

MALAYSIA DEBT VENTURES BERHAD Document no: IACSOP-V2R1/2020	INTEGRITY & ANTI-CORRUPTION STANDARD OPERATING PROCEDURES		
	Effective Date 2020	Version No. 2	Revision No. 1



INTEGRITY & ANTI- CORRUPTION STANDARD OPERATING PROCEDURES

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DOCUMENT SIGN-OFF CERTIFICATE




Document Name	:	Integrity & Anti-Corruption Standard Operating Procedures
Document/ Reference No	:	IACSOP-V2R1/2020
Document Owner	:	Risk Management Division

Document Review History:


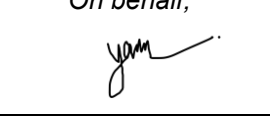
Item No.	Document No.	Effective Review Date	Next Review Date
1	IACSOP-V1R1/2019	14/8/2019	2022
2	IACSOP-V2R1/2020	21/7/2020	2023

This is to place on record that the **Integrity & Anti-Corruption Standard Operating Procedures** had been reviewed, signed-off and approved by the following parties:

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Approval/ Endorsement Checklist:

Date of approval by Risk Management Committee	:	14/8/2019
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Abbreviations

AML/ CFT	-	Anti-Money Laundering and Counter Financing of Terrorism
BOD	-	Board of Directors
BNM	-	Bank Negara Malaysia
BRMC	-	Board Risk Management Committee
BSSF	-	Business & Support Services Function
BTA	-	Business & Technology Advisory Division
CEO	-	Chief Executive Officer
Company/ MDV	-	Malaysia Debt Ventures Berhad
CRM	-	Corruption Risk Management
CSR	-	Corporate Social Responsibility
EKP	-	Enterprise Knowledge Portal
EVP	-	Executive Vice President
Experian	-	Experian Information Services (Malaysia) Sdn Bhd
FATF	-	Financial Action Task Force
HCD	-	Human Capital Department
HOD	-	Head of Divisions/ Departments
IACSOP/ SOP	-	Integrity & Anti-Corruption Standard Operating Procedures
KRI	-	Key Risk Indicator
KRP	-	Key Responsible Person
KYC	-	Know Your Customer
MACC	-	Malaysian Anti-Corruption Commission
MOF	-	Ministry of Finance
MOHA	-	Ministry of Home Affairs
ORA	-	Operational Risk Advocate
RCSA	-	Risk Control Self-Assessment
PDRM	-	Polis Di-Raja Malaysia
RMC	-	Risk Management Committee
RMD	-	Risk Management Division
SAVP	-	Senior Assistant Vice President
SRC	-	Sports & Recreational Club
SVP	-	Senior Vice President
VP	-	Vice President

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Document Revision History

Version	Date	Document No.	Summary of Changes
1	14/8/2019	IACSOP-V1R1/2019	Original Document
2	21/7/2020	IACSOP-V2R1/2020	<ul style="list-style-type: none"> i. Responsibility for the SOP – adding i) the reporting of anti-corruption programme/ activities by RMD to MACC and BOD; ii) RMD may procure feedback from participants on the programme/ activities conducted. ii. Inclusion of Foreign Public Official into the Public Official Definition under Part II (i.e. individual who have been entrusted with prominent public functions by foreign government or international organization et. al.) and explain the situation whether the public official who are no longer entrusted with a prominent public function could still pose a risk to MDV. iii. Insertion of two new clauses under Part V (Due Diligence on Customers and Third Party) i.e., i) The customer has to sign the Customer’s Annual Declaration Form during first application and on annual basis (refer to Appendix VIII); and ii) The third party must sign the Third Party Non-conflict of Interest with MDV Form together with the Third Party Declaration Form (refer to Appendix VI) et. al. iv. Due Diligence Process – adding the source for the due diligence i.e. MACC corruption offender portal, AML/CFT checklist, all AML/CFT links provided by BNM (including FATF and financial consumer alert) and MOHA list on top of KYC on AML/CFT via Experian, existing litigation records and seeking BTA to conduct screening on the third party. v. Record-keeping – adding “for the purpose of Integrity & Anti-Corruption Policy and SOP, the records shall include but not limited to communication of company’s commitment (to implement the anti-corruption compliance programme etc.), implementation of the anti-corruption policy/ SOP, report of activities in relation to the

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			<p>corruption prevention (such as via MDV's Annual Report) etc.”.</p> <p>vi. Incorporation of a new section, Part X - Staff Declaration of Conflict of Interest with Third Party.</p> <p>vii. Tightening/ enhancing Appendix VII (Due Diligence Checklist on Third Party).</p> <p>viii. Insertion of 3 new appendixes:</p> <p>a) <i>Appendix VI – Third Party Non-conflict of Interest with MDV Form</i></p> <p>b) <i>Appendix VIII – Customer’s Annual Declaration Form</i></p> <p>c) <i>Appendix IX – Staff Declaration of Conflict of Interest with Third Party</i></p>

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Preface

Policy Statement

MDV adopts a zero tolerance policy against all forms of bribery and corruption. The MDV's Code of Conduct Policy sets out MDV's core principles on this matter. The document, namely MDV's Integrity and Anti-Corruption Policy & SOP (hereinafter referred to as "IACP" or "the Policy" and "IACSOP" or "the SOP") will elaborate on these principles, by providing guidance to employees on how to deal with any improper solicitation, bribery and other corrupt activities and issues that may arise in the course of doing business.

Related Documents

This IACSOP shall be read together with other related internal policies/ frameworks/ procedures/ guidelines/ manuals (including but not limited to MDV's Code of Conduct Policy, Anti-Fraud Policy, Whistleblowing Policy & Procedures, Fit & Proper Policy & SOP, Integrity & Anti-Corruption Policy, Employee Handbook and other Human Capital's Policies and SOPs) and/ or external policies/ frameworks/ procedures/ guidelines/ manuals issued by the governing authorities.

Getting Help

Should any clarification and explanation is required, the employee is to consult their immediate supervisor/ HOD and/ or SAVP/ VP/ SVP/ EVP of the respective division/ department who shall refer the matter to RMD.

Change Request

For any amendments or changes that need to be made to this document, please forward the recommendations to RMD.

Document Creation Information

This SOP is created by RMD, to be reviewed and approved by RMC.

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Introduction

This SOP is issued pursuant to sub-section (5) of section 17(A) of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“Amendment Act 2018”).

The provision of section 17(A) under MACC Act 2009 (Amendment Act 2018) establish the principle of an organisation’s criminal liability (corporate liability) for the corrupt practices of its associated persons (i.e. the director, partner or an employee of the organisation or the person who performs services for or on behalf of the organisation) where such corrupt practices are carried out for the organisation’s benefit or advantage; whilst the organisation does not have the adequate policy/ procedures on anti-corruption in place.

In conjunction to the above, MDV adopts the anti-bribery management process. The need to implement this process supports sustainable development goal by combating corruption. This further showcases MDV’s commitment in upholding the highest level of ethics and integrity in the daily conduct of doing business.

This SOP is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide employees with basic guidelines on how MDV combats bribery and corruption in furtherance to the Company’s commitment to lawful and ethical behaviour at all times.

1.0 Objectives of the SOP

The principal objectives of this SOP are:

- 1.1 To foster the growth of a business environment that is free of corruption.
- 1.2 To ensure all MDV staff takes reasonable measures to ensure their daily activities do not involve in corrupt activities.
- 1.3 To provide guidance on how to recognise and deal with bribery and corruption issues.

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1.4 To avoid penalty from the relevant authorities due to non-compliance on any acts related to integrity and anti-corruption.

2.0 Coverage of the SOP

2.1 This SOP shall apply to all MDV staff.

2.2 It is also expected that all customers and third party (such as contractors, subcontractors, consultants, solicitors, agents, representatives and others) performing works or services for or on behalf of MDV shall comply with the relevant parts of this SOP when performing such works or services.

