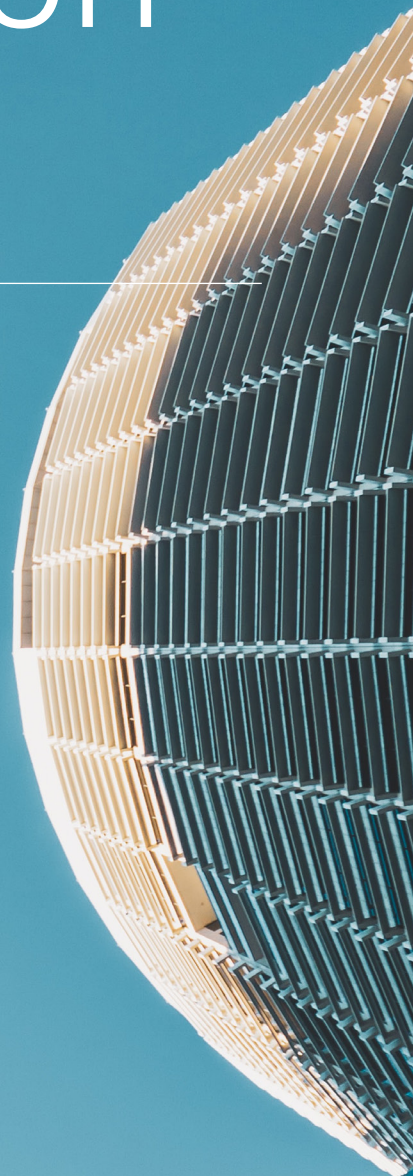

CHAMBERS GLOBAL PRACTICE GUIDES

Anti-Corruption 2026

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**Hong Kong: Law and Practice
& Trends and Developments**

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Debevoise & Plimpton



HONG KONG

Law and Practice

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Contents

1. Legal Framework p.4

- 1.1 International Conventions p.4
- 1.2 National Legislation p.4
- 1.3 Guidelines for the Interpretation and Enforcement of National Legislation p.5
- 1.4 Recent Key Amendments to National Legislation p.5

2. Bribery and Corruption Elements p.5

- 2.1 Bribery p.5
- 2.2 Influence-Peddling p.8
- 2.3 Financial Record-Keeping p.8
- 2.4 Public Officials p.8
- 2.5 Intermediaries p.9
- 2.6 Lobbyists p.9

3. Scope of Application p.9

- 3.1 Limitation Period p.9
- 3.2 Geographical Reach of Applicable Legislation p.9
- 3.3 Corporate Liability p.9

4. Defences and Exceptions p.9

- 4.1 Defences p.9
- 4.2 Exceptions p.10
- 4.3 De Minimis Exceptions p.10
- 4.4 Exempt Sectors/Industries p.10
- 4.5 Safe Harbour or Amnesty Programme p.10

5. Penalties for Violations p.11

- 5.1 Penalties on Conviction p.11
- 5.2 Guidelines Applicable to the Assessment of Penalties p.12

6. Disclosure Processes p.12

- 6.1 Disclosure Obligations p.12
- 6.2 Voluntary Disclosure Incentives p.12
- 6.3 Self-Disclosure Procedures p.13
- 6.4 Protections Afforded to Whistle-Blowers p.13
- 6.5 Incentives Provided to Whistle-Blowers p.13

7. Enforcement Trends p.13

- 7.1 Enforcement p.13
- 7.2 Enforcement Bodies p.13
- 7.3 Jurisdictional Reach of Enforcement Bodies p.14
- 7.4 Discretion for Mitigation and Aggravation p.14
- 7.5 Recent Landmark Investigations or Decisions p.14
- 7.6 Level of Sanctions Imposed p.15

8. Compliance Expectations p.15

- 8.1 Compliance Obligations p.15
- 8.2 Compliance Guidelines and Best Practices p.15
- 8.3 Compliance Monitorships p.15

9. Assessment p.15

- 9.1 Assessment of the Applicable Enforced Legislation p.15
- 9.2 Likely Changes to the Applicable Legislation of the Enforcement Body p.16

Debevoise & Plimpton has a market-leading white-collar and anti-corruption practice that draws on the firm's global resources to represent its clients in Asia. The team assists its clients with developing compliance programmes, managing corruption risks in transactions, performing internal investigations and dealing with regulators. Debevoise & Plimpton represents a wide range of institutions, including multinational companies and boards of directors with operations in Asia, Asian companies dealing with foreign regulators and regulations, and individuals across

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1. Legal Framework

1.1 International Conventions

As a special administrative region of China, China's ratifications of the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime apply to Hong Kong. Separately, Hong Kong has been a member of the Financial Action Task Force since 1991.

Hong Kong's primary law enforcement agency responsible for preventing corruption, the Independent Commission against Corruption (ICAC), is a member of various international anti-corruption bodies, including the International Association of Anti-Corruption Authorities, the APEC Anti-Corruption and Transparency Experts Working Group, the ADB/OECD Anti-Corruption Initiative for Asia-Pacific and the Economic Crime Agencies Network.

