

The Hong Kong Chartered Governance Institute

The Code of Professional Ethics and Conduct

(Aug 2021)

Foreword

The Hong Kong Chartered Governance Institute (HKCGI) is an independent professional body dedicated to the promotion of its members' role in the formulation and effective implementation of good corporate governance policies, as well as the advancement of the profession of the Chartered Secretary and governance professionals in Hong Kong and throughout China.

HKCGI was first established in 1949 as an association of Hong Kong members of the Chartered Governance Institute (CGI) of London. It had been a branch of CGI in 1990 before gaining its local status in 1994 and has been CGI's Hong Kong/China Division since 2005.

Admission to membership of HKCGI is at all times conditional upon the Council of HKCGI first being satisfied that the applicant is a member of CGI. Members shall be deemed to have undertaken strictly to observe the standard of professional conduct and practice, and be bound by the CGI Charter and Byelaws and provisions of the HKCGI Articles of Association, and any other codes, rules and regulations made pursuant thereto and for the time being in force.

Members are expected to observe the highest standards of professional conduct and ethical behaviour in all their work and activities to uphold the objectives of CGI and HKCGI.

Graduates and registered students shall strictly observe the standard of professional conduct and practice required by the Council and comply with any codes, practice directions, rules and regulations governing professional conduct and practice of members (collectively the Rules) as if they were a member unless the Council or the Disciplinary Tribunal otherwise decide, or the Rules are otherwise inapplicable by the reason of the graduates and registered students not having acquired the minimum years of experience, training or passing the prescribed examinations.

Set out below is a Code which has been approved by the Council of CGI and HKCGI and which members, graduates and registered students are expected to abide by as the Code of Professional Ethics and Conduct (the Code).

The Code of Professional Ethics and Conduct

All provisions applicable to members in the Code shall be regarded as equally applicable to graduates and registered students.

Members shall:

- uphold the CGI Charter and comply with its Byelaws and any codes, rules or regulations made pursuant thereto;
- abide by the letter and spirit of HKCGI Articles of Association and any codes, rules or regulations made pursuant thereto;
- maintain good corporate governance, management and efficient administration in their professional capacity as a Chartered Secretary and/or a Chartered Governance Professional;
- exercise probity, honesty, due care and diligence in performing their duties and responsibilities; and
- at all times be cognisant of their responsibilities as professional persons towards the wider community.

The Code further comprises four core principles to which all members, graduates and registered students must adhere. The expressions not otherwise defined in the Code shall have the meaning assigned to them in the HKCGI Articles of Association.

1. Integrity

Integrity is the quality of being honest and having strong moral principles. The term has been described judicially as connoting “moral soundness, rectitude, and steady adherence to an ethical code”. It requires that members are impartial, independent and informed. Displaying integrity includes:

- acting professionally in their business dealings;
- displaying a proper understanding and appreciation of their role and responsibilities;
- being respectful of others at all times;
- not accepting or offering improper gifts, hospitality or other inducements;
- avoiding conflicts of interest, or, where a conflict arises, making sure that everyone involved is aware of the interest;
- recognising and considering the ethical issues arising from, and the interests of the groups or stakeholders who may be affected by, their choices, decisions and actions;
- avoiding involvement in any unethical, misleading, illegal or covert behaviour;
- not knowingly ignoring, or turning a blind eye to unethical, misleading, illegal or obscure behaviour; and
- avoiding bringing the profession into disrepute.

2. High standard of service/professional competence

A high standard of service or professional competence should be delivered throughout members' working life. This involves an understanding of relevant technical, professional and business developments. Professional competence also takes account of the wider implications and expectations of our members. This includes:

- maintaining professional knowledge and skills which are required to perform the role which members are employed to carry out;
- completing continuing professional development (CPD) as required by the Council, and this does not apply to registered students;
- communicating effectively and promptly with their employers, clients, colleagues and stakeholders to ensure that the said parties are able to make informed decisions;
- acting within their level of competence; if this requires an admission to his/her employer and/or client that he/she is unable to perform a task then this should be communicated effectively;
- upholding the requirements of the CGI Charter, and CGI Byelaws and HKCGI Articles of Association made under it; and
- respecting the confidentiality of information acquired through professional relationships save where there is a legal or regulatory requirement to disclose or report that information.

3. Transparency

Transparency requires that members are clear and open in their business and professional conduct. This includes:

- being open and frank in any business dealings;
- not being underhand in any business transaction; and
- treating all work as if it was reported in the public domain.

4. Professional behaviour

Professional behaviour requires that members act in a way which conforms to the relevant laws of the jurisdiction in which they are residing and/or undertaking business transactions. It requires them also to pay regard to all regulations which may have a bearing on their actions and to adhere to the CGI Byelaws and HKCGI Articles of Association, and the failing of such may result in disciplinary proceedings.

Notification to Employers

Members, graduates and registered students are encouraged to inform their employers at the time of employment that they are subject to this HKCGI Code of Professional Ethics and Conduct and to disciplinary proceedings in the event of non-compliance with such. A copy of the CGI Charter and Byelaws, CGI Code of Professional Ethics and Conduct, HKCGI Articles of Association and this HKCGI Code of Professional Ethics and Conduct shall be provided to the employers if so requested.

Approved by HKCGI Council on 26 July 2018

Endorsed by CGI Council on 21 September 2018

Amended for Change of New Name on 22 July 2021

Amended for Standardising the Name as Division of CGI on 31 May 2022