3.0 Compliance with Laws and Regulations

This SOP shall at all times comply with and be subject to the laws and regulations of Malaysia. In the unlikely event of any conflict or inconsistency between the provisions of IACSOP and the laws and regulations of Malaysia, the latter shall prevail.

All staff are required to report any suspicions on breaches of the SOP in accordance with MDV's Whistleblowing Policy & Procedures. MDV shall make a report to the relevant enforcement authorities (such as PDRM and MACC) upon actual conviction by the staff, i.e., breach of regulation or statutory law following the investigation and final decision made by the Whistleblowing/ Investigation Committee.

4.0 Infringement of the SOP

Any infringement of this SOP shall constitute a serious misconduct or offence warranting disciplinary action against the offender.

5.0 Responsibility for the SOP

RMD shall be the custodian of the SOP and shall be responsible for developing, recommending, communicating and reviewing the SOP. RMD may cooperate with HCD for the purpose of sourcing and implementing the integrity/ psychometric test to the KRPs or all staff or new hires as directed by the Management from time to time.

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RMD shall report the status of anti-corruption compliance programme/ activities to the BOD and to MACC on half-yearly basis.

IAD shall be involved in assessing the performance/ efficiency/ effectiveness of the anti-corruption process/ programme (such as vetting of the gifts declaration form, review of the IACSOP etc.). Depending on the needs, RMD may also procure feedback from the participants or staff on any anti-corruption programmes/ activities conducted.

6.0 Changes to the SOP

6.1 Any changes to the SOP shall be approved by the RMC unless the power to approve is delegated to the CEO.

6.2 RMD shall review the recommendation for changes before submitting to the RMC for approval.

7.0 Validity and Review of the SOP

7.1 The effective date of this SOP shall immediately be effective upon approval by the RMC.

7.2 This SOP shall be reviewed every three (3) years or as and when deemed necessary by the RMC/ Management of MDV.

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Part I : Integrity vs Corruption

1.0 Definition of Integrity

1.1 Integrity is the practice of being honest and showing a consistent and uncompromising adherence to strong moral and ethical principles and values.

2.0 Definition of Corruption

2.1 Corruption is defined as the abuse of office or position for personal gain or the misuse of position to help others in improperly enriching themselves or getting power.

2.2 Corruption can be any form of abuse of entrusted power for private gain and may include, but is not limited to bribery.

2.3 Bribery is commonly described as intentional inducement or reward offered, promised or provided in order to gain any commercial, contractual regulatory or personal advantage.

2.4 Both bribery and corruption are punishable offences under the MACC Act 2009 (Amendment Act 2018).

2.5 There are four (4) main offences prescribed by MACC Act 2009 (Amendment Act 2018):

2.5.1 Soliciting/ Receiving Gratification (Bribe) as per section 16 & 17(A);

2.5.2 Offering/ Giving Gratification (Bribe) as per section 16 & 17(B);

2.5.3 Intending to Deceive (False Claim) as per section 18; and

2.5.4 Using Office or Position for Gratification (Bribe) as per section 23.

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2.6 Failure to report on the above could lead to regulatory reprimand and fine as prescribed under MACC Act 2009 (Amendment Act 2018).

3.0 Forms of Corruption

3.1 Kickbacks - These are bribes fulfilled after a company has awarded a contract to a customer. They take place in purchasing, contracting, or other departments responsible for decisions to award contracts. The supplier provides the bribe by kicking part of the contract fee back to the buyer, either directly or through an intermediary.

3.2 Facilitation payments - These are typically small payments made to secure or expedite the performance of a routine or necessary action to which the payer is entitled, legally or otherwise.

3.3 Charitable and political donations, sponsorship, travel, and promotional expenses - These are legitimate activities for entities but can be abused by being used as a subterfuge for bribery.

3.4 Conflict of interest - A conflict of interest occurs where a person or entity with a duty to the organisation has a conflicting interest, duty, or commitment. Having a conflict of interest is not in itself corrupt, but corruption can arise where a director, employee, or contracted third party breaches the duty due to the organisation by acting in regard to another interest.

3.5 Bid rigging - The way that conspiring competitors effectively raise prices in situations where purchasers acquire goods or services by soliciting competing bids.

3.6 Cartels - A secret agreement or collusion between organisations to commit illicit actions or fraud.

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- 3.7 Price fixing** - An agreement among competitors to raise, fix, or otherwise maintain the price at which their goods or services are sold. Price fixing can take many forms, and any agreement that restricts price competition may violate applicable competition laws.
- 3.8 Revolving door** - This is corruption linked to the movement of high-level employees from public sector jobs to private sector jobs and vice versa. The main concern relates to how the practice by an organisation can compromise the impartiality and integrity of public office. For organisations, there may be risks in discussing or promising future employment to public officials or using former public officials as board members, employees, or consultants etc.
- 3.9 Patronage** - Favouritism in which a person is selected, regardless of qualifications, merit, or entitlement, for a job or benefit due to affiliations or connections.
- 3.10 Illegal information brokering** - The brokering of corporate confidential information obtained by illegal methods.
- 3.11 Insider trading** - Any securities transaction made when the person behind the trade is aware of non-public material information, and is hence violating his or her duty to maintain confidentiality of such knowledge.
- 3.12 Tax evasion** - The illegal non-payment of tax to the government of a jurisdiction to which it is owed by a person, enterprise, or trust who should be a taxpayer in that place.

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Part II : Gifts, Entertainment, and Corporate Hospitality

1.0 No-Gift Policy

- 1.1** MDV adopts a “No-Gift Policy” whereby all employees shall not solicit or accept any gifts from any third party that may have direct or indirect business interest with MDV.
- 1.2** MDV requires all employees to abide by this policy to avoid conflict of interest between MDV and the external parties as a gift can be seen as a bribe that may tarnish MDV’s reputation or be in violation of anti-bribery and corruption laws.
- 1.3** As set out in MDV’s Code of Conduct Policy, a conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in MDV for his or her personal benefit, including the benefit of his or her family and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by MDV from its employees in the performance of their duties and obligations.
- 1.4** Any gift of cash or cash value (e.g. vouchers, coupons, shares, commissions, etc.) is strictly prohibited at all times.
- 1.5** The exception to the above is for fruits, flowers, and token gifts/ promotional items (such as diaries, pens, umbrellas, shirts, etc.) with an approximate/ actual value of less than RM100 (the recipients must properly estimate the gift value) as well as hampers (any value) which shall be shared among team members or placed in common area/ pantry for staff consumption. In such a case, the staff could choose to accept the item without having to make the declaration.
- 1.6** Any gifts which violate the terms of “No-Gift Policy” must be declined/ returned with an explanation note from the employees thanking the customer/ third party for the gift and explain politely about MDV’s “No-Gift Policy” and proceed to decline/ return the gift accordingly.

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2.0 Receiving Gifts

- 2.1** The Company is very much aware that in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging MDV's "No-Gift Policy", some external parties may still insist in providing gifts to MDV's employees and/ or their family members.
- 2.2** In the event the employee is unable to decline/ return a gift with an approximate/ actual value of RM100 and more, the employee must declare and surrender such gift to HCD. HCD will in turn seek the CEO's direction on what is the best way to dispose the gift. The CEO, subject to his due considerations, will have the right to decide based on the following:
- (i) Donate the gift to charity; or
 - (ii) Surrender it to SRC to be used for the club's activities; or
 - (iii) Register it as a Company's property to be used publicly by all employees; or
 - (iv) Decorate it as a display item; or
 - (v) Share it with other employees; or
 - (vi) Retain all the gifts and utilise later as lucky draw items during Company's event etc.; or
 - (vii) Permit it to be retained by the employee.
- 2.3** The exception to clause 2.2 above is for meals provided/ paid for by a third party. In this case, the staff could accept any meals provided/ paid by a third party to them regardless of value but must declare it via the quarterly gift declaration form.
- 2.4** All declarations (with or without any gift, including entertainment and corporate hospitality) must be submitted to HCD on quarterly basis by the 5th of the following month and signed by the staff and HOD. For instance, Q1 declaration must be submitted to HCD on/ before 5th April.