1.2 National Legislation

The Prevention of Bribery Ordinance (Cap 201) (POBO) is the primary anti-corruption legislation in Hong Kong. It regulates corrupt conduct in both the public and private sectors. The main offences are set out in Part II of the POBO. In addition to prohibiting the offering/giving or soliciting/receiving of bribes, the POBO contains an unexplained wealth offence, prohibiting the chief executive or a "prescribed officer" (certain civil servants) from maintaining a standard of living or being in control of pecuniary resources or property disproportionate to their present or past official emoluments without satisfactory explanation.

There are also other anti-corruption provisions that apply to specific sectors. For instance:

- the Elections (Corrupt and Illegal Conduct) Ordinance (Cap 554) prohibits corrupt conduct at elections and regulates political contributions; and
- the Banking Ordinance (Cap 155) makes it an offence for a director or employee of a licensed bank or deposit-taking company to ask for or receive, or consent or agree to receive, any property or thing of value in exchange for providing or endeavouring to provide certain improper advantages.

In terms of regulatory consequences, failure by financial institutions licensed by the Hong Kong Monetary Authority (HKMA) or the Securities and Futures Commission (SFC) to comply with applicable anti-corruption requirements may result in breach of the relevant codes of conduct, leading to disciplinary action. For civil servants, the Civil Service Code prohibits the soliciting or accepting of any advantage or gift that would, or might reasonably be seen to, compromise their integrity or judgment or influence the discharge or non-discharge of their duties and responsibilities. Even where the solicitation or acceptance of an advantage or gift does not constitute a breach of the POBO, a civil servant could still be liable to disciplinary action if such solicitation or acceptance has or could have led to a conflict between his or her private interest and official duties.

From a reporting perspective, the Organized and Serious Crimes Ordinance (Cap 455) (OSCO) requires any person who knows or suspects that any property represents any person's proceeds of, or was used or is intended to be used in connection with, an indictable offence to report that knowledge or suspicion as soon as reasonably practicable. Financial institutions

regulated by the HKMA and the SFC are also subject to self-reporting requirements under the Supervisory Policy Manual and the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “SFC Code of Conduct”), respectively.

1.3 Guidelines for the Interpretation and Enforcement of National Legislation

One of the ICAC’s missions is public education about corruption. In addition to advertisements, films and other public education materials, the ICAC has published, through the Corruption Prevention Advisory Service, a specialised unit in its Corruption Prevention Department, various sector-specific guides and tools for corruption prevention, including:

- Integrity and Corruption Prevention Guide on Managing Relationship with Public Servants;
- Sample Code of Conduct (for Members/Employees) of Public Bodies;
- Good Governance and Internal Control in Public Organizations;
- Sample Code of Conduct for Board Members & Staff of NGOs in Social Welfare Sector;
- Sample Code of Conduct for the Private Sector;
- Corruption Prevention Guide for Banks;
- Corruption Prevention Guide for Insurance Companies; and
- Corruption Prevention Guide for Construction Industry.

1.4 Recent Key Amendments to National Legislation

In June 2025, the Prevention of Bribery Ordinance (Amendment of Schedules 1 and 2) Order 2025 came into effect (the “Amendment Order”). The Amendment Order expands the scope of public bodies to include four new institutions and subject their employees/officers to the restrictions under the POBO.

Under the Amendment Order, four new institutions have been brought within the ambit of the POBO. They are the Hong Kong Investment Corporation Limited, Hong Kong FMI Services Limited, OTC Clearing Hong Kong Limited and CMU OmniClear Limited. In particular, Schedule 2 has been updated so that both OTC Clearing Hong Kong Limited and CMU Omni-

Clear Limited are categorised as bodies of which their office holders and members qualify as public servants under the POBO. Under the Amendment Order, not only will these institutions be subject to restrictions under the POBO, external parties that engage with these institutions will also fall within the scope of the legislative framework of the POBO.

2. Bribery and Corruption Elements

2.1 Bribery

The term “bribe” is not defined in the POBO, nor does it form part of the operative wording of any of the offences under the POBO. Instead, the POBO generally prohibits the offering, soliciting or acceptance of any “advantage” for the purpose of inducing someone to, or rewarding someone for, doing or not doing an act or showing favour or disfavour.

A person offering an advantage commits an offence even if the recipient did not have the ability to deliver the benefit for which the advantage was given, as long as they, in offering the advantage, believed or suspected that the recipient had the ability to deliver the benefit. Similarly, a person accepting an advantage commits an offence even if they did not have the ability to deliver the benefit for which the advantage was given, as long as they, in accepting the advantage, believed or suspected that the advantage was given for the purpose of securing a benefit.

Bribery of Public Officials

“Public servants”, as defined in the POBO, include prescribed officers, employees of public bodies and non-honorary office holders, as well as other individuals involved in the conduct or management of the affairs of certain public bodies.

Prescribed officers are a class of public servants subject to more stringent requirements. Section 3 of the POBO imposes a general prohibition on all prescribed officers, making it an offence for them to solicit or accept any advantage without permission from the chief executive. Contravention of this section does not require any corrupt motive. Prescribed officers include:

- any person holding an office of emolument, whether permanent or temporary, under the government;
- any principal official of the government appointed under the Basic Law;
- the HKMA;
- the chairperson of the Public Service Commission;
- any member of the ICAC staff; and
- any judicial officer and any member of staff of the judiciary.

