative techniques internationally, as well as limited capacity, resources and awareness of modern investigative techniques.

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4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV

With respect to **Chapter IV**, the 12 noted challenges may require technical assistance to the Philippines, particularly:

For Action Agenda No. 7 (amendment of P.D. 1069, or the Philippine Extradition Law), in relation to Challenge Nos. 1-3, and Action Agenda No. 15 (Promulgation of Rules of Procedure Governing Extradition Cases), in relation to Challenge No. 4, the technical assistance needs consist of: (1) legal advice; (2) best practices/lessons learned; (3) capacity-building and multi-disciplinary training of participants in extradition proceedings, especially judges.

Regarding the transfer of prisoners, the technical assistance needs consist of examples of best practices and lessons learned, as well as capacity-building programs for authorities responsible for international cooperation in criminal matters.

Regarding the Amendment of the Anti-Wiretapping Act and the Rules of Court, particularly, Rule 130 (Rules of Admissibility) to permit wiretapping in corruption cases, the Philippines indicated the need for the following forms of technical assistance for better implementation:
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<tr>
<td>1.</td>
<td>Capacity-building programs for authorities responsible for cross-border law enforcement;</td>
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<td>2.</td>
<td>Set-up and management of databases/information-sharing systems: establishment of one central information portal for all law enforcement agencies; public information sharing system among agencies; and for the public; and</td>
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<td>3.</td>
<td>Development of an action plan for implementation.</td>
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Competing priorities and the wide mandate of the Philippine National Police, as well as limited capacity, resources and awareness of modern investigative techniques were also noted as challenges to using special investigative techniques internationally. Hence, the following were the identified technical assistance needs:

1. Summary of best practices/lessons learned on the use of investigative techniques and the creation/operation of a specialized unit on anti-corruption in the police;
2. Capacity-building programs for authorities responsible for designing and managing the use of special investigative techniques;
3. Development of an action plan for implementation; and
4. Capacity-building programs for authorities responsible for international cooperation in criminal/investigative matters.
D. UNCAC Chapter V: Asset Recovery

UNCAC Provisions:
- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

Article 54
54.1.a. The provision on giving effect to a foreign order of forfeiture, being a part of the AMLA, as amended, the implementation of it is vested with the AMLC with the assistance of the Office of the Solicitor General. The AMLC is expressly mandated therein to act on a request for the execution of a foreign judgement of forfeiture, if warranted. The implementation of the provision is shown in the case of Republic vs. Millenaar, a forfeiture action filed by the AMLC and pending before the Regional Trial Court in Manila. It is based on a request for the enforcement of an order of forfeiture rendered in Netherlands. The procedure observed was Section 12(a) of the AMLA, as amended, vis-à-vis A.M. No. 05-11-04-SC, Rule of Procedure in Cases of Civil Forfeiture. Though the predicate offense is not one of those established in the Convention, it clearly shows how the measure works in so far as the requirement of the Convention for giving effect to an order of forfeiture is concerned.

54.1.b. The measure on the forfeiture of monetary instrument or property related to money laundering, being a part of the AMLA, as amended, and by express mention therein, the implementation of it is vested with the AMLC with the assistance of the OSG.

54.1.c. Similarly, the measure about the non-conviction based forfeiture, being a part of the AMLA, as amended, the implementation of it is vested with the AMLC with the assistance of the OSG. The following latest cases, though do not involve predicate offenses established under the Convention and committed in another country, prove the implementation of the non-conviction based forfeiture proceeding:
   1. AMLC Case No. 09-0004, Republic vs. Cloribel, et al. (viol. of R.A. No. 3019);
   2. AMLC Case No. 14-004-22, Republic vs. Amelita Baguio & Samuel Dangwa (Drugs);
3. AMLC Case No. 14-001-22, Republic vs. Kelvin Cabuso Yu (Drugs); and

54.2.a. The implementation of the measure on giving effect to a foreign order of freezing of confiscation is vested with the AMLC. But it has yet to receive such a request.

54.2.b. The implementation of the measure on the evidentiary threshold is vested with the AMLC. A proof of the said threshold is the case of Republic vs. Mellinaar.

54.2.c. The implementation of the measure on the freezing of monetary instrument or property despite the absence of a request from another State Party is vested with the AMLC. But it has yet to file a case related to it.

Article 55
55.1.a. The agency in charge with the receipt of the request pursuant to the MLAT, including the endorsement and coordination thereof with the AMLC for implementation, is the DOJ as the Central Authority. The case evidencing the procedure on the receipt and implementation of the request is Republic vs. Jovenal Cruz, which involves request of the US Government under the ambit of the MLAT. Though it involves initially a request for identification, tracing and freezing of funds and properties, it ripened into a request for forfeiture. Note, however, that the predicate offense therein is not one of those established under the Convention.

With respect to a request premised on reciprocity, the same is received by the DFA, which takes care of the endorsement and coordination of the request with the AMLC for implementation.

55.2. The agency involved in the receipt of the request for identification, tracing, and freezing, including the endorsement and coordination thereof with the AMLC for execution, is the DOJ, if it is covered by the MLAT, and the DFA, if it is premised on reciprocity.

The cases evidencing the requests that were coursed through the DOJ are as follows:
- Republic vs. Jovenal Cruz,
- Republic vs. Francisco Hernandez,
- Republic vs. Megateam, et al.,
- Republic vs. Crystaljas, and
- Thomas Shields, et al.

Article 56
There is no applicable legislation that satisfies Article 56 of the Convention. However, in practice, the AMLC, pursuant to its memoranda of understanding with thirty
eight (38) counterpart Financial Intelligence Units (FIUs), shares spontaneously with the latter information that may aid and assist in their own anti-money laundering operation, investigation and prosecutions. Additionally, under the Charter of the Egmont group of FIUs, the AMLC, which is a member thereof, is required to spontaneously share the said information to fellow Egmont members.

**Article 57**

57.5. The implementation for the multilateral agreement for the establishment of the International Anti-Corruption Academy as International Organization is with the DFA.

The implementation of the Memorandum of Understanding with the Government Inspectorate of the Socialist Republic of Vietnam in Preventing and Combating Corruption and Settlement of Administrative Complaints is with the DFA and Office of the Ombudsman (OMB).

The implementation of the Mutual Legal Assistance Treaties with eight (8) countries is vested principally with the DOJ.

### 2. Measures Being Planned to Implement UNCAC provisions

**Article 52**

- Urge the Securities and Exchange Commission to formulate on politically-exposed persons while enhancing its monitoring and supervision functions.

**Article 53**

- Enact a law allowing another State Party to initiate a civil action to establish its title to or ownership of property obtained by way of the commission of an offense under the Convention, and providing the administrative procedure as well as diplomatic protocol therefor.

**Article 55**

- Urge the AMLC to coordinate with the DFA for the transmittal of anti-money laundering laws, including all the amendments thereto, as well as revised implementing rules and regulations, to the Secretary-General of the United Nations.

**Article 56**

- Enact a law authorizing the AMLC and other concerned agencies to spontaneously share information on the proceeds of offenses under the Convention that may aid in their detection, investigation, prosecutions or judicial proceedings or might lead to a request by that State Party under Chapter 56 of the Convention.
3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

**Article 53**  
On 53.a. Considering that the filing of a suit by the State constitutes a waiver of its immunity from suit, the same may deter another State Party from filing the action referred to in, and thus defeat the intention of, the Convention. Additionally, considering that the matter involves another sovereign, there is a need for coordination between States in going through the judicial process of the host state. But in the absence of established procedure, the same is lacking.

Indeed, there is a need for an additional measure that supplements the Rules of Civil Procedure. Considering that the supplement may cover a limited waiver of immunity from suit and may involve not only the Supreme Court, with respect to its rule making power, but also the DFA and DOJ, the measure must be in the form of an enactment from Congress.

**Article 56**  
The challenges are:
1. Sharing of information with States with which the AMLC has no MOUs, or whose FIUs are not members of Egmont; and
2. Enactment of the needed legislation.

| 4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V |
| Article 52 Paragraph 1 |
| SEC should formulate rules on politically exposed persons while enhancing its monitoring and supervision functions. |

**Article 53**  
Recommend that an appropriate legislation allowing the other State Party to initiate a civil action to establish its title to or ownership of property obtained by way of the commission of an offense under the Convention, and providing the administrative procedure as well as diplomatic protocol therefor, be passed by Congress.

**Article 56**  
To enact a law authorizing the AMLC and other concerned agencies, to spontaneously share information on the proceeds of offenses under the Convention that may aid in their detection, investigation, prosecutions or judicial proceedings or might lead to a request by that State Party under this chapter of the Convention.
### E. Additional Developments

1. **Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events** (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)

   The Office of the Ombudsman has transmitted the materials, handouts and reports from the 19th Steering Group Meeting and 13th Regional Seminar to our Office’s Bureau of the Resident Ombudsman which is active in coordinating with Philippines’ external government agencies and the private sector in monitoring the continued implementation of the UNCAC. The knowledge and materials culled from the 143h Regional Seminar were conveyed to the Bureau of the Resident Ombudsman, for its information, reference, safekeeping, and, accordingly, dissemination to the proper government and private sectors; and were applied by the attendees in their duties, functions and responsibilities of investigating and prosecuting graft and corruption and illicit flows of ill-gotten wealth.

2. **Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC**

   The Philippines Office of the Ombudsman had sent several officials and officers to various regional and international workshops, seminars, trainings and conferences to share knowledge and experience with other countries. For instance, several officials and officers represented the Philippine Government in the Conference of the State Parties (COSP) to the UNCAC, particularly on the following:

   - 6th Session of the Implementation Review Group (IRG), Vienna, Austria on 1-5 June 2015
   - 6th Session of the Open-Ended Intergovernmental Working Group on the Prevention of Corruption, Vienna, Austria on 31 August – 02 September 2015
   - 9th Session of the Open-Ended Intergovernmental Working Group on Asset Recovery, Vienna, Austria on 3-4 September 2015

   Philippines and the Office of the Ombudsman also welcomed and entertained several visiting officers from its counterpart anti-corruption agencies to show them the operations of the Office. For instance, Briefings on UNCAC and Integrity Management Program (IMP) with the Government Inspectorate of Vietnam and the Anti-Corruption Commission (ACC) of the Republic of Zambia on 28 July and 07 August 2015 respectively, were held at the Kalayaan Hall, Malacañang, Manila.
MEMBER COUNTRY- SINGAPORE

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<td>Art. 10: Public reporting</td>
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<td>Art. 11: Strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.</td>
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<td>Art. 12: Private sector</td>
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1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

- The Corrupt Practices Investigation Bureau (CPIB), an independent agency tasked with the investigation and prevention of corruption in Singapore, conducted 56 corruption prevention talks for both private and public sectors reaching out to a total audience of approximately 6878 people between 1 September 2014 and 31 August 2015. The CPIB works closely with other government agencies to conduct talks especially to new officers, and those whose work may expose them to opportunities for bribery and corruption. Recognising the importance of early prevention of corruption, the CPIB deepens its public education efforts with the youths who form the workforce of tomorrow. It organises regular Learning Journey Programmes for students from secondary schools to universities, inculcating the right values for life. The CPIB also collaborates with tertiary institutions to incorporate ethics and corporate governance modules in the undergraduate syllabus.

- The CPIB has also leveraged upon social media platforms in the form of Facebook (www.facebook.com/cpibsg) and Twitter (@CPIBsg) to publicise cases of interest, create awareness and deter corruption. These initiatives had drawn positive responses from the public, garnering over 1300 Facebook page likes since its launch.
As part of the CPIB’s continued efforts to provide greater transparency and to promote a culture of zero tolerance against corruption, CPIB released its inaugural corruption statistics to the media on 2 April 2015. The corruption statistics release, which showed corruption trends in Singapore spanning 2010 to 2014, was widely carried by major media outlets as well as social media.

The Commercial Affairs Department (CAD), Singapore’s lead agency in the combat against money laundering, conducts regular outreach sessions for the industry to create awareness about the severe consequences of committing money-laundering offences, as well as educate participants on the importance of reporting suspicious transactions (STRs) and the risk indicators.

Singapore remains committed to maintaining an anti-money laundering regime fully aligned to the international standards recommended by the Financial Action Taskforce (FATF).

In January 2014, Singapore published its inaugural national risk assessment (NRA) report on money laundering and terrorism financing. The NRA report was the culmination of a government-wide exercise that covered 14 financial sub-sectors and eight non-financial sectors in Singapore. Financial institutions (FIs) and designated non-financial businesses and professionals (DNFBPs) in Singapore should take into account areas that have been identified as having higher ML/TF risk when assessing their level of ML/TF risk. FIs and DNFBPs should also consider the results of the NRA when assessing their ML/TF risk factors in relation to their customers, geographical exposure, products, services, transactions and delivery channels, and whether they are more susceptible to the prevailing crime types identified in the NRA, and take the appropriate mitigation.

In line with our AML/CFT policy objectives, the Monetary Authority of Singapore (MAS) issued the revised Notices on the prevention of money laundering and terrorism financing (“AML/CFT Notices”) in April 2015. The revisions are benchmarked against international best practices and the latest international standards set by the FATF. Many of the proposed changes formalise existing supervisory expectations and practices of FIs.

The key changes to the AML/CFT Notices include:
   a. New enterprise-wide ML/TF risk assessment requirements;

b. Enhanced requirements to identify and verify beneficial ownership of customers;
c. New category of Politically Exposed Persons relating to international organisations; and
d. Additional requirements for cross-border wire transfers exceeding S$1,500.

- In tandem with the revised AML/CFT Notices, MAS also updated the respective Guidelines to the Notices to elaborate on our supervisory expectations.

- Amendments were also made to the Monetary Authority of Singapore Act in June 2015 to clarify MAS’ powers in relation to AML/CFT supervision and enhance the effectiveness of Singapore’s AML/CFT regime, particularly in relation to international cooperation. The amendments:
  a. Set out requirements for financial institutions to conduct customer due diligence (CDD) and retain such records;
  b. Set out MAS’ powers to conduct AML/CFT inspections on financial institutions and to approve such inspections by home AML/CFT supervisors;
  c. Enable MAS to provide information (subject to safeguards), to foreign AML/CFT supervisors in connection with AML/CFT supervision of foreign FIs, and domestic authorities in connection with the investigation or enforcement action of any offence, or any supervisory action taken against a person regulated by that authority for the contravention of AML/CFT requirements; and
  d. Clarify that the scope of the AML/CFT regime extends to designated financial holding companies and non-bank credit card or charge card issuers.

- The amended Accounting and Corporate Regulatory Authority (ACRA) Act, implemented on 15 May 2015, requires those who provide corporate secretarial services to be registered as filing agents before they are allowed to file transactions using ACRA’s electronic transaction system for their clients. Upon registration with ACRA, registered filing agents (RFAs) will be required to comply with the terms and conditions relating to anti-money laundering (AML) and counter-terrorist financing (CFT) prescribed in Part 2 of the First Schedule of the ACRA (Filing Agents and Qualified Individuals) Regulations, if they prepare for or carry out transactions for customers concerning the following activities stipulated by the Financial Action Task Force:
  a. Forming corporations or other legal persons;
  b. Acting, or arranging for another person to act (i) as a director or secretary of a corporation; (ii) as a partner of a partnership; or (iii) in a similar position in relation to other legal persons;

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50 This amendment is to align with the FATF’s expectation and international best practice for CDD and record keeping requirements to be set out in primary legislation to demonstrate the country’s political commitment to combat money laundering and terrorism financing. Such requirements were previously imposed on financial institutions through the AML/CFT Notices that are not primary legislation.

51 This amendment is to align MAS’ powers, set out in various sector-specific Acts, to conduct AML/CFT inspections of relevant classes of financial institutions in Singapore.
c. Providing a registered office, business address or correspondence or administrative address, or other related services for a partnership, corporation or any other legal person;

d. Acting, or arranging for another person to act, as a shareholder on behalf of any corporation, other than a corporation whose securities are listed on a securities exchange or a recognised securities exchange within the meaning of sections 2(1) and 283(1), respectively, of the Securities and Futures Act (Cap. 289).

- Terms and conditions of registration require RFAs to obtain beneficial ownership information of their customers and perform enhanced customer due diligence measures if they find out that their customers, agents or beneficial owners are politically exposed persons or higher risk individuals. ACRA and law enforcement authorities in Singapore have the power to access this information when conducting investigations. Breaches of these terms and conditions may attract administrative sanctions under the amended ACRA Act which are: cancellation or suspension of registration; restriction of use of ACRA’s electronic transaction system; imposition of a maximum financial penalty of $25,000 per breach; or issuance of a censure.

- ACRA has also commenced compliance reviews of RFAs since August 2015 and aims to review 1400 RFAs within 2 years in order to ensure greater compliance with AML/CFT requirements.

2. Measures Being Planned to Implement UNCAC provisions

- The CPIB is in the process of developing an integrity package for the private sector, as a tool to aid business owners to grow their business capabilities through the implementation of an integrity-based anti-corruption framework within their company.

- CPIB is working, as the lead for the National Mirror Working Group (NMWG), with representatives of trade associations/councils from private sector on the standards development of the ISO 37001 on Anti-Bribery Systems. The role of the NMWG is to formulate national viewpoints and consult stakeholders in the implementation of the standard, which will eventually help small, medium and large organisations from the private sectors, in instituting processes and systems in preventing bribery and promoting ethical business culture.