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- 2.5** Should any dispute pertaining to this SOP arise, the final and decisive interpretation, clarification and decision will be made by the CEO.
- 2.6** The process flow of receiving gifts is shown under **Appendix II**.
- 2.7** In the case of directors/ board members, they shall be governed by the “No-Gift Policy” as designated by MOF/ government.

3.0 Receiving Corporate Hospitality & Entertainment

- 3.1** MDV strictly prohibits employees from soliciting corporate hospitality and entertainment nor are they allowed to accept hospitality and entertainment that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision, particularly from parties engaged in a tender or competitive bidding exercise.
- 3.2** MDV recognises that the occasional acceptance of an appropriate level of hospitality and entertainment given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for employees to exercise proper care and judgement before accepting the hospitality and entertainment. This is not only to safeguard the Company’s reputation, but also to protect employees from allegations of impropriety or undue influence.
- 3.3** Examples of entertainment events could include golf, movies, orchestra, theatre, etc. As for corporate hospitalities, the examples could include dining, conference, training, open-house, event tickets or invitation for events, additional discounts given on items bought from customer’s companies etc.
- 3.4** In the event the employees find that the corporate hospitality is beneficial to foster healthy business relationship, the staff could pursue the same but it has to be declared to HCD.

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- 3.5** For the purpose of this SOP, travelling is defined as corporate hospitality which typically involves travelling cost within the country or overseas paid by the third party.
- 3.6** If the employees have any doubts on the appropriateness of a corporate hospitality and entertainment offered by an external party, they should either decline the offer or consult with HOD first (subsequently to seek CEO's approval at the advice of HOD, if deemed necessary).
- 3.7** The process flow for accepting corporate hospitality and entertainment is shown under **Appendix III**.

4.0 Providing Gifts

- 4.1** Generally, all employees are not allowed to provide gifts to third party with the exception of CEO and any other officers (approved by the CEO) whereby the gift-giving are MDV's corporate gift mainly as a business courtesy or the gifts are distributed during a corporate event (bearing MDV's name or logo).
- 4.2** All expenses incurred to provide the corporate gifts must be properly kept, documented and recorded for audit purposes.

5.0 Providing Entertainment

- 5.1** MDV acknowledged that providing modest entertainment is a legitimate way of building business relationships and a common practice within the business environment to foster good business relationships with external clients and third party. As such, eligible employees are allowed to entertain clients and third party through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

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- 5.2** Employees should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore they should always exercise proper care and judgment when providing entertainment to client and third party especially when it involves public officials to ensure compliance with local anti-bribery and corruption laws.
- 5.3** Employees are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to the general values and principles of MDV's Code of Conduct Policy.
- 5.4** All staff are required to comply with the policies and procedures of HCD, and maintain expenses within the entitlement limits when carrying out entertainment activities. Any indication to/ potential breach of limit shall obtain CEO's approval via email (at least 3 working days prior to the event).
- 5.5** All expenses incurred to provide the entertainments must be properly kept, documented and recorded for audit purposes.

6.0 Providing Corporate Hospitality

- 6.1** MDV recognises that providing corporate hospitality to all stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.
- 6.2** It is customary for MDV to issue complimentary invitations in the form of passes, tickets or invitations to third party for events organised or sponsored by MDV as well as events organised or sponsored by external organisations.
- 6.3** While providing corporate hospitality is a reflection of MDV's courtesy and goodwill, the staff and respective HOD must exercise proper care to protect the Company's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision.

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- 6.4** There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to MDV's corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve public officials.
- 6.5** All expenses incurred to provide the corporate hospitality must be properly kept, documented and recorded for audit purposes.
- 6.6** For corporate hospitality, the respective division/ department/ committee has been given a specific budget. Any breach of the approved budget limit shall warrant the respective staff to seek approval from CEO via email (at least 3 working days prior to the event).
- 6.7** Likewise, if the division/ department wishes to provide corporate hospitality which is not under the business plan or budgeted programme, approval shall be sought from CEO via email (at least 3 working days prior to the event).
- 6.8** The process flow for providing corporate hospitality and entertainment is presented under **Appendix IV**.

7.0 Dealing with Public Officials

- 7.1** Public official means an individual having public official functions or acting in a public official capacity, and includes any of the following:
- (i) Yang Di-Pertuan Agong, Yang Dipertua Negeri, Sultan, Raja, Raja Muda, Tengku Mahkota etc.;
 - (ii) An official or employee of any government, or any agency, statutory body, ministry or department of the government (of any level);
 - (iii) Police, military, judicial official (of any level);
 - (iv) Member of Dewan Undangan Negeri and Dewan Negara;
 - (v) Senator;
 - (vi) Member of Parliament;
 - (vii) Any individual acting in an official capacity for a government (of any level);

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- (viii) Official or employee of a company/ an enterprise wholly or partially state-owned (of any level);
- (ix) A political party or official of a political party (of any level); and
- (x) A candidate for political office.
- (xi) Individual who have been entrusted with prominent public functions by foreign government or international organisation (including in the definition is the director and members of senior management/ equivalent function). This individual is considered as a Foreign Public Official.

- 7.2** Public officials include immediate family members, close associates and companies related to such individuals in their capacity as directors, members of management or beneficial owners.
- 7.3** Family members are individuals who are related to a public official either directly (consanguinity) or through marriage. A family member of the public officials include his/ her parents, siblings, spouse, children, and spouse's parents (biologically and non-biologically).
- 7.4** A close associate is any individual closely connected to public officials, either socially or professionally.
- 7.5** An individual who is closely connected to a public official may include the public official's:
- (a) extended family members, such as relatives (biological and non-biological relationship);
 - (b) financially dependent individuals (i.e. persons salaried by the public official such as drivers, bodyguards, secretaries);
 - (c) business partners or associates;
 - (d) prominent members of the same organisation as the public official;
 - (e) individuals working closely with the public official (i.e. work colleagues); or
 - (f) close friends.
- 7.6** Any business relationship with MDV involving interests of a public official who otherwise has a direct relationship with MDV, and which interests are not prohibited by MDV's Code of Conduct Policy, requires disclosure. In addition, management's

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specific approval for establishing business relationships with such customers must be obtained at the appropriate committee level.

- 7.7** All MDV staff are prohibited from paying for non-business travel, entertainment and corporate hospitality for any public official or his/ her family members at any amount without permission from the CEO.
- 7.8** If approval is obtained to provide gift, entertainment or corporate hospitality to public officials, the staff must ensure that the gift (only corporate gift is allowed), entertainment or corporate hospitality is not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity.
- 7.9** A public official who is no longer entrusted with a prominent public function could still pose risk to MDV including their family members and close associates.
- 7.10** The staff may consider the following factors in determining whether a family member or close associate of a public official who no longer holds a prominent public function should be considered as high risk:
- (a) the level of informal influence that the public official could still exercise, even though he no longer holds a prominent public function; and
 - (b) whether the public official's previous and current functions (though not in a public/ official capacity) are linked by the fact that the public official continues to deal with the company/ business.

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Part III : CSR, Donations and Sponsorships

1.0 CSR, Donations and Sponsorships

- 1.1 Any CSR, donations and sponsorship activities conducted must not be used as a conduit to circumvent, avoid, or evade the laws or regulatory requirements. More importantly, it shall not be used to facilitate corruption, illegal and money laundering activities.
- 1.2 All CSR, donations and sponsorship requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.
- 1.3 The proposed recipient must be a legitimate organisation and appropriate due diligence must be conducted in particular to ascertain that the benefits reach their intended recipient whilst the programme meet the intended objectives.
- 1.4 No CSR, donations and sponsorships shall be made to any beneficiary who is controlled or influenced by any political officials.
- 1.5 All CSR, donations and sponsorships shall be made in accordance with the approval limits/ budget and must obtain approval from the CEO.
- 1.6 All employees to use good judgment and common sense in assessing the requests. When in doubt, employees should seek further advice from HOD and CEO.