To soften the impact of Section 3, the chief executive has issued the Acceptance of Advantages (Chief Executive's Permission) Notice, which gives prescribed officers general permission to accept advantages that fall outside the four restricted categories of gift, discount, loan of money and passage, as well as permission to accept advantages that fall within the restricted categories in limited circumstances.

With regard to public servants who are not prescribed officers, Section 4 of the POBO imposes criminal liability on any public servant who, whether in Hong Kong or elsewhere, solicits or accepts without lawful authority or reasonable excuse any advantage as an inducement to, or a reward for or otherwise:

- performing or abstaining from performing any act in their capacity as the chief executive or a public servant;
- expediting, delaying, hindering or preventing the performance of an act, whether by themselves or by any other public servant in their – or that other public servant's – capacity as the chief executive or a public servant; or
- assisting, favouring, hindering or delaying any person in the transaction of any business with a public body (collectively, the "Stipulated Acts").

It is also an offence for any person, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, to offer any advantage to the chief executive or any public servant as an inducement to – or a reward for or otherwise – the chief executive or public servant (as applicable) performing any of the Stipulated Acts.

The exception is where the recipient of the advantage is a public servant (not being a prescribed officer)

who had written permission to solicit or accept the advantage, granted by the public body that employs them, prior to the advantage being offered, solicited or accepted or as soon as reasonably possible after offer or acceptance of the advantage.

There is no exception for "facilitation payments", generally understood to mean payments made to secure or speed up performance by a public official of a duty that he or she was in any event obliged to perform unless the recipient is duly authorised to accept the payment.

Sections 5 to 8 of the POBO set out other public sector offences. Under these Sections, it is an offence if, without lawful authority or reasonable excuse:

- any person offers any advantage to the chief executive or any public servant, or the chief executive or any public servant solicits or accepts any advantage, as an inducement to – or a reward for or otherwise – the chief executive or the public servant (as applicable) assisting or influencing (i) the promotion, execution or procuring of any contract or subcontract to conduct work for a public body; or (ii) the payment of moneys under any such contract or subcontract (Section 5);
- any person offers, solicits or accepts any advantage as an inducement to – or a reward for or otherwise – the withdrawal of a tender, or refraining from making a tender, for any contract with a public body (Section 6);
- any person offers, solicits or accepts any advantage as an inducement to – or a reward for or otherwise – refraining from bidding at any auction conducted by or on behalf of any public body (Section 7); and
- any person who, while having dealings with the government, offers any advantage to any prescribed officer employed in the relevant department, office or establishment of the government; or while having dealings with any other public body, offers any advantage to any public servant employed by that public body (Section 8).

Further, Section 10 of the POBO makes it an offence for any person who is – or has been – the chief executive or a prescribed officer to maintain a standard of

living or be in control of pecuniary resources or property above that which is commensurate with their present or past official emoluments, unless that person is able to provide a satisfactory explanation for the disparity.

Bribery Between Private Parties

Section 9 of the POBO is the main provision therein that applies to private sector bribery. Under this section, it is an offence if, without lawful authority or reasonable excuse, any person offers any advantage to any agent, or any agent solicits or accepts any advantage, as an inducement to – or a reward for or otherwise – the agent performing or not performing any act, favouring or disfavoring any person or engaging in such conduct in relation to his or her principal's affairs or business. The exception to this is where the agent has permission from the principal to solicit or accept the advantage, and the permission was given before the advantage was offered, solicited or accepted or as soon as reasonably possible after offer or acceptance of the advantage.

Due to its wide ambit, Section 9 also operates as a catch-all and can cover public sector conduct that falls outside Sections 3 to 8.

Hospitality Expenditures, Gifts and Promotional Expenditures

"Advantage" is very widely defined and includes:

- any gift, loan, fee, reward or commission consisting of money, valuable security, other property or interest in property of any description;
- any office, employment or contract;
- any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- any other service or favour, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- the exercise or forbearance from the exercise of any right, power or duty; and
- any offer, undertaking or promise, whether conditional or unconditional, of any of the advantages referred to in the foregoing.

The POBO does not provide any *de minimis* defence. Hospitality expenditures, gifts and promotional expenditures are therefore likely to be regarded as advantages. However, "entertainment", defined as "the provision of food or drink, for consumption on the occasion when it is provided, and of other entertainment connected with, provided at the same time as, such provisions", is not regarded as an advantage under the POBO. A frequent point of contention in relation to this exception is whether the entertainment offered was solely for consumption "on the occasion when it was provided".

In light of the foregoing, offering, giving, soliciting or accepting gifts, travel, hospitality, etc is likely to contravene the POBO unless:

- the recipient is duly authorised to accept the advantage;
- the advantage falls within the entertainment exception; and/or
- the advantage is given in a private or personal context and not for the purpose of securing any benefit or facilitating any process.

Bribery of Foreign Public Officials

The POBO does not contain any provision that specifically governs bribery of foreign public officials. Further, as a "public servant" is not defined in the POBO to include foreign public officials, the provisions that apply to bribery of public officials in Hong Kong do not apply in the context of bribery of foreign public officials.