- CPIB is in the process of setting up a one-stop reporting centre in the city, whereby members of the public can lodge complaints more conveniently and discreetly in a friendlier and more comfortable environment. One of the primary aims of this new facility is to encourage more walk-in complaints.
3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II

- CAD continues to conduct programmes for regional financial intelligence units (FIU), law enforcement agencies and regulators to strengthen their capacities to detect and investigate money-laundering offences. In January 2015, CAD hosted the 25th run of the annual International Economic Crime Conference. The conference was attended by enforcement officers from Australia, Malaysia as well as local agencies in Singapore and covered topics such as the essentials of financial investigation and interview techniques.

- As part of the amendments to the MAS AML/CFT Notices and Guidelines, MAS has conducted public consultations exercises as well as closed door briefings with the financial sector to seek their feedback and provide additional information on our supervisory expectations. Since the publication of the MAS’ AML/CFT Notices and Guidelines, MAS also conducted outreach to the private sector including speaking at the Association of Banks of Singapore’s annual Financial Crime Seminar in July 2015 to clarify and explain the scope of the revised MAS AML/CFT Notices and Guidelines.
### B. UNCAC Chapter III: Criminalization and Law Enforcement

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20th Steering Group Meeting – Ulaanbaatar, Mongolia
18 November 2015

11. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

- As part of the review of Singapore’s implementation of the UNCAC chapters III (Criminalisation and law enforcement) and IV (International Cooperation), Singapore hosted a review team comprising reviewers from reviewing States Parties Lebanon and Swaziland, and representatives from the United Nations Office on Drugs and Crime (UNODC) to a country visit from 7-10 April 2015. Besides noting the good practices and robust framework in place to effectively combat corruption, the review was useful in surfacing several non-binding recommendations for Singapore’s consideration.

2. Measures Being Planned to Implement UNCAC provisions


4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III
C. UNCAC Chapter IV: International Cooperation

UNCAC Provisions:

- Art. 43: International cooperation
- Art. 44: Extradition
- Art. 45: Transfer of sentenced persons
- Art. 46: Mutual legal assistance
- Art. 47: Transfer of criminal proceedings
- Art. 48: Law enforcement cooperation
- Art. 49: Joint investigations
- Art. 50: Special investigative techniques

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- CPIB continued its active participation in various anti-corruption fora, including:
  - Regional Meeting on Curbing Foreign Bribery in ASEAN Economic Community (October 2014 – Cambodia)
  - Resumed 5th Session of the Implementation Review Group of the UNCAC (October 2014 – Vienna)
  - 3rd Session of the Open-Ended Intergovernmental Expert Meeting to Enhance International Cooperation under the UNCAC (October 2014 – Vienna)
  - ASEM Workshop on Stolen Assets and Hidden Wealth: Theft, Recovery and Restoration (November 2014 – Manila)
  - 10th SEA-PAC Annual Meeting (December 2014 – Kuala Lumpur)
  - 3rd Meeting of the International Corruption Hunters Alliance (December 2014 – Washington D.C.)
  - ASEAN Integrity Community: Regional Meeting on an ASEAN Framework for Collaboration on Accountable Governance and Anti-Corruption
ADB/OECD Anti-Corruption Initiative for Asia and the Pacific

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(December 2014 – Myanmar)
  o APEC ACT-NET International Fugitive Repatriation and Asset Recovery Workshop (December 2014 – Beijing)
  o 2015 Seoul Debates: Lessons Learnt On Anti-Corruption From Korea And Around The World (January 2015 – Seoul)
  o 19th and 20th APEC ACT Working Group Meetings (January 2015 – Clark, August 2015 – Cebu)
  o 11th SEA-PAC Secretariat Meeting (April 2015 – Kuala Lumpur)
  o 6th Independent Commission Against Corruption Symposium and 3rd Meeting of the Economic Crime Agencies Network (May 2015 – Hong Kong)
  o 6th Session of the Implementation Review Group of the UNCAC (June 2015, Vienna)
  o 6th Session of the UNCAC Working Group on Prevention and 9th Session of the UNCAC Working Group on Asset Recovery (August 2015, Vienna)

- CPIB hosted a thirteen member delegation from the National Anti-Corruption Commission (NACC) of Thailand on a study visit in March 2015, where CPIB provided an overview of the corruption control system in Singapore as well as CPIB’s investigation system.

- Since September 2014, the Attorney General’s Chambers (AGC), which is Singapore’s Central Authority for mutual legal assistance, has processed numerous mutual legal assistance (MLA) and extradition requests, including international requests for evidence relating to investigation into or prosecution of transnational corruption offences.

- Since September 2014, AGC has actively participated in various international anti-corruption conventions, including, but not limited to, several FATF, APG and UNCAC meetings.

- AGC has continued with its practice of conducting MLA and extradition case review discussions with several requesting States. During such discussions, AGC actively worked with the requesting States to see how they can satisfy Singapore’s requirements for the provision of MLA and extradition.

- In April 2015, AGC implemented an automated data collation system to improve our capabilities in the gathering and retrieval of statistics. This system enhancement ensures consistency and accuracy of data accessed and retrieved. Reminder alerts have also been incorporated to monitor processing
timelines more closely and to prevent operational lapses from occurring. Greater processing efficiency and shorter turnaround times for the processing of MLA and extradition requests are anticipated.

- CAD continues to contribute actively to discussions amongst law enforcement agencies on how to fight the money laundering threats at various fora, including meetings of the FATF, the Asia/Pacific Group on Money Laundering (APG), and the Egmont Group. At the bilateral level, CAD proactively exchanges information with its foreign counterparts to detect and investigate money laundering from both domestic and foreign predicate offences. The CDSA was amended to provide more flexibility for intelligence sharing between the Suspicious Transaction Reporting Office (STRO) and its foreign counterparts. Sharing is permitted, without the need for a formal arrangement such as a memorandum of understanding, as long as the safeguards for the use and confidentiality of the information are secured through an undertaking by the foreign authority. The amendments took effect in September 2014.

- CAD has access to the mechanisms of the International Criminal Police Organization (INTERPOL), of which the Singapore Police Force (SPF) is an active member, to exchange information with its foreign counterparts. In this regard, a key conduit is the 1-24/7 system, which facilitates communication amongst Interpol’s member states on matters related to criminal investigations, training and conferences.

2. Measures Being Planned to Implement UNCAC provisions
### 3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

### 4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV

- CPIB will be hosting a 20-member delegation from the Government Inspectorate of Vietnam (GIV) on a one-and-a-half day study visit in October 2015, where CPIB will share its legal/investigative processes as well as address GIV’s specific interest areas in prevention measures and asset recovery.

- CAD continues to conduct programmes for regional financial intelligence units (FIU), law enforcement agencies and regulators to strengthen their capacities to detect and investigate money-laundering offences. In January 2015, CAD hosted the 25th run of the annual International Economic Crime Conference. The conference was attended by enforcement officers from Australia, Malaysia as well as local agencies in Singapore and covered topics such as the essentials of financial investigation and interview techniques.
D. UNCAC Chapter V: Asset Recovery

UNCAC Provisions:
- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013
   - STRO has increased its manpower to strengthen its ability to collect, analyze and disseminate information regarding money laundering and associated predicate offences. STRO has regular interactions with the financial community, during which it obtains feedback on the latter’s concerns relating to the prevention, detection and reporting of money laundering activities.

   - The CDSA was amended to provide more flexibility for intelligence sharing between the STRO and its foreign counterparts. Sharing is permitted, without the need for a formal arrangement such as a memorandum of understanding, as long as the safeguards for the use and confidentiality of the information are secured through an undertaking by the foreign authority. The amendments took effect in September 2014.

2. Measures Being Planned to Implement UNCAC provisions

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V
### E. Additional Developments

1. Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)

2. Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC
   - CPIB conducted a one-and-a-half day workshop for the Nepal’s Commission for the Investigation of Abuse of Authority (CIAA) in Singapore in June 2015. The training programme included an overview of Singapore’s process of investigations, case management and statistics, as well as briefings on polygraph testing and computer forensics.
   - CPIB conducted the Anti-Corruption Executive (ACE) Programme for anti-corruption officers from the Southeast Asian Parties Against Corruption (SEA-PAC) and other regional countries in August 2015. The ACE programme saw the sharing of Singapore's anti-corruption experience with these counterparts.
MEMBER COUNTRY – SRI LANKA

A. UNCAC Chapter II: Preventive Measures

UNCAC Provisions:
- Art. 5: Preventive anti-corruption policies and practices
- Art. 6: Preventive anti-corruption body or bodies
- Art. 7: Public sector
- Art. 8: Codes of conduct for public officials
- Art. 9: Public procurement and management of public finances
- Art. 10: Public reporting
- Art. 11: Strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.
- Art. 12: Private sector
- Art. 13: Participation of society
- Art. 14: Measures to prevent money-laundering

1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013
   - CIABC continuously conduct prevention programme focusing the Government Officials, General Public and the School Children.
   - Series of discussions and meetings were conducted to consider and propose amendments to the Bribery Act, Commissions Act. and the Declaration of Assets and liabilities Law, No. 1 of 1975 funded by the ADB
   - 19th Amendment was passed by the Parliament which gave effect to the new Independent Commissions including the Commission to Investigate allegations of Bribery or corruption.
   - On the Anti-Corruption Day Celebrations held on 9th of December 2014, MOU was entered in to between the CIABOC and the Education Ministry to make awareness amongst school children on the importance of Anti-corruption and to have a corrupt free country by year 2030.

2. Measures Being Planned to Implement UNCAC provisions
   - As follow up to the UNCAC Review, a serious of meetings were scheduled to strengthen the connections in the Anti-Corruption Commissions in
South Asia and each to learn/share from others experience. As a percussive step towards the above aspect, the members of the Commission to Investigate allegations Bribery or Corruption - Sri Lanka visited the Anti-Corruption Commission and related key agencies in Maldives. A reciprocal visit was also made by the ACC-Maldives to the CIABOC and the related key agencies in Sri Lanka.

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions
   - Intended necessary amendments to the Prevalent Law.
   - After the Presidential Elections held on 8th January 2015, a new Director General was appointed to the Commission to Investigate Allegations of Bribery or Corruption. The 19th amendment to the Constitution was certified on 15th May 2015 and subsequently the Constitutional Council which has the power and authority to recommend members to the Independent Commissions was appointed. Until the 3 new Commissioners were appointed to the Commission to Investigate Allegations of Bribery or Corruption on 22nd October 2015; there had been an uncertainty in the Commission in carrying out its functions.
   - The lack and the delay in funding for the capacity building programmes, awareness programmes and to take the related preventive measures.
   - The lack of political will until recently.

3. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II
   - Organize Workshops and Seminars for the prosecutors and the investigating officers.
   - UNDP has agreed to provide financial support to conduct Moc Investigations and Triasl for the prosecutors and the Investigators.
### B. UNCAC Chapter III: Criminalization and Law Enforcement

<table>
<thead>
<tr>
<th>UNCAC Provisions:</th>
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<tr>
<td>- Art. 15: Article 15. Bribery of national public officials</td>
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<td>- Art. 16: Bribery of foreign public officials and officials of public international organizations</td>
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<td>- Art. 17: Embezzlement, misappropriation or other diversion of property by a public official</td>
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<td>- Art. 18: Trading in influence</td>
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<td>- Art. 23: Laundering of proceeds of crime</td>
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<td>- Art. 38: Cooperation between national authorities</td>
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<td>- Art. 39: Cooperation between national authorities and the private sector</td>
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<td>- Art. 40: Bank secrecy</td>
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### 12. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

- Series of discussions and meetings were held to consider and propose amendments to the Bribery Act, Commissions Act and Declaration of Assets and Liabilities Law No.1 of 1975 funded by the ADB.
- As a follow-up to UNCAC Review, a senior officer of UNODC visited Sri Lanka to familiarize the work of Anti-Corruption authorities.
- Assistance to and Protection of Victims of Crime and Witness Act No.4 of 2015 came into operation from 07th March 2015.

### 13. Measures Being Planned to Implement UNCAC provisions

- Taken steps to occupy a safe house under the Assistance to and Protection of Victims of Crime and Witnesses Act No.4 of 2015.
- Members of the Commission to Investigate Allegations of Bribery or Corruption visited the Ant-Corruption Commission-Maldives and related Key Agencies. The purpose of this visit was to enhance the connection in Anti Corruption Commissions in South Asia and each to learn/share from others experience.


- Lack of funding to give effect to the UNCAC provisions especially for prevention work.
- The difficulties to obtain funding to implement facilities such as occupying a safe house for the witnesses.
- Develop infrastructure facilities to get a better outcome from the Witness and Victim Protection Act.
- To have awareness amongst the officials of the Law enforcement Agencies and the General Public on the Witness and Victim Protection Act.

### 15. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III

- Necessity arises to conduct awareness of the General public and the officers serve in the Law Enforcement Agencies on the Witness and Victim Protection act.
C. UNCAC Chapter IV: International Cooperation

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<th>UNCAC Provisions:</th>
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<tr>
<td>Art. 43: International cooperation</td>
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<td>Art. 48: Law enforcement cooperation</td>
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<td>Art. 49: Joint investigations</td>
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<td>Art. 50: Special investigative techniques</td>
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1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013
   - Steps have been taken to obtain Mutual Legal Assistance from several countries.

2. Measures Being Planned to Implement UNCAC provisions
   - Further to the follow up to the UNCAC a series of meetings are been scheduled to strengthen the connections in Anti-Corruption Commissions in the South Asian Region and to share and learn from each other’s experience.
   - Continues Training programmes are being conducted every Tuesday for the prosecution and the Investigating officers on the special Investigations techniques.
   - Prosecutors and Investigators are given the opportunity to participate in capacity building workshops in related areas.
   - Continues on the job training is provided.
   - The 19th amendment to the Constitution came in to the operation on 15th May 2015 and in due course it will be incorporated in to the local legislation.
3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions
   - Inexperience in drafting the MLA requests and the its procedure.
   - Delay in the response to the Mutual Legal Assistance requests made by the other part which effects the investigations and institution of Criminal Proceedings.
   - Not receiving at least an acknowledgement by the receiving party.
   - Lack of modern equipment and resource persons to strengthen the investigators.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV
   - Conduct training and awareness amongst the prosecutors and Investigators in respect of the UNCAC provisions with regard to the provisions set out in Chapter iv of the UNCAC.
D. UNCAC Chapter V: Asset Recovery

UNCAC Provisions:
- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013
   - Internationally none.
   - Locally measures have been taken to introduce the recovery of assets.

2. Measures Being Planned to Implement UNCAC provisions
   - None

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions
   - Lack of knowledge and experience in recovery of assets in the International terranes.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V
   - Conduct awareness programmes pertaining to illicit money transactions as well as the Fraudulent Financial Schemes.
   - Obtain assistance from the FIU to trace suspicious transactions over Rs. 1 million
E. Additional Developments

1. Member's Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative's (recent) learning events in their internal anti-corruption efforts)
   - Sharing information pertaining to the developments of UNCAC review with CIABOC, Attorney General's Department and other stakeholders.

2. Member's Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC
   - Discussion the implement of the UNCAC provisions.
MEMBER COUNTRY – THAILAND

A. UNCAC Chapter II: Preventive Measures

UNCAC Provisions:
  - Art. 5: Preventive anti-corruption policies and practices
  - Art. 6: Preventive anti-corruption body or bodies
  - Art. 7: Public sector
  - Art. 8: Codes of conduct for public officials
  - Art. 9: Public procurement and management of public finances
  - Art. 10: Public reporting
  - Art. 11: Strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.
  - Art. 12: Private sector
  - Art. 13: Participation of society
  - Art. 14: Measures to prevent money-laundering

Office of the Official Information Commission

The Official Information Act B.E. 2540 (1997)

The Office of the Official Information Commission has issued the following Orders:

Notification on the Rendering of Information on the Results of Procurement by State Agencies.

Notification on the Obligation to Render Information on the Environment and Health for Access by the General Public.


**The Securities and Exchange Commission**


Notification of the Capital Market Supervisory Board Tor. Tor. 35/2556 (2013) on the Standard Conduct of Business, Management Arrangement, Operating Systems, and Providing Services to Clients of Securities Companies and Derivatives Intermediaries (Codified)

**The Anti-Money Laundering Office**

The Anti Money Laundering Act B.E. 2556 (2013)

Ministerial Regulations on the Examination on Facts about Customers B.E. 2556 (2013)

**The Revenue Department**

Proposal has been made for the amendment of the penal penalty provisions in the Revenue Code for stricter penalties, including the following:

1. Prescription as an offence, the infringement of the duty to submit attached documents in the filing of tax returns under section 69 of the Revenue Department, actionable under section 35 of the Revenue Code (a penalty fine of not over 2,000 Baht applies by virtue of section 35 of the Revenue Code)

2. Prescription as an offence, the evasion of payment of tax by negligent omission of filing a tax returns, with the same penalty, and to apply section 37 of the Revenue Code to the filing for a refund of tax based on fraudulent acts (a term of imprisonment of 3 months to 7 years and a penalty fine of not over 2,000 Baht applies by virtue of section 37 of the Revenue Code)
(3) Prescription as an offence, the evasion of payment of VAT to include the filing for a refund of VAT based on fraudulent acts (a term of imprisonment of 3 months to 7 years and a penalty fine of not over 2,000 is Baht applicable)

The Office of the Attorney General

The Public Prosecutor Commission Regulation on the Criteria and Method for Preliminary Investigation, in the Case of an Allegation or Suspicion of misconduct by an Official of the Attorney General’s Office, and the Reporting of the Results of Preliminary Investigation where there are Grounds for Serious Misconduct, B.E. 2554 (2011)


The Election Commission


The Royal Thai Police

Prescription of measures and practices to prevent of corruption and misconduct in every organization, by promoting good governance and transparency and accountability in the management of work.