2.0 Political Contributions

- 2.1 As a matter of general policy, MDV does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.
- 2.2 The Company encourages employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by the law.
- 2.3 MDV has the right to engage and communicate its views and position on issues of public interest that have an important impact on the Company.

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Part IV : Facilitation Payment

1.0 Making Facilitation Payment

- 1.1** Facilitation payments is defined as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.
- 1.2** Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset, it can be any sort of advantage with the intention to influence them in their duties.
- 1.3** MDV prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.
- 1.4** All persons must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If the staff receive a request or offered facilitation payments, he/ she must immediately report to HOD/ CEO (or as provided under MDV's Whistleblowing Policy & Procedures).

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Part V : Due Diligence on Customers and Third Party

1.0 Dealing with Customers and Third Party

- 1.1** MDV's dealings with customers and third party which include contractors, vendors, suppliers, solicitors, agents, consultants, joint venture partners, introducers/ government intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of MDV's Code of Conduct Policy. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.
- 1.2** For the purpose of this SOP, the third party shall include all legitimate business entities ranging from public limited companies and private limited companies to partnerships and sole-proprietorships.
- 1.3** MDV expects that all customers and third party to observe MDV's set of values and ethical standards as their actions can implicate MDV legally and tarnish MDV's reputation. Therefore, where MDV engages with third party or lend-out to customers, the respective staff is obligated to conduct appropriate third party due diligence to understand the business and background of the prospective business before entering into any arrangements with them. This is to safeguard MDV and that MDV deals with customers/ third party that adheres to acceptable standard of integrity in conducting their business.
- 1.4** To ensure that MDV only conduct business with customers and third party that adhere to MDV's standards of integrity, the staff must exercise the following:
- (i) Conduct due diligence to assess the integrity of MDV's prospective customers and third party. Do not enter into any business dealings with any customers and third party suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.

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- (ii) All customers and third party have to be made aware of the principle of MDV's Code of Conduct, Anti-Fraud, Whistleblowing and Integrity & Anti-Corruption policies and SOPs as outlined under the Third Party Code of Conduct.
- (iii) All third party must sign the declaration form (refer to **Appendix V**) which states that:
 - a) They understand and will comply with all applicable laws and regulations relating to code of conduct, anti-fraud, integrity, anti-corruption, and whistleblowing. They must be ready to commit to the anti-corruption principles which include promoting values of integrity, transparency, accountability and good corporate governance, prevention of corruption, as well as support any anti-corruption initiatives led by the government and the local authorities (hereinafter collectively referred to as "the requirements").
 - b) They have not been convicted nor subjected to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and will report any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law, to MDV.
 - c) They undertake to promptly inform MDV of any breach and/ or alleged/ suspected breach of the requirements and cooperate with MDV in any investigation of such breach involving MDV's staff.
 - d) They acknowledge that the provisions set out in the declaration form shall form part of the terms and conditions of their appointment/ contract of service/ facility offer.
 - e) They further acknowledge that MDV has the right to suspend or terminate their contract/ agreement/ job and disqualify them from tendering for future contracts/ jobs if they were found to have breached the requirements or any other terms and conditions which

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may be implemented by MDV pursuant to the contract/ agreement/ job.

- (iv) Continue to be aware of and to periodically monitor third party's performance and business practices to ensure ongoing compliance.

Note: For the Third Party Declaration Form, it is applicable to non-customers only such as MDV's contractors, vendors, suppliers, solicitors, agents, consultants, joint venture partners, introducers/ government intermediaries etc. with contract/ agreement/ job value of more than RM5,000-00. As for customers, they have to sign the Customer's Annual Declaration Form during first application and on annual basis (refer to **Appendix VIII**).

MDV may also engage with online vendors/ service providers such as for the purchase of air flight tickets, travel insurance etc. Such vendors are excluded from the requirement to sign the declaration form. Nevertheless, the staff is still required to ensure reasonable due care is exercised to protect MDV's interest at all times.

Besides the declaration form, the third party must also sign the Third Party Non-conflict of Interest with MDV Form (refer to **Appendix VI**). This is to ensure that all MDV's contractors, vendors, suppliers, solicitors, agents, consultants, joint venture partners, introducers/ government intermediaries etc. are aware that they have no conflict of interest with MDV in their dealings with MDV. In the event the third party has conflict of interest with MDV, then they have the responsibility to ensure that such conflict of interest is being disclosed accordingly to the respective MDV's personnel.

- 1.5** If at any point during the due diligence exercise or in the dealings with customers or third party, there are conflict of interest or "red flags" being raised, these warrant further investigation and must be sufficiently addressed before the engagement with the customers and third party. Examples of common "red flags" involving customers and third party include:

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- (i) The transaction to be undertaken occurs in a country known for a high incidence of corrupt payment.
- (ii) Family, business or other “special” ties with government or public officials.
- (iii) A reference check reveals a flawed background or reputation of the customers/ third party.
- (iv) Objection to the anti-bribery representations/ commitments in commercial agreements or negative response when told of such requirements.
- (v) Convoluted payment arrangements such as payment in cash, payment to other parties or requests for upfront payment forexpenses or other fees.
- (vi) The customers/ third party requires that their identity not to be disclosed as part of the business transaction.
- (vii) Inadequate credentials for the nature of the engagement, no proper office to conduct their operations or no proper established place of business.

1.6 MDV requires its employees to use good judgment and common sense at all times in assessing the integrity and ethical business practices of the customers and third party.

1.7 Employees should seek advice from their HODs whenever there are any doubt relating to the customers’ or third party’s integrity prior to establishing the relationship with the customers/ third party.

1.8 For the detailed due diligence checklist on the third party, please refer to **Appendix VII**.

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2.0 High Risk Customers/ Third party

- 2.1 Public officials or those connected to public officials are classified as high risk customers/ third party.
- 2.2 This is because a public official is in a position to influence and could use this influence on a contract or could affect the decision making process.
- 2.3 Accordingly, contracts with customers and third party who are public officials, connected to or likely to be connected to public officials are high risk. Therefore, the due diligence conducted by the respective staff in lieu of the public official shall be more extensive.

3.0 Due Diligence Process

- 3.1 Due diligence shall provide the required outcome to the employees in making a decision whether to continue the relationship with the customers and third party. Any unsatisfactory findings from the due diligence shall be treated as red flags by the employees.
- 3.2 All of the red flags identified must be mitigated first before proceeding with the intended business dealings.
- 3.3 If the red flags have not been sufficiently mitigated, then it is crucial that further work is to be undertaken prior to proceeding with the relationship. All red flags will need to be resolved or mitigated.
- 3.4 In particular, the customers and third party should be asked what measures they have taken to resolve the issue/ red flag which had taken place in their company and made known to MDV.

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- 3.5** The staff must ensure that they have conducted a thorough due diligence process such as via MACC corruption offender portal, KYC features provided by Experian on AML/CFT, AML/CFT checklist, all AML/CFT links provided by BNM (including FATF and financial consumer alert) and MOHA list on top of existing litigation records and seeking BTA to conduct screening on the third party.
- 3.6** If the red flag relates to past investigation in corrupt activity where no conviction happened, then the red flags can be considered as mitigated (though it is prudent to seek further information or background of the circumstances).
- 3.7** The staff may also consider imposing conditions to reduce any perceived risk such as recommending anti-corruption policies on the customers/ third party. This may be stated in the letter, contract or agreement between MDV and the customers/ third party.
- 3.8** In some circumstances, the red flags are unsubstantiated rumours which have not been formally investigated by the authorities or law enforcement agencies or proven in court, tribunal or equivalent. Under this scenario, the staff may proceed with the relationship with the customers/ third party. Nevertheless, it is advisable that the staff to continuously monitor the situation and immediately highlight to the Management on any adverse findings.
- 3.9** Where the staff finds that the red flags still could not be mitigated or resolved despite all of the non-exhaustive measures, the staff shall not proceed with the relationship with the customers/ third party.
- 3.10** For any customers/ third party with a positive trace of public officials, and the staff has decided to commence the relationship whereby the interests are also not prohibited by MDV's Code of Conduct Policy, the disclosure in the financing requisition/ procurement proposal etc. is mandatory.