However, it was held by the Hong Kong Court of Final Appeal in *B v Commissioner of the Independent Commission Against Corruption* [2010] 3 HKC 118 that the definition of the term "agent" used in Section 9 of the POBO is non-exhaustive and could cover foreign public officials. In these circumstances, Section 9 can apply to the bribery of foreign public officials, but only if "a substantial measure of the activities constituting a crime" takes place in Hong Kong, as (unlike Section 4) Section 9 does not expressly apply to acts done "whether in Hong Kong or elsewhere" and therefore does not have extraterritorial effect (*HKSAR v Krieger* [2014] 3 HKLRD 404).

2.2 Influence-Peddling

As explained in 2.1 **Bribery**, the term “advantage” is adopted in all the relevant provisions in the POBO. Whether any particular conduct constitutes an offence under these provisions depends on whether an advantage was offered, solicited or accepted. An advantage is widely defined as including “any other service or favour” and “the exercise or forbearance from the exercise of any right or any power or duty”, which is likely to cover any exercise of influence on decision-making. Therefore, influence-peddling for the purpose of obtaining a benefit from a public servant or private party in Hong Kong is likely to constitute an offence under the POBO.

Influence-peddling for the purpose of obtaining a benefit from foreign public officials could constitute an offence under Section 9 of the POBO, depending on whether the influence-peddling occurred in Hong Kong (see 2.1 **Bribery**, “Bribery of Foreign Public Officials”).

2.3 Financial Record-Keeping

The POBO does not contain any requirement for the retention of books and records. However, Section 9 of the POBO includes a separate offence (Section 9 (3)) prohibiting an agent from using any receipt, account or other document that contains any statement that is materially false, erroneous or defective with intent to deceive their principal.

Although not found in the POBO, there are broad books and records requirements and offences elsewhere in Hong Kong law.

The Companies Ordinance (Cap 622) (CO) imposes various record-keeping obligations on Hong Kong companies. For instance, Section 373 of the CO imposes an obligation on Hong Kong companies to keep accounting records that are sufficient for the following purposes:

- to show and explain the company’s transactions;
- to disclose with reasonable accuracy, at any time, the company’s financial position and financial performance; and
- to enable the directors to ensure that the statements comply with the CO.

In particular, the accounting records must contain daily entries of all sums of money received and expended by the company – and the matters to which they relate – and a record of the company’s assets and liabilities.

Further, Section 51C of the Inland Revenue Ordinance (Cap 112) requires every person and company carrying on a trade, profession or business in Hong Kong to keep sufficient records of their income and expenditures for not less than seven years after completion of the relevant transaction, act or operation to enable the assessable profits of the trade, profession or business to be ascertained.

In addition, there is the offence of false accounting under Section 19 of the Theft Ordinance (Cap 210), which provides that a person who dishonestly, with a view to gain for themselves or another or with intent to cause loss to another, (i) destroys, defaces, conceals or falsifies any account, record or document made or required for any accounting purpose; or (ii) in furnishing information for any purpose, produces or makes use of any account, record or document made or required for any accounting purpose that they know is or may be materially misleading, false or deceptive, shall be guilty of an offence.

2.4 Public Officials

There are no specific offences under the POBO covering any act of misappropriation of public funds, unlawful taking of interest, embezzlement of public funds or favouritism by a public official. However, such acts may constitute theft under Sections 2 and 9 of the Theft Ordinance (Cap 210) if the public official dishonestly appropriates property belonging to another with the intention to permanently deprive the other of it.

A public official is also subject to the common law offence of misconduct in public office, which targets all forms of serious wilful misconduct by the public official in the course of or in relation to their public office, even if no bribery is involved. Such misconduct includes the situation where the public official uses their discretionary power improperly or shows favour to a particular contractor for personal interest.

2.5 Intermediaries

Pursuant to Section 2 (2) of the POBO, a person offers, solicits or accepts an advantage if they themselves, or “any other person acting on [their] behalf”, engage in the relevant conduct. Therefore, a person who offers, solicits or accepts an advantage through a third party or intermediary would still be exposed to liability under the bribery offences outlined in **2.1 Bribery**. The intermediary, on the other hand, would only be liable if they aided, abetted, counselled or procured the offence, or conspired with the person who offered, gave, solicited or accepted the bribe.

2.6 Lobbyists

Lobbying activities are not regulated by the POBO.

3. Scope of Application

3.1 Limitation Period

Under Hong Kong law, criminal offences are triable either (i) on indictment or (ii) summarily.

Broadly speaking, summary offences are less serious than indictable offences (ie, offences that may or must be tried on indictment).

There is no limitation period for indictable offences. For offences that may only be prosecuted summarily, prosecution should generally be brought within six months from the time when the underlying events occurred. However, the time limit for summary prosecution of Section 3 of the POBO is extended to two years from the time when the underlying events occurred. Further, in relation to the financial record-keeping offences referred to in **2.3 Financial Record-Keeping**, the time limit for offences under the CO that can only be prosecuted summarily is extended to (i) within three years after the commission of the offence; and (ii) within 12 months after the date on which the supporting evidence came to the Secretary for Justice’s knowledge.