Fostering values among all levels of police officials under the principle of “sufficiency economy,” especially for commanding level officials to be models of in the honest and truthful commission of duties.
Commanding officers of all levels of authority to take care in the prevention of those under their authority to refrain from misconduct by monitoring of instances where wrongdoing may occur and where appropriate action may be taken to prevent wrongdoing, as well as to oversee and ensure the performance of duties of officials under their command in accordance with the official laws and regulations to efficient and benefit of the State.

Appointing a Commission of oversight for good conduct and discipline of police officials both at the level of the Royal Thai Police, bureaus, divisions and sub-divisions, to perform duties in the inspection and monitoring of the conduct of officials under their line of authority.

Proceed with disciplinary and legal action against police officials acting to profit from official duties and the omission of acting according to official duties.

### Office of the Judiciary

Regulation of Judicial Officials of the Courts Act, B.E. 2553 (2010)

**The Comptroller General's Department**

Act on Offences Related to the Submission of Quotations to Government Agencies

Regulation of the Office of the Prime Minister on Procurement, B.E. 2535 (1992) and amendments.


Criteria for acceptance and disclosure of undisclosed bids for mutually benefitting bidders (attachment to the Office of the Prime Minister document (urgent) Nor. Ror. (Kor.Wor.Por.) 1305/ Wor 7286 dated 20 August B.E. 2542 (1999) on the examination of qualities of mutually benefitting bidders.

### The Bank of Thailand

Issued a Notification requiring those wishing to operate in a currency exchange business or an international money transfer business to apply for an operating license since B.E. 2547 (2004), with 3 subsequent amendments in 2006, 2009 and 2013. These Notifications require that operators of such businesses have no previous involvement or record of an offence under the law on anti-money laundering, as well as know your customer (KYC) requirement and the storage of KYC's documents for no less than 5 years.
The Ministry of Finance issued a Notification under the Authority of the Currency Exchange Control Act B.E.2485 (1942) which was entered into force on 6 November 2013 and the Notice of Competent officer which was entered into force on 8 November 2013 set out the rules and practices regarding to any person who brings or takes an aggregate amount of Thai Currency exceeding 450,000 baht to 2,000,000 baht (prohibited not exceeding 2,000,000 baht) out of the Kingdom of Thailand to Lao People’s Democratic Republic, Kingdom of Cambodia, Republic of the Union of Myanmar, Malaysia, Socialist Republic of Vietnam and People’s Republic of China (Yunnan province) shall declare such amount of Thai currency to a Customs Officer. (for other countries, prohibited bringing out not exceeding 50,000 baht)

The Ministerial Regulation (No.25) B.E. 2530 (1987) issued under the Authority of the Currency Exchange Control Act B.E.2485 (1942) which was entered into force on 27 October 2007 and the Notification of the Ministry of Finance which was entered into force on 24 February 2008 on the amount of foreign currency bringing in or out of Thailand to be declared in the Foreign Currency Declaration Forms. The Regulation and Notification require the bringing in and out of foreign currency both a banknote and a coin, with the total aggregate value exceeding USD 20,000 or its equivalent, to be reported to a Customs officer of entry or exit.


The Office of the Ombudsman


The Office of the Auditor General

Added policies on the examination of auditing of public funds, as follows:

A proactive approach to performance of duties, especially in deterrence.

Promoted knowledge and understanding to examining units of the performance of duties in accordance with the Laws and regulations, loss prevention, accounts
and reporting of budgetary and fiscal disciplinary measures taken, the good structure of internal systems to promote good financial management with the maximization of benefit for the country and the people.

**The Ministry of Commerce**


Rules of the Federation of Accounting Professions (No. 19) on the Ethics of Accounting Professions, B.E. 2553 (2010).

Rules on the Maintenance of Account Books, Records, Disclosure of Financial Information and Accounting Standards, including the certification of accountants by Notification and prescription of types of accounts to be made, the details and items to be specified in accounts, the period of time to be recorded in accounts and documents required for the preparation of accounts, B.E. 2544 (2001), as well as Notifications on the financial statements according to established standards, i.e., abbreviated items required in financial statements, B.E. 2544 (2001)

**The Federation of Accounting Professions**

The Accounting Standards Committee of the Federation of Accounting Professions has improved accounting standards, financial reporting standards, the interpretation of accounting standards and the interpretation of financial reporting standards in accordance with the 2013 edition of the Bound Volume of IFRS.

**The Association of International Banks**

Implementation included, e.g. the suitable support of State agencies and State enterprises in the prevention and suppression of wrongdoing

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1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

**Anti-Money Laundering Office:**

AMLO established the Anti-Corruption Operation Center on the 28 March B.E. 2556 (2013) which currently operates to perform main duties in the coordination and drive of the anti-corruption and the promotion and protection of ethics in the office. It reports directly to the Secretary of the Anti-Money Laundering Committee and
prepares a plan for the prevention and suppression of corruption and wrongdoing of the organization in accordance with the National Strategy on the Prevention and Suppression of Corruption, measures to prevent and suppress corruption in the public sector and relevant Government policies. It coordinates, expedites and ensures the Office’s compliance with the plan, receives complaints of corruption and acts and omissions of duties that amount to wrongdoing by officials of the Office then subsequently forwards these complaints to relevant agencies. It acts to protect ethics according to the Civil Servants’ Code of Ethics, and is has cooperated in the prevention and suppression of corruption and misconduct of other Government agencies and relevant departments.

In accordance with the 4-year National strategy on the prevention and suppression of corruption (2014-2018) and to foster conscience of government officials of the Anti-Money Laundering Office so that they have good attitude and values in the suppression of corruption, the Office has prescribed a strategy that is correct, transparent and accountable in every step of its operations.

Office of Public Center Anti-Corruption Commission, the Office of the National Anti-Corruption Commission:

1. Implemented The School of Honesty project in coordination with the Office of Basic Education

2. Held conferences with deans of Universities around the country.

3. Signed an MOU on the Suppression of Corruption with the Ministry of social development and human security.

4. Implemented the project “Look Sua Chor Sa-ad” (clean scouts) with the National Scout of Thailand.

The Ministry of Commerce is yet another organisation which has taken proactive steps and created measures to prevent corruption. Such measures include the establishment of Thai standards for accounting and financial reports for Thailand in accordance with the International Financial Reporting Standards: IFRS with which the private sector is to comply. It has also established Regulations of the Association of Accounting Professionals (No 19) on the Ethics of Accounting Professionals, B.E. 2553 (2010), as a guideline for the supervision of conduct and operation of accounting professionals, which will provide an overall degree of credibility of the private sector.

These regulations have also been established in accordance with the standards of the International Ethics Standards Board for Accountants (IESBA) of the International Federation of Accountants (IFAC).

In order to develop standards and procedures aimed to safeguard the morals of relevant organisations in the private sector, the Order of the Office of the Central Company and Partnership Registration 66/2558 (2015) Prescribing the Criteria and Documents Required for the Registration and Capital Increase of Registered Partnerships and Companies, dated 24 March B.E. 2558 (2015) was enacted to ensure that the registration and capital increase of partnerships and limited
companies having large amounts of capital are accurate and comply with laws and regulations.

Other measures include:

- Measures relating to the proof of identity of juristic persons and ordinary persons in the establishment and management of organisations in the form of companies. This involves the enactment of the Order of the Office of the Central Company and Partnership Registration 38/2558 (2015) Prescribing the Criteria and Documents Required for the Registration and Capital Increase of Registered Partnerships and Companies Wishing to Act as Agent in the Sale of Government Lottery, dated 20 February B.E. 2558 (2015). This regulation prescribes for such applicants to submit proof of identity in the submission of documents to the Registrar.

- Measures to ensure compliance with laws and the Regulation on the maintenance and safekeeping of accounts records and disclosure of financial reports, accounting standards, public certification of accounts, list of accounts to prepare, details and items to include in accounts, period of time for accounts and attachments required in accounts, B.E. 2544 (2001), as well as Notifications on compliance with established standards for financial statements, i.e. on the Prescription of Abbreviated Items in Financial Statements.

- Enacted the Notification on Criteria Relating to Complaints of Corruption, Acts and Omission of Duties and Misconduct of Officials of the Ministry of Commerce, B.E. 2558 (2015), to ensure the that complaints procedures are beneficial and efficient, and to establish a practice for the prevention and solution of problems relating to corruption and misconduct in the Civil Service, with a view to promoting good governance in the management of work and to promote cooperation in all agencies of government in examination and monitoring to prevent corruption and misconduct.

The Office of the Public Sector Development Commission

In accordance with the Resolution of the Council of Ministers dated 24 April B.E. 2555 (2012), Approving the Proposal to Develop the Procedures to Improve the System of Service Provision to a Degree of Excellence by Different Means, measures taken included the development of a variety of channels of service provision, the development of single-window service provision, risk assessment methodology and the improvement of the anti-corruption operation centers, etc.

In 2014, the Office of the Public Sector Development Commission took steps to promote the establishment of service level agreements: SLAs, meaning to establish voluntary commitment to a minimum acceptable level of service between the service provider and the recipients of services. This included the 6 following points; 1) the period of time for complete render of services, 2) procedures in the services rendered, 3) the quality of service output and services rendered, 4) the method of services rendered and the channels of service 5) transparency in work and 6) expenses related to the services rendered. The SLAs are intended to decrease lack of clarity and transparency in services rendered by the State, and pilot schemes were implemented in 40 state agencies on 43 procedures. Service Level Agreements were also established and declared by State agencies for the knowledge of recipients of services in July 2014.
Article 5
In the field of policy and implementation of the prevention and suppression of corruption in State enterprises and the private sector, the Office of State Enterprise and Private Sector Anti-Corruption Commission of the National Anti-Corruption Commission has taken measures in 2 areas, as follows:

1) The public sector

The Election Commission has signed the Memorandum of Understanding with the Ministry of Education on the Development Upstanding Citizens in a Democratic Society. This involves the promotion and development of children and youth to have life skills consistent with being an upstanding citizen in a democratic society, to instill knowledge of the roles and duties of children and youth who are beneficial to society in the promotion of participation in a democracy under a constitutional monarchy, through the promotion of youth involvement in democracy and electoral processes and the study and education of the roles and duties of citizens in schools in the levels of Prathom 1 to Mathayom 6. The Office of the Public Sector Development Commission and other State agencies such as the Office of the Civil Service Commission have also conducted integrity and transparency assessments (ITA) for the budget year 2015.

2) State Enterprises

2.1 Measures included establishment of plans to coordinate according to the National Strategy on the Prevention and Suppression of Corruption, Phase 2 (2014-2017), including signing of MOUs on the Cooperation to Promote the Prevention and Suppression of Corruption between the National Anti-Corruption Commission, the Office of State Enterprise and Private Sector Anti-Corruption Commission and 56 State enterprise agencies on 28 May 2014.

2.2 Plans and Projects to promote the implementation of the National Strategy on the Prevention and Suppression of Corruption, Phase 2 (2014-2017) under such MOUs include:

2.2.1) Project on the promotion of knowledge and understanding of integrity and transparency assessment: (ITA) in State enterprises.

2.2.2) Workshop to develop and ameliorate virtues index and transparency in State enterprises, taking place 24-26 June 2015

3) Private Sector Businesses

3.1 An Anti-Corruption Collective Action Coalition between businesses in the private sector of Thailand, as promoted by the BOI. An order was enacted to a sub commission to implement anti-corruption collective action coalition between businesses in the Thai private sector on the 24 February 2015. Participants included 8 leading organizations, including the Thai Institute of Directors, the Thai Chamber of Commerce, the International Chamber of Commerce, the Thai Listed Companies Association, the Thai Banker’s Association, the Federation of Thai Capital Market Organisations, the Federation of Thai Industries and the Tourism Council of Thailand. The objective of the coalition was to drive the implementation of anti-corruption measures on a broad scale, and according to the latest data, over 400 companies have declared intention to cooperate.

3.2 The extension of the proposal for establishing an integrity pact, to include the enforcement of section 103/7 and section 103/8, as the Anti-Corruption
Organisation of Thailand has proposed at the Conference of the National Anti-Corruption Committee chaired by General Prayuth Chan-O-Cha, the Prime Minister as Chairman. The Committee approved of the use of the integrity pact in 2 pilot projects: the project of procuring 498 natural gas vehicles of the Bangkok Mass Transit Authority and the extension of the blue MRT line of the Mass Rapid Transport Authority, as well as the appointment of 2 observers for the pilot projects.

3.3 The project for the promotion of corporate governance mechanisms in private sector businesses, involving the selection and award of 3 prizes in 5 regions (Northern, Eastern, Southern, Northeastern and Central regions) to members of the Chamber of Commerce or commercial operators in the private sector with outstanding good governance and transparency in the conduct of businesses (the CG award by NACC).

The Election Commission has proposed amendments to the Constitution to the Prime Minister, the Head of the National Council for Peace and Order, and the Vice Prime Minister, Mr. Vishnu Kruangarm relating to the prevention of fraud in elections. It is currently in the progress of preparing a manual for investigation officials to solve issues arising from the non-standardisation of the process of cases involving election fraud, and a database of proxies and canvassers and known infringers of electoral laws. It has also created media on good democratic citizenship via radio, television and social media, in the form of websites and on facebook. It has prepared electronic voting machines for use in elections and developed a mobile phone application (Ta Sapparod) to promote participation by people in the prevention and suppression of election fraud. It has also created a project to develop a training curriculum for high-level political party personnel providing a continuing course to promote knowledge and understanding of virtues, morals and good conscience to executives of political parties and high-level executives of government agencies, State enterprises and the private sector. It has also established 928 centers for the promotion and development of democracy and election for Tambons as a center for implementation and cooperation of cross-network measures.

Office of Public Sector Anti-Corruption Commission has implemented the Order of the NCPO No. 69/2557 (2014) dated 18 June 2014 to expedite and monitor the output of all government agencies and to use administrative and disciplinary measures for officials engaged suppressing corruption. It has also conducted a training course for members of the general public entitled “Project for the Development of Networks for Anti-Corruption Officials” with a target of 4,500 participants, as well as a project to improve anti-corruption network capacities involving the hire of experts with a target of 1,000 participants.


Additionally, the Securities and Exchanges Commission will cooperate with the Investment Analysts Association and the Association of Thai Securities Companies to focus on policy and implementation of anti-corruption in listed companies, and by 2018, all securities companies are obliged to disclose their anti-corruption
indicators. The SEC intends to ensure that at least 60% of securities companies are accredited according the CAC standards by 2018.

The Royal Thai Police have prescribed the following strategies:

- Established measures and practices in the prevention and solution of problems related to corruption and misconduct in all agencies, with a focus on building good governance and transparency in management.
- Fostering values among all levels of police officials under the principle of “sufficiency economy,” especially for commanding level officials to be models of in the honest and truthful commission of duties.
- Commanding officers of all levels of authority to take care in the prevention of those under their authority to refrain from misconduct by monitoring of instances where wrongdoing may occur and where appropriate action may be taken to prevent wrongdoing, as well as to oversee and ensure the performance of duties of officials under their command in accordance with the official laws and regulations to efficient and benefit of the State.
- Appointing a Commission of oversight for good conduct and discipline of police officials both at the level of the Royal Thai Police, bureaus, divisions and sub-divisions, to perform duties in the inspection and monitoring of the conduct of officials under their line of authority.
- Proceed with disciplinary and legal action against police officials acting to profit from official duties and the omission of acting according to official duties.

The Office of the Civil Service Commission have also conducted integrity and transparency assessments (ITA) for the budget year 2015 and implemented the Civil Servant’s Code of Ethics and have promoted the practice of not providing gifts and cash gifts to prevent conflict of interest within the public sector.

Office of the Judiciary

Corruption case Procedure Code initiated by Office of the Judiciary by which the proposed Code is to reform the corruption case procedure to the inquiry system as the same system as the Criminal Court for a person holding political position and case files of the NACC and AMLO shall be deemed to be the principle in considering such corruption cases.

The Proposed Code consists of the following content:

The proposed Corruption Case Procedure Code also requires the judges to have at least 10 year of experience. A measure to prevent an escape of bail is to ensure that a person escaping is liable to an imprisonment for a term of six month. Moreover, during trial, if it is found that a defendant escapes, the statute of
limitation shall be suspended. In the case where the defendant wishes to appeal the decision of the Court of First Instance, he or she shall appeal by himself and appointed lawyer shall not be able to appeal on his or her behalf. Even if the decision of the Appeal Court is final, the defendant still has the right to be permitted to appeal to the Supreme Court. In the case of asset confiscation, the value of asset transformed into another type of asset shall be estimated and confiscated.