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Part VI : Financial & Non-financial Controls

1.0 Separation of Duties and Approving Powers

- 1.1** MDV adopts a clear separation of duties for all job functions either financial or non-financial related.
- 1.2** For jobs related to non-financial activities, there must be at least two-layers of checking, i.e., maker and checker. Nonetheless, in most circumstances, the non-financial job functions will have three layers of checking.
- 1.3** For jobs related to financial activities, MDV had since adopted four-layers of checking which shall comprise of the maker, checker, approver and internal audit verification.
- 1.4** Further, for financial activities (such as disbursement and payment activities), MDV strictly adopts multiple signatories to further mitigate any corruption risk.

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Part VII : Corruption Risk Management

1.0 Corruption Risk Management

- 1.1 CRM is a management process that helps to identify structural weaknesses that may facilitate corruption, provides a framework for all staff to take part in identifying risk factors and treatments, and embeds corruption prevention within a well-established governance framework.
- 1.2 Corruption risks may exist at all levels of management, in all functions and activities, and potentially involve internal and external stakeholders.
- 1.3 CRM serves as an important pillar in corruption prevention initiative.
- 1.4 Effective CRM requires commitment from MDV's leadership/ employees in building a sound risk culture based on integrity and honesty, clarity in the expression of corporate values, and a comprehensive policy framework.

2.0 Risk Management Approach

- 2.1 Risk management is a management tool and form part of good corporate governance for MDV.
- 2.2 The risk-based approach to prevent corruption helps MDV to focus on key processes or activities that have high exposure to potential corruption risks.
- 2.3 A risk management approach is the most appropriate way to ensure that these risks are identified and effectively managed.
- 2.4 CRM focus on analysing the corruption's root causes, impact to MDV and its risk treatment plans. If corruption does occur, the short and long-term consequences for MDV include:

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- (i) loss of reputation;
- (ii) loss of public confidence;
- (iii) financial loss;
- (iv) wasted resources;
- (v) the financial and resource cost of an internal and/ or external investigation; and
- (vi) damage staff morale.

3.0 Corruption Risk Assessment Process



3.1 Risk Identification

Identifying all potential risks related to corruption, bribery etc. in each and every process, activity and system. Two typical questions could be used to assist in identifying the risk, i.e., “what can happen” and “how can it happen”.

3.2 Risk Assessment

To estimate the magnitude of each type of corruption risk which had been identified, i.e., the likelihood and impact. For this purpose, staff/ ORA should rely on the likelihood and impact matrix as outlined under the RCSA as well as additional impacts for the fraud and corruption risk matrix.

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3.3 Risk Control

The relevant staff/ ORA shall list down all existing controls in place. If the relevant staff/ ORA finds that the existing controls are insufficient to mitigate the corruption risk, then he/ she should adhere to the following three steps: i) enhancing existing controls through better supervision, improved systems, policies and SOPs; ii) implementing new controls which are practical and doable; and iii) introducing new methods of detecting corrupt behaviour in relation to the risk factors/ risk events. All these steps shall be treated as the action plan which staff/ ORA pledge to comply.

3.4 Risk Monitoring

The monitoring of corruption risks, controls, and action plans by relevant staff/ ORA and risk owner shall be on continuous basis. An effective monitoring process is essential in detecting and correcting any deficiencies in the divisional/ departmental policies, SOPs and processes.

3.5 Risk Reporting

The reporting of any corruption risks shall be made immediately upon seven (7) working days of the occurrence. To reaffirm on this, all ORAs/ risk owners are further required to report on any loss events and KRIs breach to RMD on monthly basis to avoid any potential oversight.

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Part VIII : Record-keeping

1.0 Overview

- 1.1** All relevant staff have to maintain written records evidencing that due diligence has taken place and that any risks identified have been carefully considered and mitigated as practicably as possible.
- 1.2** Records should be retained for a significant period of time in order to comply with the local law as well as the Company's policies/SOPs.
- 1.3** For the purpose of Integrity & Anti-Corruption Policy and SOP, the records shall include but not limited to communication of Company's commitment (to implement the anti-corruption compliance programme etc.), implementation of the anti-corruption policy/ SOP, report of activities in relation to the corruption prevention (such as via MDV's Annual Report) etc.

2.0 General Retention Policy

- 2.1** The relevant staff must retain for at least **seven (7) years**, all records, operational work documents, other documents, and transactions to enable MDV to comply with any requests from the relevant authorities.
- 2.2** The relevant staff must keep the records, operational work documents, other documents, and transactions **permanently** in EKP/ repository/ system.

3.0 Specific Retention Policy

- 3.1** Records on customer's identification, business correspondence, and security documents are kept by the relevant staff for up to **seven (7) years after** the relationship is terminated/ exited/ completed.

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Part IX : Recruitment

1.0 Corruption & Bribery Screening

- 1.1 The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.
- 1.2 In line with this, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.
- 1.3 HCD shall conduct psychometric test, on top of the fit & proper assessment to all new recruits and/ or all staff/ KRPs to ascertain the level of integrity of all staff/ KRPs or the new hires.

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PART X – Staff Declaration of Conflict of Interest with Third Party

1.0 Purpose

- 1.1** The purpose of the staff declaration is to safeguard MDV’s interest whenever MDV enters into a transaction or arrangement with the third party whilst at the same time the staff may have personal interest on the transaction or arrangement via family member relationship etc.
- 1.2** Therefore, the staff is to declare in the event they have interest (directorship/ shareholding) or family member relationship (including interest and family member relationship in the body corporate) associated with the customers, contractors, bidders, vendors, suppliers, solicitors, agents, consultants, joint venture partners, introducers, government intermediaries etc. (hereinafter referred to as “Third Party”). The staff declaration form is attached under **Appendix IX**.
- 1.3** Wherever the staff encounters conflict of interest with the third party, the staff shall abstain/ refrain from commenting or involve in the origination/ evaluation/ procurement/ opening of tender/ approval/ disbursement/ payment/ recovery process etc.
- 1.4** The staff declaration form shall be signed by the staff whom encounter the conflict of interest with the third party and counter-signed by the immediate and ultimate superiors. Upon completion, the form must be submitted to RMD for record-keeping purposes.

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Appendix I



MALAYSIA DEBT VENTURES BERHAD (578113-A)
Gifts, Entertainment and Corporate Hospitality Declaration
Form

This declaration form is in accordance with the Company’s “**No-Gift Policy**”. Therefore, all employees must declare all gifts (which is valued at **RM100 or more**), entertainment and corporate hospitality within **three (3) working days** upon receiving the same to HCD. Similarly, any meal treats (any value) accepted must also be declared in this form. The **physical gifts** valued at RM100 or more must be deposited to HCD within **three (3) working days** upon receipt of the same. HCD will seek CEO’s direction on best way to dispose the gift. For gifts worth less than RM100, staff could accept the same with no declaration is required. As for **hampers** (any value), no declaration is required **but** the staff **must** share the hampers amongst colleagues/ placed at pantry or common areas.

All declarations (with or without any gift, including entertainment and corporate hospitality) must be submitted to HCD on quarterly basis by the 5th of the following month and signed by the staff and HOD. For instance, Q1 declaration must be submitted to HCD on/ before 5th April.