3.2 Geographical Reach of Applicable Legislation

Section 4 of the POBO, relating to the bribery of Hong Kong civil servants, is the only provision in the ordinance that has extraterritorial effect, as it imposes

criminal liability regardless of whether the operative conduct takes place “in Hong Kong or elsewhere”. Thus, the offering of any advantage to a public servant, or the soliciting or accepting of such advantage by the public servant, as inducement or reward for doing or not doing an act or showing favour or disfavour is an offence under Section 4 of the POBO, even if the offering, soliciting or accepting occurs outside Hong Kong.

On the other hand, although Section 9 of the POBO does not have extraterritorial effect, as explained in **2.1 Bribery**, bribery of a foreign public official can be caught by Section 9 in circumstances where “a substantial measure of the activities constituting a crime” takes place in Hong Kong.

3.3 Corporate Liability

A “person” is defined under Section 3 of the Interpretation and General Clauses Ordinance (Cap 1) as “any public body and any body of persons, corporate or unincorporate”. The bribery offences under the POBO therefore apply to individuals and companies alike. However, in practice, it is rare for companies to be prosecuted for bribery offences. Therefore, although it is technically possible for a successor entity to be held liable for offences under the POBO committed by the predecessor entity prior to a merger or acquisition, it is the individuals involved who are typically prosecuted.

4. Defences and Exceptions

4.1 Defences

For bribery offences under Sections 4 to 9 of the POBO, it shall be a defence for the accused to show that they had lawful authority or reasonable excuse to offer, solicit or accept the advantage in question. Pursuant to Section 24 of the POBO, the accused shall bear the burden of proving a defence of lawful authority or reasonable excuse. Further, specifically in relation to Sections 4 and 9 of the POBO (dealing with bribery of civil servants and the catch-all offence), it shall also be a defence for the accused to show that they have written permission from the relevant public body or their principal (as applicable) to solicit or accept the advantage granted prior to it being offered,

solicited or accepted or as soon as reasonably possible after its offer or acceptance.

For the bribery offence under Section 3 of the POBO (dealing with prescribed officers), a common law defence of honest and reasonable mistake of fact is available, such that a defendant will not be liable if they can show, on the balance of probabilities, that they honestly and reasonably, but mistakenly, believed that they had the general or special permission of the chief executive to accept the advantage in question.

For an offence under Section 10 of the POBO (unexplained wealth), it is a defence for the accused to provide a satisfactory explanation as to how they were able to maintain the relevant standard of living or how the relevant pecuniary resources or property came under their control.

In relation to the obligation to keep accounting records pursuant to Section 373 of the CO, a director of the company in question may be liable for failing to take all reasonable steps to secure compliance with such obligation, but it is a defence for the director to establish that they had reasonable grounds to, and did in fact, believe that a competent and reliable person was charged with the duty of ensuring compliance and was in a position to discharge that duty.

4.2 Exceptions

There are no exceptions to the defences outlined in 4.1 Defences.

4.3 De Minimis Exceptions

The POBO does not contain any de minimis exception. However, according to the Prosecution Code of the Department of Justice (the “Prosecution Code”) – which is a set of statements and instructions to guide prosecutors in conducting prosecutions – in deciding whether to prosecute, consideration will be given to factors such as “the seriousness of the offence” and “whether or not the offence is trivial”. Therefore, in practice, prosecution may not be brought for a bribery offence that involves a bribe of a very low or nominal level, but that is not to say this would never occur. In 2024, a woman was charged by the ICAC for attempting to bribe a driving examiner with a moon-cake voucher worth over HKD400 in order to obtain

a passing result in her driving test after she failed the parking component. Bribery of any form or amount (even of a very low monetary value) is a serious criminal offence in Hong Kong.

4.4 Exempt Sectors/Industries

No sector or industry is exempt from the bribery offences under the POBO. Further, Section 19 of the POBO specifically states that it shall not be a defence for a bribery offence under the POBO to show that the advantage in question is customary in any profession, trade, vocation or calling.

4.5 Safe Harbour or Amnesty Programme

There is no safe harbour or amnesty programme for bribery offences under the POBO based on self-reporting, adequate compliance procedures or remediation efforts. In practice, self-reporting and voluntary co-operation with the authorities are significant mitigating factors that could lead to a decision not to prosecute. If the decision is made to prosecute and the person is convicted, they could rely on such conduct in mitigation to seek a reduced sentence.

Further, pursuant to the Prosecution Code, in exceptional circumstances, a witness or informer may be granted immunity from prosecution. Ordinarily, this would require that the evidence given by the witness or informer be necessary to secure the conviction of a person with a higher level of involvement in the relevant offence (as compared with the witness or informer), and that such evidence is not available elsewhere.

Finally, Section 23 of the POBO stipulates the circumstances in which a suspect of a corruption offence may be granted immunity from prosecution. Where a written request is made by the Secretary for Justice, the court may inform any person accused or suspected of a corruption offence that, if they give full and true evidence or are lawfully examined in such proceedings, they will not be prosecuted for the offence disclosed by their evidence.

5. Penalties for Violations

5.1 Penalties on Conviction

For bribery offences under the POBO, the following penalties apply.