Such proposed Code is currently under the consideration of the Council of Ministers and it is expected to be complete and enforced within B.E. 2559 (2016)

**Article 8**

The Office of the Ombudsman of Thailand has organized several activities under the project entitled “New-Age Regional Administrative Departments in Support of Ethics” to promote ethical conscience and to instill paradigm and values in the honest performance of duties, and to promote implementation of ethics practices in regional administrative agencies. Activities include organizing training to give education on the promotion of morals, ethics and the prevention of corruption in regional administrative agencies, including academic and experience-related discussions on the implementation of ethics-related work in the field, brainstorming sessions and exhibitions of award-winning organizations for work on ethics promotion and from other relevant organizations. In the budget year 2015, 3 of such events were held, as follows:

2. 9-10 March 2015 in Chonburi province.
3. 22-23 July 2015 in Petchaburi Province.

Additionally, activities were organized to develop cooperation in the implementation of work on ethics for persons holding political positions. This included organizing a seminar on “Ethics and Good Governance of Political Officials and the Reform of Thailand” on 22 December 2014 at the Miracle Grand Convention Hotel, Bangkok, and activities to develop networks for moral and ethics promotion for government officials, in the seminar entitled “Developing conscience on morals and ethics for government officials” at the Centara Hotel, Government Center, Chaengwatana, Bangkok on 24 March 2015.

As the Ombudsman has the duty to give recommendations and advice in the enactment or amendment of the ethics code for each type of officials holding political office as prescribed by section 280 of the Constitution of Thailand B.E. 2540 (2007) and section 36 (1) of the Organic Act on the Ombudsman, B.E. 2552 (2009), it has implemented the following:

Within State and Government agencies, recommendations have been made in the monitoring and periodic amendment of ethics codes and letters to expedite, monitoring and follow-up meetings on the enactment of an ethics code in government agencies, as well as to ask government agencies to connect their web presence to that of the Office of the Ombudsman to create a database on Codes of Conduct for future dissemination.
For regional administrative agencies, a survey was conducted for the enactment of an ethics code and monitoring queries were made to regional administrative agencies that have yet to submit a draft as well as to give direct advice. Additionally, the Ombudsman has conducted an assessment of ethics codes currently in force for their suitability and use to improve the effectiveness in enforcement, as well as to draft and amend a total of 9 ethics code for regional administrative agencies, as follows:

- (Draft) Ethics Code for Ministers or Representatives of Provincial Administrative Councils
- (Draft) Ethics Code for the President or Representatives of Provincial Administrative Councils
- (Draft) Ethics Code for Officials of Provincial Administrative Councils
- (Draft) Ethics Code for the Mayor or Representatives of Thetsaban Administrative Agencies
- (Draft) Ethics Code for the President of the Thetsaban Council or Representatives of Thetsaban Council
- (Draft) Ethics Code for District Chief or Representatives of Thetsaban Officials
- (Draft) Ethics Code for the Chief of Sub District Administrative Agencies or Officials of Sub District Administrative Agencies
- (Draft) Ethics Code for the President of Sub District Administrative Councils or Representative of Sub District Administrative Councils
- (Draft) Ethics Code for officials of Sub District Administrative Agencies or Representatives of Officials of Sub District Administrative Agencies.

As mandated, the Ombudsman also conducted under the authority of section 36 (3), 37-39 of the Organic Act on the Ombudsman, B.E. 2552 (2009) which state about the duty of the Ombudsman to consider and inquire into fact, if there is a complaint that a person holding political position or state officials fails to comply with the ethical standard under the code of ethics. If it is found that a person holding political position violates or fails to comply with the ethical standard under the code of ethics, the Ombudsman shall report the National Assembly, Council of Ministers or related local assembly, as the case may be, so as to make the enforcement of the code of ethics. If such conduct is serious offense, the Ombudsman shall submit such matter to the National Counter Corruption Commission for consideration. In this case, such conduct is deemed to be a cause for removal from office under the Constitution.
In the implementation of government policy to suppress corruption in the public sector and the implementation of the UNCAC, the Anti Money Laundering Office has arranged seminars to promote conscience in the prevention and suppression of corruption to public sector anti-corruption networks under the project entitled “Thai Civil Servants Against Corruption” on the 10 March 2014 at the AMLO Office.

**Article 9**

The Thai Government has the initiative of arranging all procurement activities through electronic means and to share information on procurement to enable revision and ensure transparency in procurement. The implementation of the initiative has been greatly successful. On 1 March 2015, the Comptroller General’s Department has enacted a Notification on the practice of government procurement via the Electronic Market (e-market) system and Electronic Bidding (e-bidding) method for procurement. It has recently come to initiate such methods for procurement and will be gradually implementing the use of such method for the entire country by October 2015. This new electronic method will involve complete digitalization of procedures related to procurement whereby potential traders wishing to purchase documents will have to complete purchases through banks and download documents and submit via and make submissions via electronic means. The identity of bidders will not be disclosed to government agencies and will only be revealed at the expiry of the time period for submission of bids. Amendments to bids cannot be made so as to prevent price negotiations and new bidders cannot be blocked from making bids. Additionally, the new procurement system also enables clarification to prevent duplication of construction sites by requiring the input of location coordinates (latitude and longitude) for construction sites each time construction procurements are made. This is to enable a more efficient means for monitoring corrupt practices.

In addition, information on contracts made through the e-GP system is forwarded to the NACC electronically so that it may examine and monitor procurement contracts made with the public sector, in accordance with section 103/7 of the Organic Act on the Prevention and Suppression of Corruption, B.E. 2554 (2011).

7. The Anti-Corruption Measures Office of the NACC has put forward the following recommended measures

1. Recommendations to improve official duties to prevent and suppress corruption entitled “Integration of Public Sector Projects on Anti-Corruption”.
2. Measures for the prevention of corruption in the use of the e-Auction system for procurement.

The monitoring of implantation of measures or recommendations

1. “Recommendations to improve the performance of official duties in the prevention and suppression of corruption entitled “Integration of the Prevention of Corruption in Public Sector Projects (by Risk Assessment and Management)”
The Comptroller General’s Department has connected e-GP data with the Government Fiscal Management Information System: GFMIS and has conducted assessments in of public sector agencies. The scope of internal control systems of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) was adapted and applied in the design and development of internal control systems, with internal monitors who act independently in the assessment of internal control system of government agencies.

The Information Commission of the Office of the Prime Minister issued a Notification Prescribing for Information on the Results of Public Procurement to be Accessible to the Public in accordance with section 9 (8) of the Official Information Act, B.E. 2540 (1997). This requires State agencies to report monthly on its procurement activities, providing information on the work procured, the budget and method of procurement, the list of bidders and the prices offered, the winning bidder, the agreed procurement price, a summary of the reasons for the selection of the winning bidder, and the date and number of the contract signed. In a monthly report, it is also required to provide information when there have been no procurements, as well as any cancellation of projects, contracts or agreements. The Notification was announced on 16 January 2015 and came into force on 1 March 2015. It also issued a Notification on the Obligation to Render Information on the Environment and Health for Access by the General Public, in accordance with section 9 (8) of the Official Information Act, B.E. 2540 (1997), on 7 June 2010.

The Office of the Permanent Secretary, the Prime Minister’s Office, via the Office of the Official Information Commission also issued a Notification of the Office of the Official Information Commission on Requiring the Disclosure of Information Relating to Procurement. The Notification was published in the Government Gazette on 24 March 2015.

The Office of the Auditor General implemented the following measures on anti-corruption in procurement:

- Office of the Auditor General is currently in the progress of improving standards for auditing procurement to be in accordance with international standards.
- Ensuring compliance with the Notification of the Office of the Auditor General on Procurement, B.E. 2546 (2003) by procurement divisions conducting examinations of reports and to submit results to the Office of the Auditor General within the prescribed time limit.
- Prescribed proactive measures of deterrence to prevent infringement of law and regulations on the prevention of corruption in public sector finance.
- Ensured compliance by examining units of the Regulation of the Office of the Auditor General on the Prescription of Standards for Internal Control, B.E. 2544 (2001) which is a new procedure established by the executives of examining units, to ensure proportionate evaluation of the efficiency and effectiveness of work.
- Promoted and prescribed measures for examining units to appoint an internal examiner to perform the duty of assessing the agency’s compliance with policy and procedures of the agency, to ensure sufficient control for the completion of its tasks.
- Prescribed internal structures of agencies so as to enable comprehensive auditing, as currently seen in the role of Provincial Auditor General’s Offices which renders comprehensive auditing for all regions.
- Prescribed expediting measures to examining units to submit financial statements that are complete and up-to-date within the prescribed time period for
examination and comments on the financial statements so that it is in accordance with generally accepted standards of accounting, or public sector accounting standards prescribed by the Ministry of Finance or accounting standards of the Ministry of Interior for regional government agencies.

- Imparted knowledge on financial and budgetary discipline in accordance with the Regulation of the Auditor General’s Office on Financial and Budgetary Discipline, B.E. 2544 (2001), in which there are administrative penalties for infringement.

Article 10

As earlier mentioned, the procedures for investigating corruption for Thailand involves many state agencies in accordance with the principle on the balance of powers. As for the Office of the Ombudsman, it is prescribed in the Organic Act on the Ombudsman, B.E. 2552 (2009), Section 43 that it shall “make an annual report on:

1. the results of the investigation of facts in cases, including comments or recommendations made to Government agencies, State agencies, State enterprises or regional agencies.
2. the operative results of Government agencies, State agencies, State enterprises or regional agencies who have or have not complied with the comments or recommendations put forward by the ombudsman.
3. failure to comply with section 15 by Government agencies, State agencies, State enterprises or regional agencies or Government officials.
4. infringement or failure to comply with ethics standards of officials in political office and Government officials.
5. monitoring evaluation results and to furnish recommendations on compliance with the Constitution
6. obstacles in the performance of duties of the ombudsman.

In the fiscal year 2015, the ombudsman completed its annual report for the fiscal year 2014 and has reported to the Council of Ministers, the National Legislative Assembly as well as to publish the report for the general public, including persons with disabilities, via the different channels as required by Law.

The Royal Thai Police has published the framework of standards for procedures and time period in the performance of work to the public via different channels to increase transparency in the performance of work.

The OPDC has published the report of the study on the problems and obstacles in the performance of tasks of anti corruption operation centers and has given recommendations for the improvement of ACOC efficiency.

Capacity building for ACOC workers

- Organized training and exchange of knowledge and experience to build capacity of ACOC workers in several topics necessary for the performance of work
or as in accordance with the demands of the ACOC, for instance, becoming the center for integration of work on investigation of corruption and misconduct, and work on the promotion and protection of ethics within the organization, etc.

- Surveyed and evaluated the knowledge and understanding of ACOC officials gained in the course of training. Made a concluding report on the results of the abovementioned training.

- In 2014, the Office of the Public Sector Development Commission took steps to promote the establishment of service level agreements: SLAs, meaning to establish voluntary commitment to a minimum acceptable level of service between the service provider and the recipients of services. This included the 6 following points; 1) the period of time for complete render of services, 2) procedures in the services rendered, 3) the quality of service output and services rendered, 4) the method of services rendered and the channels of service 5) transparency in work and 6) expenses related to the services rendered. The SLAs are intended to decrease lack of clarity and transparency in services rendered by the State, and pilot schemes were implemented in 40 state agencies on 43 procedures. Service Level Agreements were also established and declared by State agencies for the knowledge of recipients of services in July 2014.

- In October 2014, organized a workshop to gather opinions, recommendations and practices from the private sector for the improvement of service rendered by public sector agencies relating to approval of licenses in businesses and industries, to include rubber, fisheries, energy industry groups and applicants for license to operate, with representatives of all business sectors.

- Gave progress report on the implementation of level of services agreement and monitored progress monthly.

Office of Public Sector Anti-Corruption Commission has conducted training programs for of Government officials and employees in Government agencies under and not the authority of the Ministry of Justice, but under the supervision thereof. The project entitled “Unity in building networks for the prevention and suppression of corruption in public sectors”, with a total of 527 participants.

**Article 12**

In 2015, the Standards Commission of the Federation of Accounting Professions made improvements to accounting standards, standards for financial reporting, the interpretation of accounting and financial statement standards in compliance with the 2013 edition of the Bound volume of the IFRSs, so as to be compliant with internationally accepted standards. This contains guidelines on financial reporting and specifies quantitative details to be included, for instance, relevancy in decision-making, fair agency, comparability, provability, punctuality and ease of comprehension.

Thai standards comply with international standards of the IAASB: auditors must comply with auditing standards, including code 240 on the auditor’s responsibilities relating to fraud in an audit of financial statements, and code 250 on consideration of laws and regulations in an audit of financial statements, which has been applicable since 1 January 2012.
The Office of the Auditor General has the duty to examine procurement contracts of examination units to ensure compliance with laws, rules regulations and Ministerial Council resolutions. Should an ordinary or juristic person from the private sector be engaged in wrongdoing as a party to a procurement contract or another interested party such as a bidder, the OAG shall proceed to investigate and notify relevant agencies to take legal proceedings.

The Bank of Thailand is in support of the accreditation of banks in the private sector initiative on anti-corruption, from the Thai Institute of directors (IOD). An approval of the appointment of directors of financial institutions as board members, managers, or any other position having authority in the management or consultation in financial institutions. Financial institutions have a duty to examine the qualities of such persons in accordance with the Notification of the Bank of Thailand, and such persons cannot possess the prohibitions under section 24 (1)-(10) of the Financial Institutions Business Act , B.E. 2551 (2008). This also includes the duty to consider, in applications for a license for the Bank of Thailand, an applicant's integrity and honesty by examining the record of law suits, legal proceedings or fraud. Approval is also required from the recruitment committee of the financial institution. Additionally, the procedures for examination of financial institutions for the regulation and monitoring of operations are required to comply with Notification on Know Your Customer (KYC) and the Policy Statement on Customer Due Diligence (CDD) of the Bank of Thailand, this includes good governance, operational risk management, measures to prevent and suppress money laundering and measures to prevent the funding of terrorist activities, (KYC)/CDD, as well as criteria and regulation of financial institutions which must comply with good operating standards in order to prevent fraud, and orders to compel financial institutions to investigate and punish relevant persons in the case of fraud.

The Association of International Banks
Implementation included, e.g. the suitable support of State agencies and State enterprises in the prevention and suppression of wrongdoing

Article 13
It is an accepted fact that a moral society begins with the provision of useful information to young people to promote participation in the detection of corruption in society.

The Office of the Ombudsman has implemented a project to increase networks in the drive for government agencies to promote ethics sustainably. This included a pilot project to promote 5 basic morals in Thai society, with honesty being one of those 5 basic morals of Thai society.

- On 17 February 2015, the Office of the Ombudsman arranged a conference on the pilot project to promote 5 basic morals in Thai society with the teaching staff of Suan Kularb School, Bangkok.
- On the 16 March 2015, a conference was arranged on the project on the development of model schools for morality, and the 5 basic morals in Thai society. In addition, it has also arranged for civil society participation as observers in the project on the prevention of corruption in public procurement, which uses the
Integrity Pact: IP as a tool. The Integrity Pact is a written agreement on morality between 3 parties; the procuring government agency, bidders from the private sector and an observer from the civil society. The project was organized by the Comptroller General's Department, and involved the government agency's disclosure of information relating to procurement, and the observer's role in monitoring the progress of the procurement. Where the observer is of the opinion that corrupt activities are taking place, it shall notify the procuring government agency so that the latter may testify or make amendments within the period of time specified by the observer, as well as notify the anti-corruption in public sector procurement commission. If the procuring agency fails to cooperate, the anti-corruption in public sector procurement commission shall investigate the facts or notify other relevant agencies, such as the NACC or the Ombudsman.

The NACC has implemented the National Strategy on the Prevention and Suppression of Corruption, Phase 2 (2014-2017) at the regional level for the budget year 2015 by the organization of a total of 5 workshops in 5 regions to drive the implementation of the National Strategy on the Prevention and Suppression of Corruption, Phase 2. The objectives were 1) to provide a forum to promote understanding in state agencies and provincial state agencies in each region of the adaptation of the National Strategy on the Prevention and Suppression of Corruption, Phase 2 and of integration plans for the prevention and suppression of corruption and misconduct in the government sector, as well as of driving mechanisms and practices for cooperation between relevant agencies within the region. 2) to allow state agencies, provincial agencies and other departments to propose, filter and select projects that are suited to provincial level prevention and suppression of corruption, which will reduce duplication and maximize efficiency/effectiveness in work. 3) to enable state agencies, provincial agencies and other departments to exchange opinions and propose recommendations of practices for the improvement of the driving mechanisms behind the National Strategy. Approximately 1,250 Participants were involved in the 5 regions.

The Office of the Auditor General has prescribed in its' policy, the improvement of auditing networks, as follows:

- Promotion of cooperation between agencies responsible for auditing in both public and private sectors, as well as the building of networks in conscience and value building for the society to conserve public funds and property.
- Promotion of participation in auditing by the general public, by appointing volunteer auditors to monitor non-transparent, non-efficient expenditures of public funds or activities that appear to involve misconduct or corruption by government officials. It has also implemented the OAG Open House project, to publicize roles and duties of the OAG to promote conscience and knowledge on the conservation of public funds.
- Establishment of a rapid information center to give advice to the general public and to receive information of abnormalities in the receipt and expenditure of public funds.
- The development of personnel within the public auditing network tin the Government, sector, the private sector and the general public to impart knowledge of public finance system and the conservation of public finds.