Employee Name	:					
Position	:					
Division/ Department	:					
Declaration Period (“x” the relevant box)	:	<input type="checkbox"/> Q1	<input type="checkbox"/> Q2	<input type="checkbox"/> Q3	<input type="checkbox"/> Q4	Year : <input type="text"/>

A. Without any gifts, meal, entertainment and corporate hospitality to declare

I confirm that to the best of my knowledge, there are no gifts, meals, entertainment and/ or corporate hospitality items which I need to declare for this quarter.	:	Staff Signature: Date:
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B. With gifts, meals, entertainment and corporate hospitality to declare

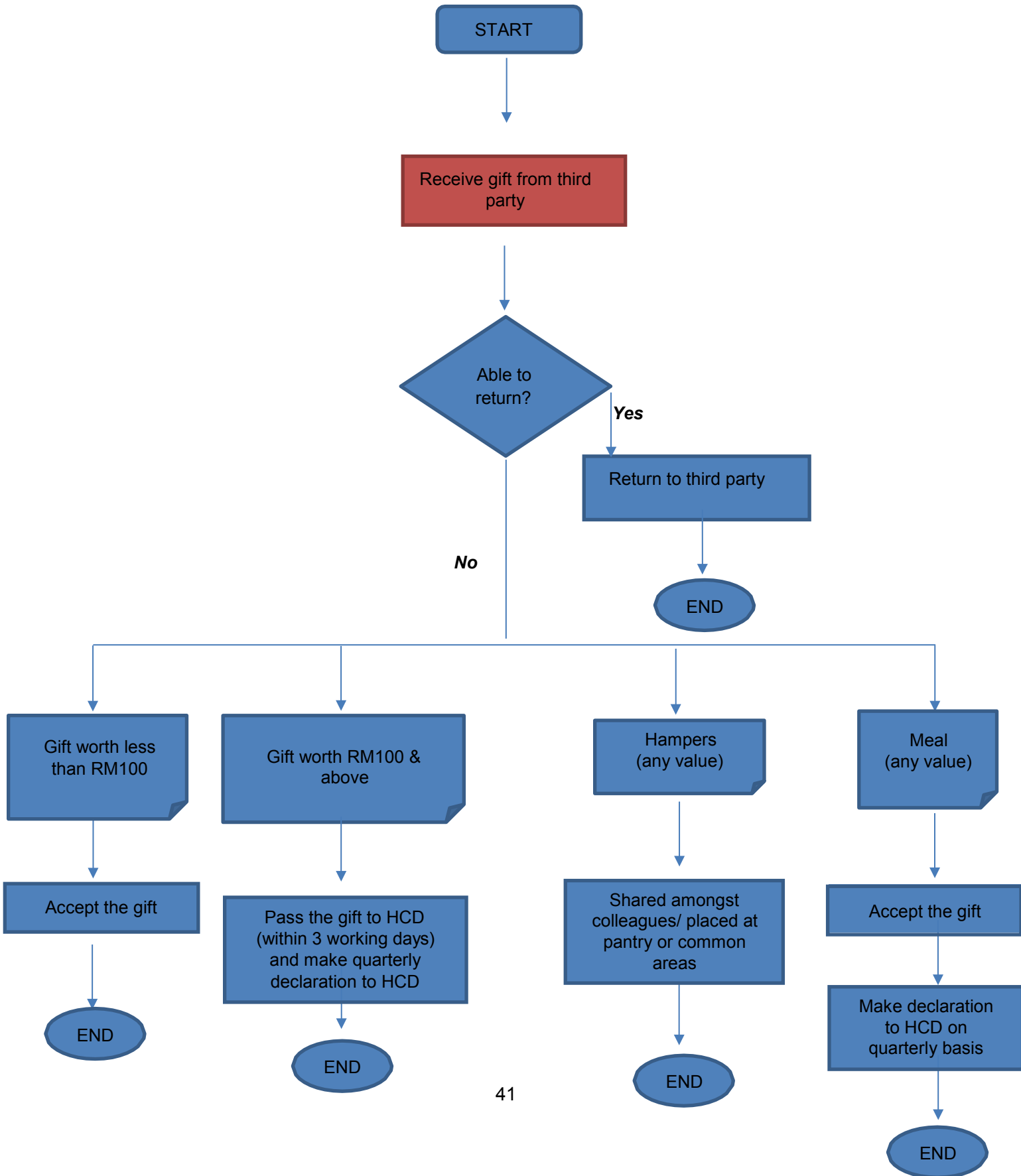
Item Received/ Meal Date	Description of Item/ Meal (for meals please include venue)	Estimated/ Actual Value (RM)	Given by (giver name and organisation)	Remarks
1.				
2.				

Please add rows as necessary

I confirm that to the best of my knowledge, my declaration above is true, complete and is according to the prevailing "No-Gift Policy".	:	Staff Signature:
		Date:

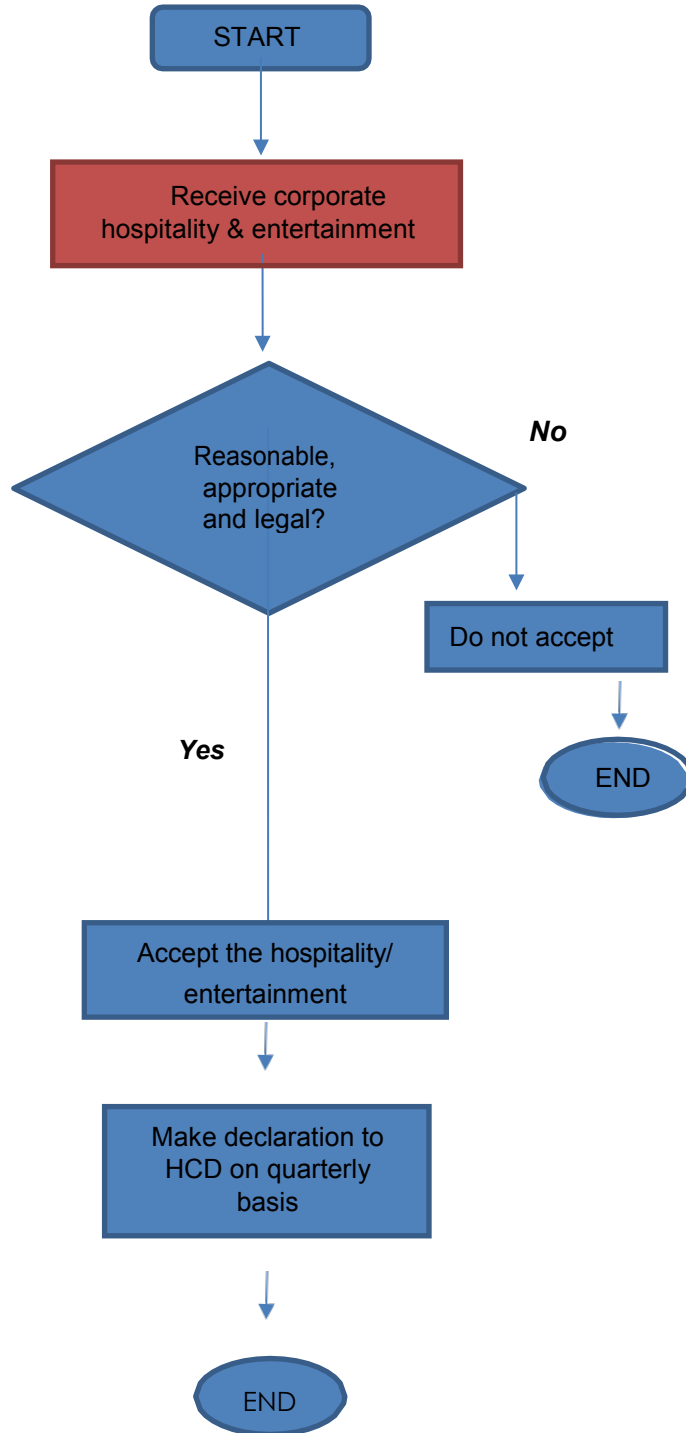
Administrative		
HOD's Remarks:	:	Name : Signature : Date:
HCD's Remarks	:	Name : Signature : Date:
CEO's Remarks	:	Name : NIZAM MOHAMED NADZRI Signature : Date:

Appendix II – Process for Accepting Gift from Third Party

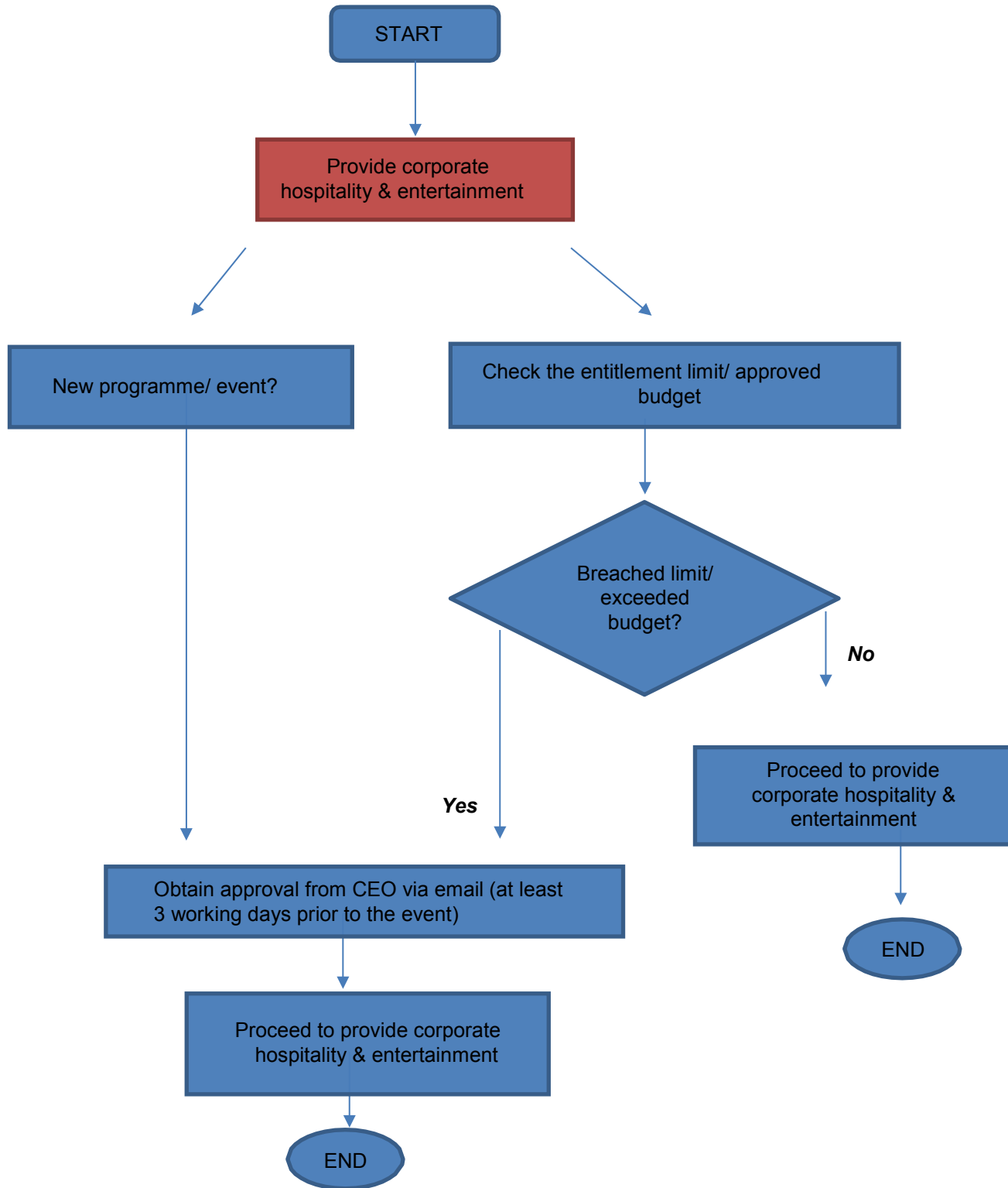


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Appendix III – Process for Accepting Corporate Hospitality & Entertainment



Appendix IV – Process for Providing Corporate Hospitality and Entertainment



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Appendix V – Third Party Declaration Form



THIRD PARTY DECLARATION FORM

(Integrity and Anti-Corruption)

1. We are the bidder/ contractor/ vendor/ supplier/ solicitor/ agent/ consultant/ joint venture partner/ introducer/ government intermediaries of Malaysia Debt Ventures Berhad (“MDV”).
2. We hereby declare that we will comply with:
 - (i) All applicable laws and regulations relating to MDV’s Code of Conduct, Anti-Fraud Policy, Integrity and Anti-Corruption Policy, and Whistleblowing Policy.
 - (ii) The following principles:
 - a) Committed to promote the values of integrity, transparency, accountability and good corporate governance.
 - b) Prevention of corruption and fight against any form of corrupt practice.
 - c) Support anti-corruption initiatives led by the government and the authorities.
(hereinafter collectively referred to as “the requirements”)
3. We have not been convicted nor are we subjected to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and will report any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law, to MDV.
4. We undertake to promptly inform MDV of any breach and/ or alleged/ suspected breach of the requirements via email to whistle@mdv.com.my and cooperate with MDV in any investigation of such breach involving MDV’s staff.
5. We acknowledge that the provisions set out in this declaration form shall form part of the terms and conditions of our appointment and/ or contract of service.
6. We further acknowledge that MDV has the right to suspend or terminate the contract/ agreement/ job and disqualify us from tendering for future contracts/ jobs if we were found to have breached the requirements or any other terms and conditions implemented by MDV pursuant to the contract/ agreement/ job.

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Signature of Authorised Person : _____

Name of Company's Authorised Person : _____

Company's Name : _____

Company's Stamp : _____

Date : _____

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Appendix VI – Third Party Non-conflict of Interest with MDV



NON-CONFLICT OF INTEREST WITH MALAYSIA DEBT VENTURES BERHAD

I, *[insert names and identity card / passport numbers of the authorised person]*, being the authorised person of *[insert name of the company]* (Company No. []), a company incorporated in Malaysia and having its registered office at *[insert registered address of applicant]* (the “**Company**”) have been duly authorised to affirm this Statutory Declaration for and on behalf of the Company. We **DO HEREBY SOLEMNLY AFFIRM AND DECLARE** as follows:-

- (1) that none of the directors of the Company is a director of MALAYSIA DEBT VENTURES BERHAD (“MDV”);
- (2) that none of the directors of the Company is a shareholder of MDV;
- (3) that none of the directors of the Company is in the employment of MDV;
- (4) that none of the members of any of the Company’s director’s family is a director of MDV;
- (5) that none of the members of any of the Company’s director’s family is a shareholder of MDV;
- (6) that none of the members of any of the Company’s director’s family is in the employment of MDV;
- (7) that none of the shareholders of the Company is a director of MDV;
- (8) that none of the shareholders of the Company is a shareholder of MDV;
- (9) that none of the shareholders of the Company is in the employment of MDV;;
- (10) that none of the members of any of the Company’s shareholder’s family is a director of MDV;
- (11) that none of the members of any of the Company’s shareholder’s family is a shareholder of MDV;
- (12) that none of the members of any of the Company’s shareholder’s family is an employee of MDV;
- (13) that none of the employees of the Company is a director of MDV;
- (14) that none of the employees of the Company is a shareholder of MDV;
- (15) that none of the employees of the Company is in the employment of MDV;
- (16) that none of the members of any of the Company’s employee’s family is a shareholder / director / employee of MDV;

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which for the purposes herein, we confirm that:-

- (a) **“members of family”** shall include spouse, parents, spouse’s parents, children, siblings, and the spouse of such children and siblings (biologically and non-biologically).
- (b) **“body corporate associated with the Company”** shall include a company / corporation:-
- i. which is the holding company of the Company; or
 - ii. which is the subsidiary company of the Company; or
 - iii. which is the subsidiary of the holding company of the Company; or
 - iv. which is, or the directors of which are, accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of the Company or of any directors or shareholders of the Company; or
 - v. in accordance with the directions, instructions or wishes of which, or of the directors of which, the Company or any directors or shareholders of the Company is accustomed or under an obligation (whether formal or informal) to act; or
 - vi. which holds not less than 15% of the voting shares in the Company; or
 - vii. in which the Company holds not less than 15% of the voting shares; or
 - viii. which any of the said company/corporation’s director, shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, no less than 15% of the voting shares in the Company; or
 - ix. in which any of the Company’s director, shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, no less than 15% of the voting shares.