- An offence under Sections 3 to 9 is punishable on summary conviction by a maximum fine of HKD100,000 and imprisonment for up to one year. A person convicted under Section 3 may also be ordered to pay the amount or value of the advantage received by them (or any part of that advantage that the court may specify).
- An offence under Section 10 is punishable on summary conviction by a maximum fine of HKD500,000 and imprisonment for up to three years.
- An offence under Section 4, 7, 8 or 9 is punishable on conviction upon indictment by a maximum fine of HKD500,000 and imprisonment for up to seven years.
- An offence under any Section 5 or 6 is punishable on conviction upon indictment by a maximum fine of HKD500,000 and imprisonment for up to ten years.
- An offence under Section 10 is punishable on conviction upon indictment by a maximum fine of HKD1 million and imprisonment for up to ten years.

Where a person has been convicted under Section 10 of the POBO on the basis that they are in control of pecuniary resources or property disproportionate to their present or past official emoluments, they may, in addition to receiving the penalty referred to in the foregoing, be ordered to pay to the government – or be subject to an order for confiscation of – a sum not exceeding the amount of the pecuniary resources or the value of the property for which they do not have a satisfactory explanation.

Anyone convicted of a bribery offence under the POBO may be prohibited for a period of up to seven years from taking up or continuing employment as either a professional, a self-employed businessperson or a manager of a corporation or public body (Section 33A of the POBO).

Penalties for Non-bribery Offences Applicable to Public Servants

Where a public servant misappropriates or embezzles public funds or engages in any other conduct that constitutes theft under Sections 2 and 9 of the Theft Ordinance, they shall be liable on conviction to imprisonment for ten years.

A public servant who is convicted of the common law offence of misconduct in public office is liable to a maximum penalty of seven years' imprisonment and a fine.

Penalties Under the CO

In relation to the obligation to keep accounting records pursuant to Section 373 of the CO:

- where a director of the company in question fails to take all reasonable steps to secure compliance with such obligation, they shall be liable on conviction to a maximum fine of HKD300,000; and
- where a director of the company in question wilfully fails to take all reasonable steps to secure compliance with such obligation, they shall be liable on conviction to a maximum fine of HKD300,000 and to imprisonment for up to 12 months.

Other Penalties

A person who, without reasonable excuse, fails to comply with the requirements of Section 51C of the Inland Revenue Ordinance to keep sufficient records of income and expenditure is liable on conviction to a maximum fine of HKD100,000. The court may further order the person to perform the act that they failed to perform within a specified period of time.

The offence of false accounting under Section 19 of the Theft Ordinance is punishable on conviction upon indictment to imprisonment for up to ten years.

Regulatory Consequences

Where any person regulated by the SFC commits any of the foregoing offences, such person is likely to be regarded as having engaged in misconduct and/or to be viewed by the SFC as being not a fit and proper person to be – or to remain – a regulated person, which may result in the SFC taking the following disciplinary action:

- revocation of licence;
- suspension of licence;
- revocation of approval granted to act as a responsible officer;
- public or private reprimand;
- prohibition to be, or to apply to be, licensed/registered as a responsible officer; and/or
- a pecuniary penalty of up to HKD10 million, or three times the amount of profit gained or loss avoided as a result of the misconduct.

5.2 Guidelines Applicable to the Assessment of Penalties

When imposing a sentence on a person convicted of bribery or corruption under the POBO, Hong Kong courts are generally guided by the following sentencing principles derived from case law.

- Distinguish between the culpability of offenders and award discounts where they are warranted, having regard to the maximum penalty.
- Treat the giver and receiver of a bribe as equally culpable in ordinary cases unless the circumstances justify different treatments.
- No distinction is made in principle between the culpability of private and public sector corruption.
- It is a norm to impose an immediate custodial sentence unless there are special circumstances for imposing some alternative sentence.
- For minor cases of corruption, the starting point is 12 months' imprisonment, which can be reduced on mitigation.
- Suspension of a custodial sentence and the making of a community service order are alternatives to a sentence of immediate imprisonment, and they will only be imposed in a corruption case if exceptional circumstances exist.
- Higher sentences may be imposed for multiple or repeated offences.

6. Disclosure Processes

6.1 Disclosure Obligations

Save for the disclosure requirements described below, there is no general legal duty to disclose or report known or suspected corruption or bribery to law enforcement bodies in Hong Kong. However, finan-

cial institutions and their directors, staff and auditors may be required, under particular local legislation or regulations, to disclose corrupt activities to the relevant regulators.

Where a company is a listed issuer in Hong Kong, it is subject to the mandatory disclosure requirements under the Environmental, Social and Governance Code set out in Appendix C2 of the Listing Rules of Hong Kong to disclose, on a “comply or explain” basis, information on compliance with relevant laws and regulations that have a significant impact on the listed issuer relating to bribery, and the number of concluded legal cases regarding corrupt practices brought against the listed issuer or its employees during the reporting period and the outcomes of the cases.