Article 14
Ministerial Regulation Prescribing Rules and Procedures for Customer Due Diligence B.E. 2556 (2013) defines a “politically exposed person (PEP)” to mean an individual who is or was entrusted with a prominent public function in Thailand or by a foreign country, such as a Head of State or Government, a minister or a senior official in the government, the judicial branch, an organ under the constitution, the prosecutorial or the military, a senior executive of a state enterprise or state-owned corporation, or an important political party official as well as a family member or close associate of a PEP and a person who is or was entrusted with a prominent function in an international organization such as managing director, deputy managing director and member of the board of directors or person holding an equivalent position. This shall be determined in a Notification issued by the Secretary-General.

This forms another measure to prevent money laundering by Government officials. The Office of the Auditor General cooperates with AMLO, as the official Financial Intelligence Unit (FIU) to share information in the case where there is reason to believe that an act amounts to money laundering. Additionally, the AOG has proposed draft legislation to give it the authority to access information from banks and financial institutions for the purpose of tracing financial transactions.

The Ministry of Interior has established a joint committee for the prevention and suppression of corruption to operate at 2 levels, as follows:

a) The Committee for the Prevention and Suppression of Corruption of the Ministry of Interior

- is chaired by the minister of interior, having committee members such as Director Generals of Government Departments, executives of all State enterprises under the authority of the Ministry of Interior, a representative of the NACC, a representative of Office of Public Sector Anti-Corruption Commission, the Thai Chamber of Commerce, and representative of the Anti-Corruption Institution of Thailand.

b) 76 Provincial Joint Committees for the Prevention and Suppression of Corruption, having the provincial governors as chairpersons, representatives of all Government agencies, regional administrative agencies, educational institutions, the private sector and members of the general public as committee members.

All provinces held a ceremony to declare its intention to combat corruption and instill a conscience of Thais against cheating on 8 June 2015 at 08:45 in unison, with a total of 25,324 participants including all provincial governors as chairperson, representatives of all Government agencies, regional administrative agencies, educational institutions, the private sector, members of the general public, the civil society and members of the media in every province.

Article 15

The Customs Department issued an Order on the Prevention of Corruption and Misconduct of the Customs Department, and has periodically issued written memorandums to ensure understanding and compliance. In order to implement measures and policy in the building a conscience of transparency in officials, the Customs Department has given approval for the Ethics Protection Group to proceed to organize a workshop on the prevention of infringement of ethics and civil service misconduct for its officials within the regional office 1-4. In addition, it has also appointed a working group to establish an anti-corruption and misconduct

Article 17. Embezzlement, misappropriation or other diversion of property by a public official

The Customs Department has implemented an internal audit plan for the budget year 2014 which includes financial and non-financial audit such as the audit of stock inventory and the audit of projects and high-risk activities.

Article 18. Trading in influence

The Customs Department has maintained the policy of transferring its officials in every 4 years to lessen the amount of time that could be necessary for building influence within a region, giving rise to a risk of trading in influence. Where there are grounds to suggest corruption or misconduct, officials are transferred to the central office.

Article 36. Specialized authorities

The Customs Department has organized training to build conscience in the performance of duties and awareness of the dangers of corruption, as follows:

1. Training for border customs officials and Customs Department executives on the subject of the prevention and suppression of corruption, with Pol.Lt.Col Siriphong Sritula, the Director of the Office of the Public Sector Anti-Corruption Commission Division 2 of the Office of Public Sector Anti-Corruption Commission on the 22 November 2014

2. Training for civil servant officials on initial probation in conjunction with the Office of Public Sector Anti-Corruption Commission on the subject of corruption in the civil service sector on the 25 November 2014

3. Training for civil servant officials on initial probation in conjunction with the Office of Public Sector Anti-Corruption Commission on the subject of corruption in the civil service sector on the 7 May 2015.

Article 39. Cooperation between national authorities and the private sector

The Customs Department established a working group in cooperation with State agencies and the private sector to provide convenience in import and export. Participants included representatives from the Federation of Thai Industries, the Thai Chamber of Commerce, the Chamber of Commerce Council of Thailand and
20th Steering Group Meeting – Ulaanbaatar, Mongolia
18 November 2015

The Thai Express Courier Association to consult on solutions to obstacles in import and export.

The Prime Minister’s Office has organized a workshop to impart knowledge and understanding on the right to information for citizens and the Official Information Act via different channels of media such as television broadcast, newspaper and video, etc.

2. Measures Being Planned to Implement UNCAC provisions

Office of Public Sector Anti-Corruption Commission, in cooperation with the Deans of Rajabhat Universities will organize basic education courses in 40 Rajabhat colleges on concern with the prevention and suppression of corruption. It is currently in the progress of preparing the curriculum.

The NACC and the Ministry of Interior are in the progress of developing a manual on the implementation of the anti-corruption MOU, which will be used as a guideline to drive the implementation of the National Strategy on the Prevention and Suppression of Corruption for use in regional parts of the country.

The Office of Public Sector Anti-Corruption Commission plans to implement measures of the Centre for National Anti-Corruption (CNAC) such as the use of administrative measures (transfer) in way of property and taxation measures in the prevention and suppression of corruption. Other measures involve personnel regulation and monitoring of compliance with the Rendering of Convenience in the Consideration of Applications Act, B.E. 2558 (2015) to expedite and monitor operations in all government agencies as well as the use of administrative and disciplinary measures on officials engaged in corruption. It also plans to organize training for the general public on anti-corruption personnel networks with a target of 4,500 participants, and plans to organize a capacity-building project for the prevention and suppression of corruption via the hire of experts with a target of 1,000 participants. Finally, it plans to organize the project of hiring consultants in conducting an integrity and transparency assessment: (ITA) with target participants from central, provincial and regional government agencies.

The Office of the Judicial Commission has plans to establish a corruption and misconduct division within the criminal court to expedite the conduct of proceedings by specialist judges in order to improve legal enforcement efficiency as well as to propose a draft law on procedures for corruption cases.

The SEC plans to require all companies trading on the stock exchange to disclose information on indicators of progress in the suppression of corruption.
### In the Private Sector

In the Private Sector, there are clear plans for implementation, for instance, plans to improve financial reporting standards for non-profit organizations with implementation of the IFRs for SMEs by 2018, within a year of the official enforcement of the IFRs for SMEs.

### The Election Commission

The Election Commission plans to use administrative tools to develop and turn its organization to a high-performing organization to comply with principles in the new Constitution, including the new measures for administration of State, and the new way of providing public services based on democratic standards. It will prioritize participatory citizenship, which will serve to meet the expectations of society of efficiency and effectiveness, and be able to accommodate both internal and external changes. In doing so, it:

- Plans to modernize laws and regulations to enable practical enforcement and to give justice to persons involved in the electoral process equally, comprehensively and fairly.
- Plans to build and develop networks of cooperation both domestically and internationally to exchange work experiences.
- Plans to make available news networks to implement measures for prevention and suppression of corruption, especially in vote-buying, by setting up a center for the prevention and suppression of election fraud.
- Plans to propose legislative amendments to enable investigating officials of the Commission to have powers to issue summons. Search warrants and powers to make arrest in prima facie cases of wrongdoing.
- Plans to set up a database canvassers and persons involved in electoral propaganda and a database of information on investigation, workshops for sub-committees on practices and regulations on investigations and determinations, exhibitions and workshops on considering complaints and issues or responses, training on basic, mid-level and high-level investigation and determination (1st class) and training on news and information development for provincial news coordinators and setting up a news database.
- Organising a camp to educate young people on principles of democracy and to promote democracy in the community.

### The Royal Thai Police

The Royal Thai Police has prescribed strategies, policy, measures and practices to prevent corruption and misconduct in at every level, by:

- Prescribing measures and practices to prevent of corruption and misconduct in every organization, by promoting good governance and transparency and accountability in the management of work.
- Fostering values among all levels of police officials under the principle of “sufficiency economy,” especially for commanding level officials to be models of in the honest and truthful commission of duties.
- Compelling commanding officers of all levels of authority to take care in the prevention of those under their authority to refrain from misconduct by
monitoring of instances where wrongdoing may occur and where appropriate action may be taken to prevent wrongdoing, as well as to oversee and ensure the performance of duties of officials under their command in accordance with the official laws and regulations to efficient and benefit of the State.

- Appointing a Commission of oversight for good conduct and discipline of police officials both at the level of the Royal Thai Police, bureaus, divisions and sub-divisions, to perform duties in the inspection and monitoring of the conduct of officials under their line of authority.
- Proceed with disciplinary and legal action against police officials acting to profit from official duties and the omission of acting according to official duties.

The Bank of Thailand has prescribed plans drawn up a scope for annual onsite examination. It is in the course of preparing a draft Notification on good governance of directors and executives of specialized financial institutions (SFIs). In addition, the Cabinet approved the AMLO’s proposal regarding the relating agencies, the Ministry of Finance, the Bank of Thailand and AMLO, to amend the Currency Exchange Control Act requiring the declaration of bringing in of the Thai currency (both a banknote and a coin), and bringing in and out of bearer negotiable instruments (BNIs) to Customs officials in order to comply with the international standards on combating money laundering and the financing of terrorism & Proliferation of the Financial Action Task Force (FATF)

Proliferation of the Financial Action Task Force (FATF)

The Office of the Auditor General is on the progress of conducting study and research to propose amendments to existing laws, for example, the Organic Act on the Auditor General, the Regulation of the Office of the Auditor General on Budgetary and Fiscal Discipline and Rules of the Office of the Auditor General on Investigation, to ensure that the implementation of the UNCAC is more efficient and up to date.

The Standards Committee of the Federation of Accounting Professions is in the progress of improving accounting standards, standards for financial reporting, the interpretation of accounting standards and the interpretation of financial reporting standards in accordance with the 2015 edition of the Bound Volume of IFRS, which contains guidelines on financial reporting and specifies quantitative details required. The Accounting Standards Committee has planned to update standards for financial reporting to be compliant with the latest version of the IFRS and to implement the latest standards within 1 year after the announcement of the IFRS. Additionally, the Accounting Standards Committee have plans to improve existing standards of financial reporting for non-profit organisations, and in doing so, it plans to implement the IFRs for SMEs by 2017, so that Thai accounting standards will take no more than a year to comply with the latest international accounting standards.

The OPDC will publish information from the manual for citizens on the Government information website www.info.go.th. It has prepared a brainstorming seminar with the private sector regarding the development of the manual for citizens, the preparation of the public sector’s readiness in receiving complaints and channels for receiving complaints from the general public regarding compliance with the rendering of convenience in accordance with the law.
For the fiscal year 2016, the Office of the Ombudsman has planned to build and develop ethics network through 2 main activities: 5 basic morals and ethics in Thai society (with a target participant of civil servants and government officials) and the development of networks to promote ethics for government officials. Moreover, the office of the Ombudsman will evaluate the project on the development of model school for morality and make the extension of the program to adapt to other school in 5 regions nationwide.

The Ministry of Commerce plans to improve anti-monopoly laws to increase efficiency in regulation and to promote unimpeded and fair competition in business operations, in accordance with international practices, market mechanisms and changing practices in the operation of businesses. This is in order to improve the independence of the performance of duties of the Anti-Competition Commission and other regulating agencies, so as to enable effective and efficient regulation and promotion of fair competition. It also plans to impart knowledge on anti-corruption laws to business operators, associations and the general public via different channels, to all the regions of the country, and to conduct inspections of the private sector on their compliance with laws on pricing of goods and services.

The Ministry of Interior is to organize 4 activities under the project entitled “Clean Ministry of Interior, 2015”, as follows:
(1) developing a manual on public services for department-level agencies and State enterprises under the Ministry.
(2) awarding and commemorative certificates and prizes for “transparent provinces” and “transparent regional administrative agencies” in 76 provinces.
(3) awarding commemorative certificates to model personnel for anti-corruption achievements.
(4) promoting activities relating to the principle of “Don’t Give, Don’t Accept” in each province with participants from the private sector and the general public.

The Comptroller General’s Department has planned the following:

Procurement
- Implementation of the draft Government Procurement Act, B.E. … to ensure efficiency and value in the performance of Government tasks. The draft act will also apply to State enterprises and regional administrative agencies.
- The draft Government Procurement Act, B.E. … will require the making of a morality agreement between a procuring government agency and a bidder, and to report and give opinion and recommendations to the joint anti-corruption committee.
- The draft Government Procurement Act, B.E. … will also give the committee power to consider complaints and appeals, in particular, it is intended to expedite proceedings for the consideration of appeals.
- The CGD will organize training for observers on the implementation of such morality agreements and the relevant roles and duties of an observer according to the regulations on procurement.
Public finance management
- A project to monitor the quality of public sector auditing
- Developing public sector accounting standards to provide a model for financial reporting in accordance with the International Public Sector Accounting Standards (IPSAS) according set by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants, as well as to cooperate with relevant agencies in the development of accounting and financial reporting for regional administrative agencies to comply with practices of other Government agencies.

The Customs Department, its high level executives, officials and all levels of personnel will make a joint declaration to not accept bribes and act according to ethics and morals of good civil servants, in accordance with the founding principles of the Khemarat Declaration.

The DSI is in the progress of conducting systematic study of legal principles on the prevention and suppression of corruption to develop internal laws, rules and regulations to promote consistency. It has begun to use information technology in the performance of its duties, for example, the use of the pilot system (DSI-MAP). It has also encouraged public participation in ensuring transparency by organizing 10 activities annually to promote knowledge and understanding, and implemented a plan of integration of cooperation with international law enforcement agencies on the prevention of corruption in the ASEAN.

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

Despite creating of various forms of projects, there is a lack of channels for informing businesses in the private sector to participate in the prevention and suppression of corruption. In addition, obstacles are found in work with State enterprises, as executives of such organisations do not fully acknowledge the importance of the prevention and suppression of corruption. Also, as a government agency, the organizational structure of the NACC is can often give rise to delays, in contrast to organisations in the private sector which are relative structured to be efficient in their performance of work. Obstacles also arise from the lack of continuity in implementation due to budgetary restrictions.

The SEC intends to ensure that all, or at least 60% of securities companies are certified according the CAC standards by 2018. However, such targets will depend on self-discipline of businesses, the market and cooperation from relevant parties. Additionally, companies must act to prevent fraud in the industrial sector.

The main obstacle for the Royal Thai Police is workload capacity.
The main obstacle for the OAG is the period of time involved in the amendment of legislation.
The Office of the Election commission sees the main obstacles as the lack of authority to issue warrants, and lack of knowledge in performing professional investigatory tasks, as well as budgetary cuts and difficulties in cooperation.

The OPDC’s obstacles include the limited range of publicity for its’ media, but plans to survey the mode of communication to receive news and information, as well as to evaluate the use of its’ media on conscience building, and the building of good governance cooperation in combating corruption, so as to enable it to develop better plans to use channels of communication to more efficiently access target audiences.

**Office of Public Sector Anti-Corruption Commission** faces obstacles in the continuity of its work due to budgetary restrictions. number of staffs and international cooperation restrictions.

**The Ministry of Commerce** feels that the private sector lack knowledge and understanding of specialized laws such as anti-competition laws and laws on the pricing of goods and services.

The Comptroller General’s Department

**Procurement**
- Insufficient number of officials for the performance of work on Government procurement
- Insufficient number of observers and restrictions arising from the selection criteria which requires knowledge and expertise related to specific types of procurement projects.

**Public Procurement Finance**
- Insufficient number of government officials for performance of work on the preparation of accounts and the lack of knowledge and understanding of IPSAS which is necessary in the performance of such work.

**The Customs Department** finds that in the matter of complaints received regarding corruption, complainants often fail to specify their details. There is also a lack of supporting evidence and a lack of clarity in complaints, making it impossible for further investigation.

**The DSI** sees as an obstacle, the differing standards of work in each State, and the differences in national laws, giving rise to difficulties for international cooperation.
4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II

As online networks are currently widely used, the NACC is of the opinion that online channels should be established to receive complaints of corruption. In addition, it is of the opinion that work procedures should be reduced and adapted to increase ease and decrease speed in the performance of work.

The Election Commission.

- The strategies of the Election Commission are: 1. Improvement of the electoral system and the election process, and to establish a system of referendums that is trusted and accepted. 2. Promotion of democratic ways and public participation in politics. 3. Promotion and strengthening of political parties and their perpetuation, and 4. Improvement of the system for investigation and its procedures, and to improve and make more credible, court proceedings. 5. Developing the administrative system according to the principles of good governance.
- Organising seminars to increase efficiency, knowledge, and skills in the performance of work, as well as to prepare executives, personnel, officials and employees for proactive work by organizing activities to develop the work culture of the Election Commission, in order to increase efficiency in cooperation.
- Organising a camp to educate young people on democracy and the electoral process so as to promote learning about democratic ways through camping activities, and to build a democratic network of young people in each province to encourage participation in the promotion of democracy at the regional and national levels.
- Organising a conference to develop a new manual on organizing education of democratic principles, by amending and improving the contents related to the form of activities to organize in the current edition, in order to reflect changes in laws and society. Attendees of the conference to be included are social studies teachers at the primary and high school levels.
- Organising an academic seminar for community democracy DJs to build a network for community democracy DJs so as to allow participation by both the public and private sector for the promotion of democratic ways.
- Fostering public conscience in sustainably promoting democratic ways to all personnel of the Election Commission.

