

TRANSPARENCY INTERNATIONAL MALAYSIA (TI-M)

Conflict of Interest Policy

(TI-Malaysia adopted this policy which was provided by the Transparency International)

Approved by the Board of Directors, 28 October 2004

Updated by the AMM, 14 November 2006, Guatemala City, Guatemala.

1. Applicability

This policy applies, except as otherwise stated, to every person associated with Transparency International (TI), its Secretariat or any of its National Chapters as a board member, officer, resource person or staff member. The “interests of any person associated with TI” include the interests of any person with whom they have a close personal relationship, including their spouse, life partner, children, parents, siblings or other close family members.

2. General Policy

- a. Every person associated with TI (according to paragraph 1) must avoid or manage any potential real or perceived conflict of interest (inter alia by refraining from any decision making or voting on matters subject to a potential conflict of interest), and openly acknowledge any potential or actual conflict of interest which arises through his/her association with TI.
- b. Conflicts of interest may arise from time to time in the course of such persons’ activities and decisions. They may arise in their work for the TI movement with regard to pecuniary or financial interests, or interests that impede them in their duty to act in the best interests of the TI movement.
- c. Members of the International Board of Directors, and members of the board of directors or any similar governance body of any National Chapter, shall declare their financial and non-financial interests which could potentially lead to or could conceivably be perceived as a conflict of interest. Such declaration shall be made by way of a register, which shall be open to the public. Where there are personal safety or similar serious concerns about full publicity, parts or even the whole of the declaration should be submitted to the Chairperson of the TI-Board Ethics Committee who shall hold it, and act upon it as appropriate, in confidence.
- d. TI's global efforts to raise the ethical standards of government officials, business people and other individuals could be compromised by any ethical lapses on the part of individuals representing TI or any of its National Chapters. It is essential that everyone associated with TI or any of its National Chapters be highly sensitive to potential conflicts of interest.

3. Remunerated Work Contracts and Consultancies

- a. Staff members (including management) of TI and its National Chapters sometimes are employed by, or undertake paid work for, other organisations.

Such work may be undertaken:

- (i) where the work is related to corruption, only with the express permission of their superior;
- (ii) in all other cases, only if the work is declared as early as practicable.

- b. Much of TI's work is done by individuals who are not employees of TI or any of its National Chapters but who act for or on behalf of TI voluntarily. This includes, among others, the members of the International Board of Directors and the International Advisory Council of TI, most of the members of the boards of directors or other governing bodies of any of the National Chapters, and the resource persons active throughout the TI movement. Many of such individuals will have a business, professional and other affiliations.
- c. Members of the International Board of Directors, or companies or other organisations with which such Members are currently affiliated, may not perform remunerated work for the TI Secretariat. Similarly, members of the board of directors or any similar governance body of any National Chapter, or companies or other organizations with which such individuals are currently affiliated, may not perform remunerated work for their own National Chapter, except that members of the board of directors or any similar governance body of any National Chapter may serve concurrently as a paid officer or staff member of the National Chapter under a contract approved by such board of directors or other governance body, as the case may be.
- d. Members of the International Board of Directors, or companies or other organizations with which such members are currently affiliated, may apply and compete for remunerated work contracts with any of the National Chapters, and (ii) members of the board of directors or any similar governance body of any National Chapter, or companies or other organizations with which such individuals are currently affiliated, may apply and compete for remunerated work contracts with any of the other National Chapters or with the TI Secretariat; provided however that they are not offered any advantages over any competitors concerning being awarded or carrying out such work. They must not utilize privileged information and do everything to contradict the perception of having utilized privileged information; in addition, they will not exercise their board function to the extent it relates to the conditions of the contract or the selection or supervision of such contract. In other words, they do not need to be disqualified in such cases because of their affiliation with TI, but neither may they be given the “inside track”. When doing non-TI related work, board members or their companies shall not utilize privileged TI information, and shall also be sensitive to the perception that they might be utilizing such information.
- e. Resource persons active anywhere in the TI movement, or companies or other organizations with which such individuals are affiliated, may apply and compete for remunerated work contracts with TI, or any of its National Chapters, provided they are not offered any advantages over any competitors concerning being awarded or carrying out such work. They must not utilize privileged information and do everything to contradict the perception of having utilized privileged information. In other words, they do not need to be disqualified because of their affiliation with TI, but neither may they be given the “inside track”. When doing non-TI related work, resource persons shall not utilize privileged TI information, and shall also be sensitive to the perception that they

might be utilizing such information. TI and the National Chapters will be transparent in their decision-making processes when commissioning paid work, and will follow transparent tender procedure.

- f. TI and the National Chapters will be transparent in their decision-making processes when commissioning paid work, and will follow transparent tender procedures.
- g. TI and the National Chapters will not hire or undertake any business relation with members of immediate family, i.e., a spouse, parent, child, or sibling of any of its staff or of its Board members without specific authorization through unanimous decision of the respective Board which may consider such possibility only after the due process ensuring open competition and level playing field has been exhausted.

4. Gifts and Entertainment

No person associated with TI or any of its National Chapters shall accept any gift, entertainment, loan or anything else of value from any organisation or individual if it could be reasonably construed or perceived that the gift is motivated by a wish to influence TI.

5. How to Deal with a Possible Conflict of Interest

- a. Potential conflicts of interest should be identified and declared by the person in potential conflict, or reported by other members of the movement, as soon as they become aware of such potential conflict of interest.
- b. Such disclosure or report should be made to the Chairman of TI or of the respective National Chapter or to another suitable senior officer or director.
- c. The evaluation of a potential conflict of interest must be made by the TI International Board of Directors or the National Chapter board or by un-involved individuals, such as the TI Board's Ethics Committee or any ethics body of any of the National Chapters. The evaluation may determine the absence of a conflict of interest, or it may lead to the conclusion that
 - i) the respective person should not go ahead with the evaluated activity or that
 - ii) he/she should recuse him/herself from participating in decision making by TI or any of its National Chapters with reference to the matter in conflict.
- d. The chairpersons of TI and its National Chapters respectively, and the respective Chief Executive on their behalves, are responsible for ensuring that all persons associated with the activities of TI or any of its National Chapters are made aware of the policy and procedures regarding conflict of interest. In addition, these policy and procedures should be made available to the general membership through publication, for example, on the website or in a newsletter.

6. Disclosure of Payments to National Chapter or TI International Board Members

When a TI National Chapter or the TI Secretariat makes payments including allowances– but excluding approved expenses and per diems – to a member of the International Board of TI, to a member of the board of the National Chapter in question, or a member of the board or a staff member of any other National Chapter – this should be declared in full in the annual Financial Statement and Annual Report of the chapter in question or of the TI-Secretariat. Such reporting should also outline the procurement/tender procedures conducted that led to such payment. Such requirement for disclosure does not apply to salaries and benefits paid to individuals in the exceptional situation foreseen under 3.c. of this policy, whereby they as senior paid staff of a National Chapter concurrently serve ex-officio as Board members of that Chapter.

7. TI Board's Ethics Committee

TI's International Board of Directors has established an Ethics Committee for the purpose of providing advice on ethical questions to anybody associated with the movement. The Terms of Reference and contact details of the Board Ethics Committee can be obtained through the TI-Secretariat or the Internet.

8. Scope of this policy

This policy sets minimum standards. Individual conflict of interest policies developed by National Chapters or the TI-Secretariat should be in line with this policy.