For completeness, under Section 25A of the OSCO, any person who knows or suspects that any property, in whole or in part, directly or indirectly represents any person's proceeds of, or was used or is intended to be used in connection with, an indictable offence is required to report that knowledge or suspicion as soon as reasonably practicable to a police officer or the Customs and Excise Department. In practice, suspicious transaction reports (STRs) are made to the Joint Financial Intelligence Unit (JFIU), which is jointly run by the Hong Kong Police Force and the Customs and Excise Department. The timely making of an STR triggers a defence to money laundering. A person who makes an STR before dealing in the property in question with the consent of the JFIU, or who makes an STR voluntarily as soon as reasonable after dealing in the property, shall not be liable for the offence of dealing in criminal proceeds under Section 25 of the OSCO.

6.2 Voluntary Disclosure Incentives

Apart from the disclosure requirements that are applicable to listed companies in Hong Kong described in **6.4 Protections Afforded to Whistle-Blowers**, self-disclosure of potential violations of anti-bribery and anti-corruption provisions are significant mitigating factors that could lead to a decision not to prosecute, or provide a basis for seeking a reduced sentence in mitigation if the person is prosecuted and

convicted, as stated in **4.5 Safe Harbour or Amnesty Programme**.

6.3 Self-Disclosure Procedures

As stated in **6.1 Disclosure Obligations**, there is no general legal duty to disclose or report known or suspected corruption or bribery to law enforcement bodies in Hong Kong, save that financial institutions and their directors, staff and auditors may be required under particular local legislation or regulations to disclose corrupt activities to the relevant regulators. Where an obligation to file an STR arises under Section 25A of OSCO, it should be submitted in writing to the JFIU.

6.4 Protections Afforded to Whistle-Blowers

Save as mentioned below, there is no legislation in Hong Kong that specifically protects whistle-blowers. However, Section 30A of the POBO prevents any witness in civil and criminal proceedings from being compelled to disclose, or to answer any question that may lead to the discovery of, an informer's name or address and also requires the redaction of any document in such proceedings that may lead to disclosure of the informer's identity. In addition, ICAC informers whose personal safety or well-being might be at risk may receive witness protection under the Witness Protection Ordinance (Cap 564).

For completeness, starting 1 January 2022, all Hong Kong listed companies are required under the Corporate Governance Code, which is at Appendix C1 to the Listing Rules of Hong Kong, to establish and disclose, on a "comply or explain" basis, effective whistleblowing and anti-corruption policies in their ESG reports. Specifically, the whistleblowing policy of a Hong Kong listed issuer is expected to cover, among other things, a description of preventative measures, the whistleblowing procedures adopted, and the manner in which these measures are implemented and monitored. The whistleblowing policy should emphasise the importance of keeping reports made under the policy on an anonymous and confidential basis and protecting whistle-blowers from retaliation.

6.5 Incentives Provided to Whistle-Blowers

There is no statutory framework for rewarding whistle-blowers. However, self-reporting and co-operation

with the authorities are mitigating factors that could result in a more lenient sentence after conviction. Although not guaranteed, this could also influence the prosecutor's decision on whether to grant immunity from prosecution. For details, see **4.5 Safe Harbour or Amnesty Programme**.

7. Enforcement Trends

7.1 Enforcement

Bribery offences under the POBO are prosecuted criminally, resulting, upon conviction, in the penalties outlined in **5.1 Penalties on Conviction**.

7.2 Enforcement Bodies

The ICAC is the law enforcement agency responsible for preventing and investigating corruption in Hong Kong. Under the Independent Commission Against Corruption Ordinance (Cap 204) (ICACO) and the POBO, the ICAC has wide-ranging powers to investigate corruption, including:

- the power to arrest without warrant any person who is reasonably suspected of committing an offence under the POBO and to enter and search any premises for the purpose of effecting such arrest if there is reason to believe that the person to be arrested is on the relevant premises;
- the power to search (without warrant in certain circumstances) any person reasonably suspected of committing any offence under the POBO and any premises in which such person was (or is to be) arrested or that is otherwise reasonably believed to contain evidence of the offence, and to seize or detain anything that is reasonably believed to be or to contain evidence of the offence;
- the power to require (with leave of the court) the production of documents and disclosure of information where there is reasonable cause to believe that the documents and information are likely to be relevant to the investigation of, or proceedings relating to, an offence under the POBO;
- the power to apply to the court for a restraining order, requiring any person being investigated or prosecuted for an offence under the POBO or any other person holding property on behalf of such person to refrain from disposing or dealing with any

- property in their possession except in accordance with the conditions imposed by the court; and
- the power to apply to the court for a written notice requiring any person who is being investigated for any offence under the POBO reasonably suspected to have been committed by them to surrender any travel documents in their possession.

Following investigation, pursuant to Section 31 (1) of the POBO, the consent of the Secretary for Justice is required for prosecuting bribery offences under the POBO.

The ICAC also works with other law enforcement agencies in Hong Kong to combat corruption in specific sectors; see the examples below.

- In 2019, the ICAC signed a Memorandum of Understanding with the SFC to strengthen their co-operation in combating illegal activities, including corruption, which damage the integrity of Hong Kong's securities and futures markets. Such co-operation enables the ICAC to benefit from the investigative fruits of the other law enforcement agencies. This is particularly significant in the case of the SFC, as a person interviewed by the SFC for a suspected breach or contravention of the Securities and Futures Ordinance (Cap 571) does not have the right to remain silent. Although the use of the compelled information as evidence in criminal proceedings against the interviewee is prohibited, such evidence may be used against others, and use of information derived from the compelled information against the interviewee and other parties is also permitted.
- In December 2024, the ICAC entered into a Memorandum of Understanding with the Competition Commission to enhance collaboration in combating corruption and anti-competitive conduct.