The Customs Department

The Customs Department will publicize information on complaints procedures to promote clarity in complaints submitted, in order to ensure that all parties are treated fairly.

DSI

Attendance and participation in conferences, seminars and training on relevant subjects with other law enforcement agencies both domestically and internationally to develop a relationship and build a network for cooperation.
The Royal Thai Police
The Royal Thai Police has given budgetary support in generating publicity for its’ work on the prevention and suppression of corruption. It has organized a workshop on measures to prevent corruption, and attended conferences and academic seminars with other agencies, both domestically and internationally.

The Bank of Thailand

- The Bank of Thailand has held training courses on “Basic Knowledge in the Regulation of Financial Institutions”, including on relevant topics of financial institution laws, anti-money laundering laws, and other relevant laws for its’ officials as well as officials of other organisations such as the OAG, the FPO and the Deposit Protection Agency (DPA).
- The Bank of Thailand has sent its officials on a training course organized by Deutshe Bunderbank entitled “Combating Money Laundering.”
- The Bank of Thailand has sent its officials on a training course organized by AMLO entitled “Readiness for Auditing According to The Anti-Money Laundering and Counter-Terrorism Financing Rules.”
- The Bank of Thailand has sent its officials on a seminar entitled “FATF/APG Joint Expert’s Meeting on Typologies and APG Technical Seminars” organized by the Financial Action Task Force (FATF) of the Asia/Pacific Group on Money Laundering (APG).
- The Bank of Thailand has sent its officials to participate as lecturers in the seminar on “Developing Knowledge on Products and Services of Financial Institution Businesses and Relevant Laws” to officials from the NACC and personnel of commercial banks, as hosted by the NACC in conjunction with the Faculty of Law of Chulalongkorn University.
- The Bank of Thailand has sent its officials to participate as lecturers in the seminar on “Directions and Strategies in the Regulation and Management of Risk in Operation” for the year 2015, and to perform KYC to personnel of commercial banking institutions, as hosted by Bank and Financial Institution Branch Management Club.

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The Federation of Accounting Professions continuously organizes workshops to promote auditors’ knowledge and understanding of accounting standards and to enable the use of auditing techniques efficiently and affectively to apply in the performance of their duties. It also regulates auditors according to professional accounting standards.

The Comptroller General’s Department

Procurement
The CGD is looking to further develop the system for e-Government Procurement (e-GP).

Public Finance Management
The CDG will organize training on strategies in the auditing of e-GP for Government sector auditors to give knowledge and understanding of the application of IPSAS in the performance of duties in Government Agencies.
B. UNCAC Chapter III: Criminalization and Law Enforcement

UNCAC Provisions:

- Art. 15: Article 15. Bribery of national public officials
- Art. 16: Bribery of foreign public officials and officials of public international organizations
- Art. 17: Embezzlement, misappropriation or other diversion of property by a public official
- Art. 18: Trading in influence
- Art. 19: Abuse of functions
- Art. 20: Illicit enrichment
- Art. 21: Bribery in the private sector
- Art. 22: Embezzlement of property in the private sector
- Art. 23: Laundering of proceeds of crime
- Art. 24: Concealment
- Art. 25: Obstruction of justice
- Art. 26: Liability of legal persons
- Art. 27: Participation and attempt
- Art. 28: Knowledge, intent and purpose as elements of an offence
- Art. 29: Statute of limitations
- Art. 30: Prosecution, adjudication and sanctions
- Art. 31: Freezing, seizure and confiscation
- Art. 32: Protection of witnesses, experts and victims
- Art. 33: Protection of reporting persons
- Art. 34: Consequences of acts of corruption
- Art. 35: Compensation for damage
- Art. 36: Specialized authorities
- Art. 37: Cooperation with law enforcement authorities
- Art. 38: Cooperation between national authorities
- Art. 39: Cooperation between national authorities and the private sector
- Art. 40: Bank secrecy
16. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

Since 2014, relevant agencies in Thailand have conducted proceedings for the prevention and suppression of corruption, including investigation and legal proceedings of cases of corruption and other offences under the UNCAC.

Article 15-17

As Thailand has ratified and become a party to the UNCAC 2003, it is under a duty to comply with many of its obligations, especially the obligation to amend its national laws to comply with internationally accepted standards. Thailand has taken serious steps to amend its laws to be in accordance with these standards and to eliminate obstacles in the international cooperation to prevent and suppress corruption, including to solve problems of corruption in the country. In doing so, it is necessary to amend the Organic Act on the Prevention and Suppression of Corruption, which is in the spirit of the National reforms as specified in the Thai Constitution, B.E. 2557 (2014). Laws have been amended to provide more efficient measures and prescribe for the elimination of corruption and misconduct in both the public and private sectors, with the following significant changes: 1) Changes to the Statutory Prescription period: If an alleged wrongdoer flees during the course of legal proceedings, problems may arise in the calculation of the statutory prescription period for legal proceedings, as well as in the case where a defendant flees pending court decision on penalties. It was therefore seen that statutory prescription should not apply in such cases. 2) Amendments on offences of bribery of government officials by juristic persons. 3) Penalties for the demand for payment of bribery by foreign public officials and officials of public international organizations; prescribing a penalty of 5-20 years to life imprisonment, and a fine of 100,000 to 400,000 baht, or execution. The proposed amendments therefore include the addition of a new category of wrongdoers, i.e. foreign public officials and officials of public international organizations. 4) Proposal to prescribe as a new offence, the act of demanding payment of bribery by foreign public officials and officials of public international organizations to comply with the provisions of the UNCAC. 5) Value-based confiscation to prevent the transfer of property in cases of an offence.

Thailand’s proposals for amendments of laws on the prevention and suppression of corruption has been well-received by the National Legislative Assembly, reflecting the consensus of the Government in prioritizing the prevention and suppression of corruption and the acknowledgement of the importance of international cooperation.

Article 15

The Anti-Corruption Division of The Royal Thai Police hears complaints and allegations and forwards such information to the NACC or the Office of Public Sector Anti-Corruption Commission within 30 days. It also conducts interrogation according to the Procedural Criminal Code and other relevant laws.
**Article 15-19 and Article 27**

The Office of the Auditor General has continuously complied with A.15-19 as they amount to offences in Thai criminal law and is within the powers and duties of the Office to conduct legal proceedings according to section 46 of the Organic Act on the Auditor General, B.E. 2542 (1999).

**Article 23**

In 2014, legal proceedings were taken against the former commissioner of the Central Investigation Bureau, Pol.Lt.Col. Phongphat Chayaphan and others, imposing a sentence of 10 years imprisonment for money laundering. Additionally, the NACC has seized bank accounts, confiscated cash, jewellery and cars worth over 200,000,000 baht, land title deeds worth over 140,000,000 baht and title deeds worth over 400,000,000 baht, as well as antiques and 3,000 paintings worth over 250,000,000 baht.

The arrests and legal proceedings were made in accordance with section 7 of the Prevention and Suppression of Money Laundering Act, B.E. 2542 (1999) which prescribes the following acts punishable according to law as offences of money laundering:

1. Supporting the commission of an offence before or during the commission of an offence
2. Procuring or giving money, property, or any item or any act to aid the offender in fleeing to avoid punishment or to enable the offender to benefit from an offence.

Moreover, the Criminal Court also sentenced another policeman, Pol. Gen, Bunsueb Pratheun and four civilians to lighter penalties for their roles supporting money laundering under General Pongpat’s racketeering.

Act of money laundering committed by the suspects were described in the indictment and included the purchase of several land plots with ill-gotten money supplied to General Pongpat and General Kowit through bribes, revenue from illegal gambling dens and sales of police positions by corrupt officers, deposited into several bank accounts. A total of 223 million Baht was spent on 92 plots of land.

The indictment in this case has also implicated two other suspects on the run but omitted Pol. Col. Akkharawut Limrat, who died beforehand.
The Anti-Money Laundering Office (AMLO) had seized cashes, bank accounts, jewelries, watches and cars worth Bt200 million – after the previous round saw 104 land-title deeds worth Bt400 million and also seized antiques and painting 3000 items worth Bt250 million.

**Article 30**

The AMLO, which is the official agency for implementation of strategy on the prevention and suppression of corruption has audited financial transactions from October 2014-20 June 2015 in 15 cases, of which the office of the Attorney General has proceeded to prosecute to court in 8 cases worth 776,975,648.64 baht.

The NACC has conducted investigation in many notable cases in the period during 2014-2015, for example, (1). The case of Ms. Juthamas Siriwan in her role as the director of the Tourism Authority of Thailand where it was alleged that she had received money from certain American Businessmen in exchange for granting them the right to organize the Bangkok International Film Week. In that case, a working group was established involving representatives from the Office of the Attorney General and the NACC and subsequently, legal proceedings were filed against Ms. Juthamas.

(2) In the case of the consideration and subsequent decision to take legal proceeding against Mr. Juti Krailerk by the NACC acting in unison to remove the individual from office as the Minister of Information and Communication Technology for corruption in the line of official duty through intentional abuse of powers contrary to the provisions of the Constitutions or other relevant laws, in accordance with section 58 of the Organic Act on the Prevention and Suppression of Corruption, B.E. 2542 (1999), amendment No.2 B.E. 2545 (2002). In the said case, the defendant acted to facilitate True Corp, Public Company Limited to conclude a partnership contract to provide 3G mobile services in conjunction with CAT Public Company Limited, as well as allegations of receiving undue benefit for facilitating S.L. Consortium to conclude a partnership contract for building 3G mobile telephone networks with TOT Public Company Limited. (3) The NACC resolution to take legal proceedings against Mr. Boonsong Teriyaphirom in his role as the Minister of Commerce and others for alleged offences under the Penal Code for commission of corrupt acts in the line of official duty punishable by other laws on corruption, in the case of corruption in the rice mortgage scheme and alleviation of rice stock. It is currently in the progress of investigation on facts. (4) The NACC investigation into alleged VAT fraud by Mr. Sathit Rangkasiri, the Director General of the Customs Department and subsequent allegations of involvement in 43 million baht VAT fraud. In this case, the NACC has issued an order to seize the alleged offenders assets, including 179 million bath worth of gold under the authority of the Procedural Criminal Code.

In the field of court proceedings, the Supreme Court Criminal Cases Division for Persons holding Political Office has ordered the removal of Mr. Aphinan Tanma from office as the mayor of Mae Kam Mee district, Phrae province, and to prohibit the offender from being in a political party or holding political office for 5 years from the date of judgment, under section 119 of the Organic Act on the Prevention and Suppression of Corruption, B.E. 2542 (1999) and has sentenced him to 2
months imprisonment for each offence, with a total of 8 months imprisonment without probation.

**Article 32**
The NACC has organized an internal seminar for 100 participants entitled “workshop to increase capacity on witness protection work of the NACC”.
The Royal Thai Police has entered into an MOU on the performance and coordination of work on witness protection and aid with the Office of Public Sector Anti-Corruption Commission and an MOU on coordination of work on witness protection in criminal cases with the Rights and Liberties Protection Department.

**Article 33**
The Office of the Auditor General has measures to protect submitters of complaints on acts of corruption by maintaining the confidentiality of the names and identity of complainants as well as the prescription as an offence, the non-authorised disclosure of the names and identity of complainants where disclosure was made outside of official duties or not for the benefit of an investigation or for public interest.

**Article 37**
The Ministry of Commerce, the DSI, the Royal Thai Police, the NACC and the Office of Public Sector Anti-Corruption Commission, as well as 30 other government agencies have exchanged information on juristic persons and financial statements to the business sector via Virtual Private Network (VPN) and web services to enable the use of web data in the performance of duties and the suppression of criminal acts.

The DSI in conjunction with other law enforcement agencies under the Ministry of Justice has established a special division to perform work in the suppression of corruption as well as organized seminars for law enforcement agencies to integrate laws on enforcement on financial, tax and anti-money laundering measures for use in the prevention and suppression of influential persons and offending officials as well as for human trafficking offences, slavery, international terrorism and narcotics.

**Article 30 and 37**
The Office of the Attorney General has issued regulations on Criminal Proceedings Against Attorney General Officials under the law on administrative procedures in the prevention and suppression of corruption, B.E. 2557 (2014). Upon receipt of investigation transcripts, reports, documents and the opinion of the NACC, an official of the Office of the Attorney General shall submit an opinion to his or her supervisor to consider the issue of an order to prosecute. In the case where the official is of the opinion that there is insufficient information to support legal proceedings, a report shall be made to the supervisor to return the case to the NACC for further investigation of facts. Where necessary, the NACC and the Office of the Attorney General may establish a joint working group to investigate on the facts.
**Article 37. Cooperation with law enforcement authorities**
The Royal Thai Police has cooperated with other agencies in the judicial process, for example, with the Office of the Attorney General, courts and the Corrections Department. It has also cooperated with administrative agencies from all districts and provinces throughout the country in both criminal and non-criminal measures to disseminate information on the prevention and suppression of corruption, as well as cooperating in activities, seminars and conference in law and in exchanging relevant data.

**Article 38. Cooperation between national authorities**
The Royal Thai Police has cooperated in forwarding evidence in cases of corruption to the NACC, Office of Public Sector Anti-Corruption Commission and AMLO.

**Article 39. Cooperation between national authorities and the private sector**
The Royal Thai Police works closely with INTERPOL, UNODC and other law enforcement agencies having consulate presence in Thailand to cooperate in relevant cases.

**Article 38 and 39**
The Auditor General’s Office has cooperated in giving auditing information to examining agencies such as the NACC, AMLO, the PACC and the Royal Thai Police. It maintains a policy of coordinating with agencies with the duty in prescribing financial and fiscal laws to send information which can lead to the improvement, amendment or cancellation of laws, regulations rules and Ministerial Resolutions to better accommodate societal and contemporary changes.

**Article 39**
The Ministry of Commerce provides services in the provision of information on juristic persons and private sector financial statements as well as to connect data via VPN and web services in conjunction with 30 agencies such as the DSI, the Royal Thai Police, the NACC, the PACC, etc, OS that such agencies may access the data for the performance of their duties.

**Article 38**
The Ministry of Interior has entered into an MOU on the prevention and suppression of corruption with the Thai Chamber of Commerce and the Anti-Corruption Institute.
### Article 37

**The Customs Department**

The Customs Department has closely acted in cooperation with AMLO, the Office of the Narcotics Control Board, and the NACC. It will conduct an investigation into the tax payment of arrested offenders to determine if they have committed offences related to the payment of tax. The Customs Department has also arrested sellers of counterfeit tax invoices as well as extended the offence to buyers as the Customs Department has ensured a stricter and more comprehensive implementation of its examination and investigation procedures.

### 2. Measures Being Planned to Implement UNCAC provisions

Many agencies are currently in the process of the study and analysis of data to improve existing laws, for example:

- The Auditor General’s Office is in the process of studying and compiling information on existing laws such as the Organic Act on the Auditor General, the Regulation of the AGO on Budget and Fiscal Discipline, Regulations of the AGO on Investigation, to more efficiently comply with provisions of the UNCAC.

- The Office of Public Sector Anti-Corruption Commission is currently in the process of implementing the Executive Measures in the Prevention and Suppression of Corruption Act, B.E. 2551 (2008), as follows:
  - Improving investigatory procedures
  - Improving the structure of the Committee for Public Sector Prevention and Suppression of Corruption
  - Proposing for the separation of the Committee for Public Sector Prevention and Suppression of Corruption to be a body that is separate from the Prime Minister’s Office, Ministries or Department.
  - Adding standards in the measures for the prevention and suppression of corruption in the public sector, in order to be more efficient in attaining goals and to better benefit the general public.

- The Ministry of Commerce has considered measures for the prevention of wrongdoing in the private sector through the promotion of standards and procedures with the objective or protecting morals within relevant agencies in the private sector.

- The DSI has developed plans and organized activities to improve investigatory system of work in special cases to make the performance of duties more efficient,
systematic and transparent.

The Auditor General’s Office plans to improve the effectiveness of procedures of extradition and to cooperate in activities with international agencies by sending its officials to seminars and conferences and to report on current issues.


Article 22
The Ministry of Commerce sees as a constraint, procedures regarding embezzlement in the private sector. As embezzlement is an offence under the Criminal Code, the law prescribes that designate authorities are the police and investigatory officials, while other officials only have powers where the affected party is the State. This therefore gives rise to problems in the implementation of UNCAC provisions.

Article 30
Many criminal offences under the UNCAC are yet to be prescribed as criminal offences under the Prevention and Suppression of Money Laundering Act, B.E. 2542 (1999). In addition, AMLO has insufficient number of officials to deal with the increasingly complex cases to take legal measures against property as much documents and evidence is required by Law, also giving rise to delays.