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Signature of Authorised Person : _____

Name of Company's Authorised Person : _____

Company's Name : _____

Company's Stamp : _____

Date : _____

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Appendix VII – Due Diligence Checklist on Third Party

**Due Diligence Checklist on Third Party
(For Integrity and Anti-Corruption Compliance)**



If you have answered **YES** to any of the checklist, you must be satisfied that the relevant information/ explanation/ justification are procured/ documented prior to your engagement with the third party. Kindly tick N/A (not applicable) if any of the checklist is not relevant/ applicable to your assessment.

No	Due Diligence Checklist	Yes	No	N/A
Relationship with the Third Party				
1	Have you encounter any difficulty in obtaining information/ documents from the third party during the assessment ?			
2	Does the third party have the necessary skills and experience to provide the services for which they will be contracted for ?			
3	Has the third party requested for any payment besides what is stated in the contract ?			
Third Party's Corporate Governance				
4	Does the third party have a policy and/ or SOP on integrity and anti-corruption (or equivalent) ?			
5	Does the third party conduct a due diligence process/ procedures in selecting its customers ?			
6	Any indication of non-compliance of any laws in Malaysia by the third party ?			
Allegations/ Adverse News on Third Party				
7	Has there been any allegation/ evidence of corrupt activities on the third party or any of its employees ?			
8	Has there been any adverse news related to the third party ?			

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No	Due Diligence Checklist	Yes	No	N/A
Third Party as a Political Exposed Person/ Company (“PEP”)				
9	Is the third party classified as a PEP ?			
10	Is the third party being recommended by a PEP ?			
11	Is the third party will be in contact/ relying on a PEP in order to perform the work/ contract ?			
Third Party’s Business Dealings				
12	Has the third party been associated with any disreputable/ corrupt suppliers/ subcontractors etc. ?			
13	Is the business of the third party involved huge amount of cash transactions ?			
14	Is the third party has associates or subsidiaries in any tax heaven countries ?			
15	Is there any indication that the third party been dealing with high in corruption index countries (e.g. Somalia, Sudan, Syria, Afghanistan, Yemen) ?			

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Appendix VIII – Customer’s Annual Declaration Form



CUSTOMER’S ANNUAL DECLARATION FORM

(Integrity and Anti-Corruption)

1. We are the customer of Malaysia Debt Ventures Berhad (“MDV”).
2. We hereby declare that we will comply with:
 - (iii) All applicable laws and regulations relating to MDV’s Code of Conduct, Anti-Fraud Policy, Integrity and Anti-Corruption Policy, and Whistleblowing Policy.
 - (iv) The following anti-corruption principles:
 - a) Committed to promote high values of integrity, transparency, accountability and good corporate governance.
 - b) Prevention of corruption and fight against any form of corrupt practice.
 - c) Support anti-corruption initiatives led by the government and the authorities.
(hereinafter collectively referred to as “the requirements”)
3. We have not been convicted nor are we subjected to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and will report any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law, to MDV.
4. We undertake to promptly inform MDV of any breach and/ or alleged/ suspected breach of the requirements via email to whistle@mdv.com.my and cooperate with MDV in any investigation of such breach involving MDV’s staff.
5. We acknowledge that the provisions set out in this declaration form shall form part of the terms and conditions of our facility with MDV.
6. We further acknowledge that MDV has the right to terminate the facility offered if we were found to have breached the requirements or any other terms and conditions imposed by MDV pursuant to the facility offer.

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Signature of Authorised Person : _____

Name of Company's Authorised Person : _____

Company's Name : _____

Company's Stamp : _____

Date : _____

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Appendix IX – Staff Declaration of Conflict of Interest with Third Party



**MALAYSIA DEBT VENTURES BERHAD
(578113 – A)**

Staff Declaration of Conflict of Interest with Third Party

1. The purpose of this form is for staff to declare in the event they have interest (directorship/ shareholding) or family member relationship (including interest and family member relationship in the body corporate) associated with the customer, contractors, bidders, vendors, suppliers, solicitors, agents, consultants, joint venture partners, introducers, government intermediaries etc. (hereinafter referred to as “Third Party”).

2. In the event where the staff encounters conflict of interest with the Third Party, the staff shall abstain/ refrain from commenting or involve in the origination/ evaluation/ procurement/ opening of tender/ approval/ disbursement/ payment/ recovery process etc.

3. This form shall be signed by the staff whom encounter the conflict of interest and to be counter-signed by the immediate and ultimate superiors. Upon completion, the form must be submitted to Risk Management Division for record-keeping purposes.

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Staff Declaration of Conflict of Interest

Relationship with Third Party

Name of Third Party:			
No.	Question	Yes	No
1.	Are you the director of the Third Party?		
2.	Are you a shareholder of the Third Party?		
3.	Is any member of your family a director of the Third Party?		
4.	Is any member of your family a shareholder of the Third Party?		
5.	Are you a director of any body corporate which is associated with the Third Party?		
6.	Are you a shareholder of any body corporate which is associated with the Third Party?		
7.	Is any member of your family a director of any body corporate which is associated with the Third Party?		
8.	Is any member of your family a shareholder of any body corporate which is associated with the Third Party?		
9.	Is any member of your family in the employment of the Third Party?		
10.	Is any member of your family in the employment of any body corporate which is associated with the Third Party?		

Note:

1. "members of family" shall include spouse, parents, spouse's parents, children, siblings, and the spouse of such children and siblings (biologically and non-biologically).
2. "body corporate associated with the Third Party" shall include a company/ corporation :-
 - (a) which is the holding company of the Third Party; or
 - (b) which is the subsidiary company of the Third Party; or
 - (c) which is the subsidiary of the holding company of the Third Party; or

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- (d) which is, or the directors of which are, accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of the Third Party or of any directors or shareholders of the Third Party; or
- (e) in accordance with the directions, instructions or wishes of which, or of the directors of which, the Third Party or any directors or shareholders of the Third Party is accustomed or under an obligation (whether formal or informal) to act; or
- (f) which holds not less than 15% of the voting shares in the Third Party; or
- (g) in which the Third Party holds not less than 15% of the voting shares; or
- (h) which any of the said company/ corporation's director, shareholder and/ or persons connected with him are entitled to exercise, or control the exercise of, no less than 15% of the voting shares in the Third Party;
- (i) in which any of the Third Party's director, shareholder and/ or persons connected with him are entitled to exercise, or control the exercise of, no less than 15% of the voting shares.

Name	Designation	Signature	Date
<i>(staff's name)</i>			
<i>(immediate superior's name)</i>			
<i>(ultimate superior's name)</i>			

- END OF SOP -

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- (i) The transaction to be undertaken occurs in a country known for a high incidence of corrupt payment.
- (ii) Family, business or other “special” ties with government or public officials.
- (iii) A reference check reveals a flawed background or reputation of the customers/ third party.
- (iv) Objection to the anti-bribery representations/ commitments in commercial agreements or negative response when told of such requirements.
- (v) Convoluted payment arrangements such as payment in cash, payment to other parties or requests for upfront payment forexpenses or other fees.
- (vi) The customers/ third party requires that their identity not to be disclosed as part of the business transaction.
- (vii) Inadequate credentials for the nature of the engagement, no proper office to conduct their operations or no proper established place of business.

1.6 MDV requires its employees to use good judgment and common sense at all times in assessing the integrity and ethical business practices of the customers and third party.

1.7 Employees should seek advice from their HODs whenever there are any doubt relating to the customers’ or third party’s integrity prior to establishing the relationship with the customers/ third party.

1.8 For the detailed due diligence checklist on the third party, please refer to **Appendix VII**.