Article 32

Office of Public Sector Anti Corruption Commission (Office of Public Sector Anti-Corruption Commission) stated that the Office does not have the legal capacity under the current laws in regard of the process of witness protection, experts and injured persons under the UNCAC B.E. 2003. The Office mostly refers to the laws of other governmental agencies to proceed with the mentioned issue. The personnel lacks sufficient expertise in the process of witness protection and the office is understaffed.
DSI

The process under the Special Investigation under the Department of Special Investigation is related to several domestic and international laws. Thus, in order to strictly comply with the prescribed law, such act cannot be conducted effectively; for instance, confiscation of assets in accordance with the court ruling or Court order in a foreign country has to rely upon international agreements and domestic laws.

In respect of the DSI’s ability to prosecute cases, Thai law does not consider the State or government as a juristic person and, hence, it cannot initiate the legal proceeding.

Office of the Auditor General of Thailand

An amendment of law of the OAG to be complied with the current situation requires a lengthy and complex procedure and, under the current situation, it is necessary to draft a new law to be complied with the draft Constitution of the Kingdom of Thailand. In this regard, the main laws which provide powers to OAG is the Organic Act on Auditor General and, thus, drafting of a new law requires more procedures and time than a normal Act. After the consideration of the National Legislative Assembly, the draft bill has to be considered by the Constitutional Court whether or not there is any provision which is contradictory or inconsistent with the Constitution before being given a Royal Consent and further be published in the Government Gazette.

Royal Thai Police

The Royal Thai Police lacks of continuous budget support. As the main task of the Royal Thai Police is the law enforcement agency, it is expected to select personnel with morality while the living of civil servants is poor, easily interfere, close to the public and influential people. To make matters worse, the inspection is not in accordance with appropriate standard of each agency.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III

AMLO sees that there should be trainings exchanging knowledge together between law enforcement agencies and related private sectors in respect of prosecution of corruption cases and asset recovery.

Ministry of Commerce sees that trainings of personnel should be conducted to improve expertise in law enforcement against the private sector and to train the private sector to understand the law compliance.
DSI
Personnel training to ensure understanding and situation and happiness from fair and independent work to mentally strengthen to personnel should be conducted. More participation in meetings, seminars, trainings in related subjects with other law enforcement agencies both domestically and internationally shall be encouraged in order to develop relationship and create networks.

OAG
OAG sees that participating in workshop and academic seminars on preventive measures on corruption with domestic and internal agencies.
## C. UNCAC Chapter IV: International Cooperation

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<td>Art. 50: Special investigative techniques</td>
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</tr>
</tbody>
</table>

### 1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013

Different agencies related to prevention of corruption have conducted active acts in terms of international cooperation as follows:

**Office of the Attorney General**
- Extradition Act B.E. 2551 (2008)
- Mutual Assistance in Criminal Matters Act B.E. 2535 (1992)
- The mutual cooperation on the execution of Court’s ruling in criminal cases B.E. 2527 (1984)

**NACC**

The Department of International Cooperation exchanged intelligence information on financial matters on 11 corruption cases in accordance with the requests as follows: 3 cases with the Philippines; 2 cases with Hong Kong; 2 cases with Russia, 1 case with Moldova; 1 case with Kazakhstan; 1 case with the United States; 1 case with the United Kingdom.

In regard to submitting a request for information, NACC submitted 10 requests as follows: 2 requests to the United Kingdom; 2 requests to China; 2 requests to Hong Kong; one request to Korea; one request to Singapore; one request to Japan and one request to Switzerland.

**OAG**

OAG has a cooperation agreement with OAG of foreign countries in respect of exchanging knowledge and experience on inspection but has no collaboration on the matter of investigation and the consideration in the administrative and civil matter relating to corruption.

**Royal Thai Police**

The Royal Thai Police collaborates closely with Interpol, UNODC and law enforcement agencies of other countries for which the embassies are located in...
Thailand. This is to cooperate on related cases. In addition, the agency also has MOU on international cooperation with different agencies in respect of criminal and other matters and submitted several requests on mutual assistance on criminal matters to Sweden, Nepal, the United Kingdom, India, and Spain. The agency also had meetings, seminars or trainings with the law enforcement agencies, for instance, INTERPOL, Federal Bureau of Investigation, Drug Enforcement Administration, and Australia Federal Police including the joint cooperation in anti-property right infringement with INTERPOL and ASEAN member states.

The statistics on extradition

The Royal Thai Police has executed the extradition as follows:

1. On the 9th of October B.E. 2557 (2014), Mr. Choi Se Yong, a Korean national, was expedited to Korea;
2. On the 15th of October B.E. 2557 (2014), Mr. Sand WINICK and Mr. Gregory CURRY, Canadian nationals, was expedited to the United States;
3. On the 4th of May B.E. 2558 (2015), Mr. Antonius Antony W. Cullen, Canadian nationals, was a Canadian national, was expedited to Canada;
4. Mr. Detlef Gernard HEWER, a German national, was expedited to Australia;
5. Mr. Jata Sigh, a Indian national, was expedited to India;
6. Mr. Paul Joyce, a UK national, was expedited to the United Kingdom;
7. Mr. Detlef Michael KRVGER, a German national, was expedited to Germany;
8. Mr. Luis Batlle Vilaseca, a Spanish national, was expedited to Spain (in process);
9. Mr. Robert David HASTINGS, a UK national, was expedited to the United Kingdom;
10. Mr. Celim Mebarkl, a French national, was expedited to France (in process);
11. Mr. Christain SGABI, a Swiss national, was expedited to Italy.

For the efficiency in the investigation and protection of transnational crimes, Department of Special Investigation, concluded the documents with the law enforcement agencies of foreign countries such as an MOU on academic collaboration with Narcotic Affairs Section (NAS) of the United States under the project to develop capacity of personnel and technology within the agency on suppression of intellectual property infringement, Agreement between Australian Federal Police and the department of Special Investigation of Thailand Governing Foreign Law Enforcement Agency Access to Australian Transactions and Reports Analysis Centre (AUSTRAC) Information to support investigation, suppression of transnational crimes and terrorism and lately on the 29th of January B.E. 2558 (2015), DSI signed the Letter of Agreement on Technical Cooperation between Department of Special Investigation and Canada Border Services Agency on Combating Transnational Crime through Knowledge Sharing by which both agencies shall exchange information and personnel in special operations.

Department of Special Investigation executed the measure to strengthen the corruption by developing the system to be transparent and efficient, such as,
## 2. Measures Being Planned to Implement UNCAC provisions

Royal Thai Police planned to establish the Centre for anti-corruption, means to improve the mechanism on extradition to be effective. The Royal Thai Police conducted activities and provided cooperation to international agencies to send personnel to trainings, seminars, meetings and reporting the situations occurred in the country.

Department of Special Investigation is under the process of amending the Ministerial Regulation on prescribing additional special cases under the law on Special Investigation (No.,..) B.E., and is under the process to conduct an action plan on establishing the monitoring system for the process of examining evidence within the scope of responsibilities. This is in order to ensure that the owner of evidence or internal or external agencies submitting the evidence for examination would be able to monitor to see what process their evidence is under. This would allow transparency and accountability.

OAG planned to exchange techniques and knowledge on examination of corruption.
3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

DSI saw that the compliance under the Special Investigation Act by the Department of Special Investigation is related to several legislation including domestic and international legislation, however, due to different measure of countries and differences in domestic laws, this renders cooperation difficult. The compliance as prescribed by law is not able to be followed effectively. Moreover, the means, methods and measures under the obligation of international law are complex and contain complex procedures. These result in delay.

Royal Thai Police was unable to send personnel to every activity as some countries reduced their budget and cooperation due to the political situation in Thailand.

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV

Office of Public Sector Anti-Corruption Commission wishes to have trainings for Office of Public Sector Anti-Corruption Commission personnel in general knowledge of how to fight against corruption conduct a project and program to provide knowledge to youth for anti-corruption.

DSI saw that participation in meetings, seminars and trainings in related subjects with other law enforcement agencies domestically and internationally in order to develop relationships and to create networks of collaboration.

Royal Thai Police wished to support personnel of the Royal Thai Police to obtain knowledge in extradition, wished to obtain legal assistance from every agency. In addition, the Royal Thai Police wished to have Office of the Attorney General to facilitate, reduce the red tape in order for the Royal Thai Police to comply with the UNCAC provisions efficiently and timely.
20th Steering Group Meeting – Ulaanbaatar, Mongolia
18 November 2015

### D. UNCAC Chapter V: Asset Recovery

<table>
<thead>
<tr>
<th>UNCAC Provisions:</th>
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</thead>
<tbody>
<tr>
<td>Art. 52: Prevention and detection of transfers of proceeds of crime</td>
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<td>Art. 53: Measures for direct recovery of property</td>
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<td>Art. 56: Special cooperation</td>
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<tr>
<td>Art. 57: Return and disposal of assets</td>
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<tr>
<td>Art. 58: Financial intelligence unit</td>
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<tr>
<td>Art. 59: Bilateral and multilateral agreements and arrangements</td>
</tr>
</tbody>
</table>

1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013
   - Office of the Attorney General
   - Mutual assistance on Criminal Matters B.E. 2535 (1992)

2. Measures Being Planned to Implement UNCAC provisions
   - Article 53
   - OAG is under the process of study and collection of data to amend the law to comply with the UNCAC provisions.
### 3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

OAG found it complicated to amend the law.

### 4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V
E. Additional Developments
1. **Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)**

   The Office of Public Sector Anti-Corruption Commission is under the process of conducting a network conference with the private sector in order to revise and follow up on the evaluation of the action plan to raise awareness on transnational corruption to be in accordance with the UNCAC provisions 2003 and international obligations.

   Election Commission conducted a handbook on citizens under the democratic system which obtains the content such as corruption and impact on the democratic system. This was made and disseminated to Provincial Offices of Election Commission and other governmental agencies within the provinces. It also made 500,000 handbooks on good citizen under the democratic system to disseminate to the general public to improve good citizenship and to promote knowledge on the monarchy and governance under the democratic system, to promote citizenship, and to suppress corruption to see the impact on the democratic system.

   Department of Special Investigation initiated the development and use of technology in conducting an investigation of special cases including to collaborate and encourage educational institutes and the private sector to participate in research studies and development of innovation and technology relating to the investigation of special cases, for instance, communication tools, investigation, anti-stalking, lab equipment, wireless communication tools and security tools.

   OAG disseminated the report on the annual execution on website for the general public to ensure that the public’s participation in monitoring the expenditure of the public sector especially expenditure with the circumstance of corruption. In addition, executives and officials of the Supreme Audit Institution of foreign countries were welcomed for study visit. This is to provide information and promote learning to foreign Supreme Audit Institution and exchange of experience between one another.

2. **Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC**

   Department of Special Investigation proceeded with the promotion and development of relationship, sharing of knowledge and experience with foreign law enforcement agencies by which the activities and projects were conducted between September B.E. 2557 (2014) – September B.E. 2558 (2015) as follows:

   a. seminars in order to resolve transnational crime on extradition on the 23rd of September B.E. 2557 (2014) at Amari Hotel, Donmuang;

   b. joint meeting between the Department of Special Investigation and anti-human trafficking and youth protection agencies, National Police Force of Cambodia in Panom Pehn between the 17th and 18th of November B.E. 2557 (2014);

   c. workshop training on investigation management on anti-terrorism to promote relationship and academic cooperation with Department of Special of
Investigation and law enforcement agency of Indonesia between the 21<sup>st</sup> and the 27<sup>th</sup> of February B.E. 2558 (2015);

d. collaborated training with Federal Bureau of Investigation (FBI) of the United States on the explosive ordinance disposal (EOD) on the 13<sup>th</sup> of March B.E. 2558 (2015) at the meeting room, Department of Special Investigation (DSI);

e. meeting on integration of intelligence in Special Case on the 19<sup>th</sup> of March B.E. 2558 (2015) at Boardroom, Miracle Grand Hotel, Vipavadee, Bangkok;

f. Seminar on Cooperation in Prevention and Suppression of Transnational Crime: Passport Counterfeit on the 31<sup>st</sup> of March B.E. 2558 (2015) at Boardroom, Miracle Grand Hotel, Vipavadee, Bangkok

1. Office of the Ombudsman Thailand
   Membership of Asian Ombudsman Association (AOA)
   Office of the Ombudsman Thailand became a membership since B.E. 2543 (2000) by which there are 34 agencies from 19 countries. Prof. Siracha Vongsarayankura, the chief Ombudsman, is currently the President of the Asian Ombudsman Association. The activities of the AOA are as follows:
   - The General Conference of the AOA which aims to provide academic lecture on different topics relating to the work of the Ombudsman by the Ombudsman or experts including to provide opportunity for an exchange of knowledge and experience with the member states. The conference is held every two year and the host state rotates within the Member States.
   - The Meeting of Board of Directors which aims for consultation and consideration of internal administration of the AOA. Its purpose is also to exchange knowledge and opinion between the Ombudsman and auditing agencies of the member states. The meeting is held annually and the host state rotates within the Member States.

2. Membership of International Ombudsman Institute (IOI)
   Office of the Ombudsman Thailand became a member since B.E. 2544 (2001) and there are over 170 agencies from 91 countries over the world. The activities of the IOI are as follows:
   - International Ombudsman Institute Meeting aiming for consultation and consideration the issues concerning the internal administration of IOI, exchange of knowledge and experience between the Ombudsman and auditing agencies within the Member States. The meeting is held every four year and rotates to be a host state.
   - The Meeting of Board of Directors which aims for consultation and consideration of internal administration of the AOA. Its purpose is also to exchange knowledge and opinion between the Ombudsman and auditing agencies of the member states. The meeting is held annually and the host state rotates within the Member States.

In this regard, between the 31<sup>st</sup> of March and the 3<sup>rd</sup> of April B.E. 2558 (2015), Office of the Ombudsman Thailand organized an international academic seminar and workshop for the celebration of 15 anniversary of the Office of the Ombudsman Thailand under the cooperation of IOI and AOA at Dusit Thani
Hotel in Chonburi. The Meeting set out the training under “management of complaints and service providing to improve investigation skills of the Office of the Ombudsman Thailand to be more efficiently and internationally. This is also to promote networks and relationship between the Ombudsman, agencies under the Constitution and other related sectors.

For the budget year of B.E. 2559 (2016), Office of the Ombudsman Thailand shall continue to proceed under the international cooperation in accordance with the obligations to illustrate the roles of Office of the Ombudsman as the Board of AOA to exchange knowledge, opinion including experience. This is also to tighten the friendship with the Ombudsman and other oversight agencies within the Member States.

In this regard, Office of the Ombudsman Thailand was honored by the IOI to host the 11th international meeting of the IOI in Thailand (11th World Conference 2016) in November B.E. 2559 (2016) and Thailand shall be a stage for representatives of the Ombudsman including other auditing agencies which are the members of IOI to exchange knowledge and experience on the good management by the State, effective management of complaints and human right protection to improve such managements for the benefit of the country and society.
A. UNCAC Chapter II: Preventive Measures

UNCAC Provisions:
- Art. 5: Preventive anti-corruption policies and practices
- Art. 6: Preventive anti-corruption body or bodies
- Art. 7: Public sector
- Art. 8: Codes of conduct for public officials
- Art. 9: Public procurement and management of public finances
- Art. 10: Public reporting
- Art. 11: Strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.
- Art. 12: Private sector
- Art. 13: Participation of society
- Art. 14: Measures to prevent money-laundering

1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013
   - The tasks of the National Working Group are: a) to lead the implementation of the recommendations of first-cycle Country Review on Chapter III-Criminalization and Law Enforcement and Chapter V-International Cooperation; b) to prepare for the second-cycle Country Review on Chapter II-Preventive Measures and Chapter V-Asset Recovery; c) to develop National Anti-Corruption Strategy.
   - Provided Peer Consultations to the Government of Solomon Islands in their effort to establish an Anti-Corruption Commission.
   - Participated vocally at the Small Islands Developing States Forum on Anti-Corruption Reform: What is there and what else is needed? Organizer by United
<table>
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<tr>
<th>20th Steering Group Meeting – Ulaanbaatar, Mongolia</th>
<th>18 November 2015</th>
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<th>Nations Office on Drugs and Crime (UNODC).</th>
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<tbody>
<tr>
<td>• CAC Organic Law and Special Regime approved by the Council of Ministers and promulgated by the President of Republic under the Decree Government Law No 23/2015 and Law. No. 24/2015 on July 29th 2015</td>
</tr>
<tr>
<td>• In submission to the Decree Law No 23/2015 and No. 24/2015, the CAC staffs are dubbed “Anti-Corruption Specialists” and the spirit of the decree laws are to the strengthen the procedures of recruitment, retention, rotation, retirement of the of Anti-Corruption Specialists.</td>
</tr>
<tr>
<td>• Recruited 10 new investigators who are under one year apprentice, based on Decree Law 23/2015 before eligible to exercise the investigation.</td>
</tr>
<tr>
<td>• CAC conducts the Second “Corruption Perception Survey” and the key findings will be presented and published at the commemoration of International anti-Corruption day on 9th December. The purpose of the survey is to understand public opinion on corruption and their views on the roles of Anti-Corruption Commission (CAC) and Judicial Institutions.</td>
</tr>
<tr>
<td>• CAC conducts series of town hall meetings, workshops, and seminars with community leaders, religious groups, youth groups, women groups, teachers and school administrators across the country aiming to build their capacity of preventing corruption in their agencies.</td>
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<tr>
<td>• Organized Corruption Risk Management (CRM) round table discussion with National Procurement Commission (NPC), National Development Agency (AND), Ministry of Finance and Ministry of Infrastructures on “Preventing Corruption in Procurement Procedures and Practices” to the procurement and finance officers in the all line minister.</td>
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<tr>
<td>• Organized round table discussions with Timor-Leste Chamber of Commerce on “Private Sector’s Roles in Preventing and Combating Corruption” in all municipalities across the country.</td>
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<tr>
<td>• Organized Training of Trainers (ToT) entitles “STUDENTS ARE THE TEACHER FOR PREVENTING CORRUPTION” for universities students.</td>
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<tr>
<td>• Organized Training of Trainers (ToT) entitles “WOMEN’S ROLES IN FIGHTING CORRUPTION” for women organizations.</td>
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<tr>
<td>• Established “INTEGRITY KIOSK” at the universities. The Integrity Kiosks are established with the initiative of the students to create a free-corruption campus with integrity and honesty. The students fund the kiosks and responsible for day to day operations.</td>
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<tr>
<td>• Conducts Monitoring and Inspection to the government projects especially Rural Employment and School Infrastructures Projects in all municipalities.</td>
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<tr>
<td>• Provides regular Anti-Corruption training to the newly recruit of public servants at the National Institute of Public Administration</td>
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<tr>
<td>• Provides training together with Ministry of State Administration to the District Administrators on the Anti-Corruption Measures and Practices in the process of pre-decentralization of Municipalities.</td>
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<tr>
<td>• Together with United Nations Office of Drugs and Crime (UNODC) provided training on “Budget Monitoring” the civil society organizations and media.</td>
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<tr>
<td>• Organized series of consultations with relevant stakeholders on the draft of Anti-Corruption Law.</td>
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20th Steering Group Meeting – Ulaanbaatar, Mongolia
18 November 2015

<table>
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<tr>
<th>2. Measures Being Planned to Implement UNCAC provisions</th>
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<tbody>
<tr>
<td>- Submitted the draft of Anti-Corruption Law to the President of Parliament on October 1st, 2015</td>
</tr>
<tr>
<td>- Conduct the NATIONAL INTEGRITY ASSESSMENT with the Office of Prime Minister and Transparency International</td>
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<tr>
<td>- Conduct the INSTITUTIONAL CAPACITY ASSESSMENT for Anti-Corruption Commission (CAC), Attorney General and Court with the assistance of United Nations Office of Drugs and Crimes (UNODC).</td>
</tr>
<tr>
<td>- Introduce “Business Integrity Act” in the Private Sector</td>
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<tr>
<td>- Develop “National Anti-Corruption Strategy”</td>
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<tr>
<td>- Training of Trainers for community leaders, students and women groups.</td>
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<tr>
<td>- Conduct Anti-Corruption Prevention workshops for the public servants</td>
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<tr>
<td>- Establish Memorandum of Understanding with Civil Society Organisations in the area of public awareness raising (CEPAD) and project monitoring and inspection (LUTA HAMUTUK).</td>
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<tr>
<td>- Formalize institutional cooperation with universities on prevention and public awareness</td>
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<tr>
<th>3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions</th>
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<tbody>
<tr>
<td>- Anti-Corruption Law is not approved yet</td>
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<td>- Lack of legislation on corruption and bribery private sector</td>
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<tr>
<th>4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II</th>
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<tbody>
<tr>
<td>- In-house training for new recruit of Anti-Corruption Specialists on “Prevention Strategy”</td>
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<tr>
<td>- Training of Trainers for students, youth leaders, community leaders on the role to prevent corruption in their agency/institution</td>
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B. UNCAC Chapter III: Criminalization and Law Enforcement

<table>
<thead>
<tr>
<th>UNCAC Provisions:</th>
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<tbody>
<tr>
<td>• Art. 15: Article 15. Bribery of national public officials</td>
</tr>
<tr>
<td>• Art. 16: Bribery of foreign public officials and officials of public international organizations</td>
</tr>
<tr>
<td>• Art. 17: Embezzlement, misappropriation or other diversion of property by a public official</td>
</tr>
<tr>
<td>• Art. 18: Trading in influence</td>
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<td>• Art. 19: Abuse of functions</td>
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<td>• Art. 20: Illicit enrichment</td>
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<tr>
<td>• Art. 21: Bribery in the private sector</td>
</tr>
<tr>
<td>• Art. 22: Embezzlement of property in the private sector</td>
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<td>• Art. 23: Laundering of proceeds of crime</td>
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<td>• Art. 24: Consequent</td>
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</table>
17. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013
   - Implementing the law of Anti-Money Laundering and Combating Financing of Terrorism (Law No. 4/2013)
   - The investigators of Anti-Corruption Commission (CAC) and Prosecutors start to implement freezing, seizure and confiscation for corruption cases.
   - Strong institutional cooperation and information exchange between FIU, CAC and Prosecutor General Office
   - Strong institutional cooperation between Anti-Corruption Commission (CAC) and National Police (PNTL) to provide the protection of witness, experts and reporting persons
   - Draft of Anti-Corruption Law submitted to the President of Parliament
   - Specialized investigation techniques training for the senior investigators held both in house and overseas.

2. Measures Being Planned to Implement UNCAC provisions
   - The Central Authority for Judicial Cooperation to be established in the Prosecutor General Office (in compliance with Art. 19, Law no 15/2011)
   - Establish a joint team between investigators and prosecutors for tracing and recovering the stolen assets
   - To be part of INTERPOL ANTI-CORRUPTION and ASSET RECOVERY focal point.
   - Formalize institutional cooperation with National Police

   - The mechanics of the protection of witness and experts are not defined yet (according to Law No.2/2009)
   - The supporting infrastructures for witness protection are not are in place yet

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III
   - Specialized investigation techniques training for the investigators on financial crimes, computer forensic, fraud of construction
### C. UNCAC Chapter IV: International Cooperation

**UNCAC Provisions:**
- Art. 43: International cooperation
- Art. 44: Extradition
- Art. 45: Transfer of sentenced persons
- Art. 46: Mutual legal assistance
- Art. 47: Transfer of criminal proceedings
- Art. 48: Law enforcement cooperation
- Art. 49: Joint investigations
- Art. 50: Special investigative techniques

#### 1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013
- Law No 15/2011 on the International Judicial Cooperation in Criminal Matters
- Established formal institutional cooperation with Malaysia Anti-Corruption Commission (CAC) on Preventing and Combating Corruption.
- State Party to the Convention on the Transfer of Sentenced Person among Portuguese Speaking Countries.
- State Party to the Convention on Mutual Legal Assistance on Criminal Matters amongst Portuguese Speaking Countries.
- State Party to the Convention on Extradition among Portuguese Speaking Countries.

#### 2. Measures Being Planned to Implement UNCAC provisions
- To be member of StAR-INTERPOL Global Focal Point on Corruption and Asset Recovery
- Establish the Central Authority in the Prosecutor General Office in accordance to law No 15/2011
3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions
   - Lack of resource to implement conventions signed
   - Lack of resources to undertake joint-investigation and Mutual Legal Assistance (MLA)

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV
   - Training Anti-Money Laundering and Corruption
   - Computer Forensic and Digital Evidence Investigation
   - Intelligence Investigation and Interrogation techniques
D. UNCAC Chapter V: Asset Recovery

**UNCAC Provisions:**
- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

1. Measures Undertaken to Implement UNCAC provisions since the 18th Steering Group Meeting in July 2013
   - Establishment of Financial Intelligence Unit (FIU) in the Central Bank.
   - Special Cooperation on information and expertise exchange between the Anti-Corruption Commission (CAC), Financial Intelligence Unit (FIU) and Prosecutor Office on confiscation, freezing and recovery of stole assets
   - The Court decision on corruption cases fulfils 3 sanctions: civil, administrative and criminal.
   - Return and disposal of assets implemented by the Prosecutors

2. Measures Being Planned to Implement UNCAC provisions
   - Asset Recovery Authority will be established in the Prosecutor General Office.

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions
   - Lack of specific legislation on Asset Recovery

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V
   -
E. Additional Developments

1. Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)

2. Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC
   - Timor-Leste Team Review on Angola Self-assessment on UNCAC Chapter III and IV-UNCAC/UNODC Initiative
   - Timor-Leste Team Review on Nauru Self-assessment on UNCAC Chapter III and IV-UNCAC/UNODC Initiative
   - Anti-Corruption Commission (CAC) provided peer consultation to the government of Solomon Islands in its efforts to establish Anti-Corruption Commission.
   - Organized Country-Visit and share valuable experience and lessons learned to the representative of Solomon Islands
MEMBER COUNTRY: VIET NAM

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<tr>
<th>A. UNCAC Chapter II: Preventive Measures</th>
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<td>Art.12: Private sector</td>
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<th>1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014</th>
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<tr>
<td>- Vietnam is taking comprehensive measures, such as promoting administrative reform; enhancing transparency and publicity of the performance of agencies and organizations; implementing anti-corruption initiatives from the community; and especially, integrating anti-corruption contents into training and education programs for high-school level and above.</td>
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<tr>
<td>- Vietnam is making the review of 10 years implementation of the Law on anti-corruption.</td>
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<td>- Vietnam issued the Joint Circular no.01/2015/TTLT-TTCP-BNV between the Government Inspectorate of Vietnam and Ministry of Home Affairs regulating awards for individuals who have made outstanding achievements in denouncing corrupt behaviours.</td>
</tr>
<tr>
<td>- Vietnam continues finalizing the legal framework and promoting the implementation of asset and income transparency and integrity of public</td>
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officials; and enhancing the review of implementing regulations on asset and income transparency of public officials.

- Vietnam has developed a draft Proposal on controlling incomes of officials having power and position, pending for integration into the upcoming revised Law on anti-corruption.

- Vietnam continues finalizing the legal framework and promoting the implementation of solutions on integrity, transparency and accountability in state agencies’ operations.

- Vietnam continues implementing the Proposal on salary reform for labours in both public and private sectors. At the meeting in recent November 2015, National Assembly decided to increase the basic salary for public officials and military force from May 2016.

- Agencies periodically organize training courses on anti-corruption and code of conducts.

    - Vietnam continues promoting the role and responsibilities of the society in the anti-corruption, especially socio-political organizations, press, enterprises, citizens, people inspection boards, Vietnam fatherland front. From May 2012 to now, citizens and press reported corrupt behaviors at the central and local levels, especially violations in land management in some provinces. A lot of people were awarded for their achievements in the fight against corruption. At the present, Vietnam Fatherland Front has been developing a Proposal on enhancing the role of fatherland fronts and member organizations in monitoring and social criticism, contributing to the anti-corruption.

    - Vietnam Anti-corruption Initiatives Program has been effectively implemented from 2009 to 2015, funded the implementation of 102 initiatives at the localities. With the bottom-up approach and encouraging the participation of related partners, facilitating citizens and enterprises to participate in the anti-corruption through actual activities at the localities, the Program contributes to creating positive impacts on the society in the anti-corruption. In order to replicate initiatives being implemented effectively from the community and local level, Vietnam is carrying on a Program on replicating Vietnam anti-corruption initiatives (2015-2017).

2. Measures Being Planned to Implement UNCAC provisions

- Revise and amend the Law on anti-corruption based on the results of the review of 10 years implementation of the AC Law.

- Develop and issue the Joint Circular regulating the establishment, management and usage of the fund for awarding individuals having achievements in detecting and denouncing corrupt behaviors.

- Develop a Proposal on database on asset and income transparency.
- Continue promoting the anti-corruption dissemination and education
- Continue the declaration and controlling of asset declaration
- Promote inspecting the responsibilities to conduct public missions, monitoring, appraising and handling after inspection; actively recommend to carry inspection when detecting corrupt signals.
- Continue handling corrupt behaviours timely and seriously; study solutions to recover assets
- Enhance and broaden international cooperation activities in anti-corruption, especially in mutual legal assistance; study experiences from other countries to improve the effectiveness in the anti-corruption.
- Strongly promote the role and responsibilities of the fatherland front, social organizations, enterprise associations, professional associations, especially roles and responsibilities of press, media and each official, citizen in the anti-corruption.
Continue implementing the Program on duplicate Vietnam anti-corruption initiatives.

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions
- Limited resources for implementation

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter II
- support resources to implement anti-corruption initiatives from the community and enhance the awareness and participation of the citizens in the anti-corruption;
- support experiences and resources in training skills on inspection, monitoring, prosecution and judgment of corrupt cases, especially cases relating to foreign factors
- conduct training for staffs of the State Bank and other agencies having authorities in the anti-money laundering.
### B. UNCAC Chapter III: Criminalization and Law Enforcement

**UNCAC Provisions:**

- Art. 15: Article 15. Bribery of national public officials
- Art. 16: Bribery of foreign public officials and officials of public international organizations
- Art. 17: Embezzlement, misappropriation or other diversion of property by a public official
- Art. 18: Trading in influence
- Art. 19: Abuse of functions
- Art. 20: Illicit enrichment
- Art. 21: Bribery in the private sector
- Art. 22: Embezzlement of property in the private sector
- Art. 23: Laundering of proceeds of crime
- Art. 24: Concealment
- Art. 25: Obstruction of justice
- Art. 26: Liability of legal persons
- Art. 27: Participation and attempt
- Art. 28: Knowledge, intent and purpose as elements of an offence
- Art. 29: Statute of limitations
- Art. 30: Prosecution, adjudication and sanctions
- Art. 31: Freezing, seizure and confiscation
- Art. 32: Protection of witnesses, experts and victims
- Art. 33: Protection of reporting persons
- Art. 34: Consequences of acts of corruption
- Art. 35: Compensation for damage
- Art. 36: Specialized authorities
- Art. 37: Cooperation with law enforcement authorities
### Measures Undertaken to Implement UNCAC Provisions since the 19th Steering Group Meeting in September 2014

Vietnam is undertaking comprehensive amendments of the criminal and criminal proceedings laws, aiming at criminalizing corruption offences as provided for in the Convention, especially corrupt acts in the private sector, bribery of foreign public officials and officials of public international organizations.

### Measures Being Planned to Implement UNCAC Provisions

Vietnam will continue reviewing, studying, amending and revising criminal proceedings laws based on results of the country report under UNCAC, taking priorities to compulsory requirements as regulations on protecting witnesses, experts, victims, on cooperation in investigating criminal cases.

### Issues, Challenges and Constraints in the Implementation of UNCAC Provisions

Vietnam finds some main challenges in fully complying the Convention’s requirements, such as: indifferences with the Convention in terms of criminal and criminal proceedings policies with corrupt behaviours.

### Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter III

- Training to strengthen the capacity for staffs in the security, prosecution and court system.
- Organize specialized seminars to study, amend and revise regulations of the Criminal Code relating to the anti-corruption.
C. UNCAC Chapter IV: International Cooperation

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1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014
   - Vietnam is an active member in anti-corruption related multi-lateral cooperation fora, such as the APEC-ACTWG, SEA-PAC, ADB/OECD Anti-corruption Initiative...

2. Measures Being Planned to Implement UNCAC provisions
   - Continue promoting the international cooperation in the anti-corruption; studying to finalise legal framework and chances to sign new bilateral treaties in the mutual legal assistance

3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter IV
## D. UNCAC Chapter V: Asset Recovery

**UNCAC Provisions:**
- Art. 52: Prevention and detection of transfers of proceeds of crime
- Art. 53: Measures for direct recovery of property
- Art. 54: Mechanisms for recovery of property through international cooperation in confiscation
- Art. 55: International cooperation for purposes of confiscation
- Art. 56: Special cooperation
- Art. 57: Return and disposal of assets
- Art. 58: Financial intelligence unit
- Art. 59: Bilateral and multilateral agreements and arrangements

### 1. Measures Undertaken to Implement UNCAC provisions since the 19th Steering Group Meeting in September 2014

In the process of comprehensive amendments of the laws on criminal proceedings, civil proceedings and administrative proceedings, Vietnam is also actively studying the mechanisms for recovery of proceeds of crimes in general, proceeds of corruption in particular.

### 2. Measures Being Planned to Implement UNCAC provisions

Continue studying the mechanisms for recovery of proceeds of crimes in general, proceeds of corruption in particular in the process of comprehensive amendments of the laws on criminal proceedings, civil proceedings and administrative proceedings.

### 3. Issues, Challenges and Constraints in the Implementation of UNCAC provisions

Situation at the present: mechanisms to recover proceeds of crimes are not clearly regulated.

### 4. Capacity Building Seminar Topics and Training Needs to Strengthen the Implementation of Chapter V

Need specialized seminars on recover proceeds of crimes in general and proceeds of corruption in particular.
E. Additional Developments

1. Member’s Report on dissemination and domestic use of the initiative’s knowledge products and events (Members are requested to report on how they have shared internally and used the Initiative’s (recent) learning events in their internal anti-corruption efforts)

   The Government Inspectorate of Vietnam is carrying out the translation of some publications of the Initiative.

2. Member’s Report on measures taken to share knowledge and experience with other countries, including to help strengthen the capacity of developing countries to implement the UNCAC

   In the resumed meeting of the 5th IRG meeting in Vienna, Austria in October 2014, in the first discussion to review the implementation of Chapter III, representative from Vietnam was invited as a panelist to share Vietnam’s experiences. Vietnam shared some experiences and results from the UNCAC review finalized in 2012, especially focusing on some main results and challenges recognized from the review.