7.3 Jurisdictional Reach of Enforcement Bodies

The jurisdictional reach of the ICAC is defined by the scope of the bribery offences under the POBO. For details, see **3.2 Geographical Reach of Applicable Legislation**.

7.4 Discretion for Mitigation and Aggravation

Mitigating factors, such as self-reporting and voluntary co-operation with the authorities, if significant, could lead to a decision by the ICAC or the Secretary for Justice not to prosecute. If the decision is made to prosecute, such conduct is likely to result in the court imposing a reduced sentence. On the other hand, aggravating factors such as repeated misconduct could lead to more severe penalties upon conviction. See also **5.2 Guidelines Applicable to the Assessment of Penalties**.

Further, as stated in **4.5 Safe Harbour or Amnesty Programme**, a witness or informer may be granted immunity from prosecution under certain circumstances.

7.5 Recent Landmark Investigations or Decisions

In March 2025, the ICAC mounted operation “Arrow Shower” that targeted corrupt conduct relating to mortgage applications in the banking sector. A total of 22 individuals working in various banks were arrested as a result of this operation, including 18 frontline bank employees who had defrauded banks of referral fees by allegedly accepting bribes for assisting a mortgage loan intermediary in more than 200 property mortgage loan applications. The intermediary would receive referral fees from banks after having successfully referred clients to the banks for mortgage loan applications.

It was alleged that bank employees had included referral application forms in documents prepared for signing by mortgage loan applicants who had no knowledge of the mortgage referrals. The investigation revealed that the intermediary had offered bribes in the sum of HKD2 million to bank employees for processing certain clients' mortgage loan applications using falsified income documents, and that some mortgage applicants' signatures had been forged. This is a significant operation as the ICAC executed search warrants at over 30 premises in Hong Kong. The ICAC investigation is still ongoing.

Separately, the ICAC continued with the prosecution of individuals involved in the Hong Kong International Airport Third Runway Project for bribery offences. Per-

sons prosecuted included, among others, site team leaders of a sub-contractor who had the authority to assign work to fellow construction workers, from whom they solicited and accepted bribes in exchange for employment. The prosecutions began in December 2024, and at least four individuals have been convicted of accepting bribes from workers with custodial sentences ranging from three months to two years; see **7.6 Level of Sanctions Imposed**.

7.6 Level of Sanctions Imposed

Individuals arrested by the ICAC concerning the Third Runway Project of the Hong Kong International Airport were charged with bribery and other offences, including conspiracy for agents to accept advantages, and conspiracy to do an act intended to pervert the course of justice.

Of the three individuals who pleaded guilty to the charges, the court handed down the longest custodial sentence of two years to one of the defendants, while the two others received three-month sentences. All three defendants had also conspired to instruct some workers to make false statements to ICAC officers to say that they had not paid any bribes. The site team leader who was sentenced to two years in prison was identified as the mastermind and had instructed two other site team leaders to accept bribes totalling approximately HKD700,000 from around 80 workers. Given his key role and involvement, the court considered that a more severe sentence was warranted to reflect the severity of the matter.

Also, in relation to the same project, there was a separate incident where another team leader solicited bribes from a crane operator in exchange for continuing the latter's employment. Although the team leader did not actually receive any bribes as the crane operator subsequently resigned and did not respond to the solicitation, the team leader was still convicted of bribery and sentenced to six month' imprisonment.

8. Compliance Expectations

8.1 Compliance Obligations

The POBO does not impose any statutory duty to set up a compliance programme to prevent corruption,

and failure to prevent corruption is not a crime in Hong Kong.

However, financial institutions may be required, under applicable regulations or codes of conduct, to have in place adequate internal controls and resources to prevent corruption. For instance, any person regulated by the SFC is required to have internal control procedures and financial and operational capabilities that can be reasonably expected to protect its operations, clients and other licensed or registered persons from financial loss arising from theft, fraud and any other dishonest act, which would include corruption. Failure to comply may result in disciplinary action being taken against the regulated person.

8.2 Compliance Guidelines and Best Practices

Although the POBO does not impose a statutory duty to set up a compliance programme, the ICAC nevertheless provides guidance on expectations and best practices for corruption prevention. Suggested measures include establishing a strong anti-corruption culture within the organisation, implementing robust internal control systems to include the adoption and enforcement of effective policies and procedures, providing training on corruption prevention and raising awareness, and offering protection to whistle-blowers.

8.3 Compliance Monitorships

There is currently no legislation in Hong Kong that provides for compliance monitorship as a part of corporate resolutions. However, it is not uncommon for regulators, such as the HKMA and the SFC, to require regulated entities to appoint an external advisor to assess and enhance the effectiveness of its internal control system as part of the remedial actions imposed in disciplinary proceedings.

9. Assessment

9.1 Assessment of the Applicable Enforced Legislation

In February 2012, the Independent Review Committee for the Prevention and Handling of Potential Conflicts of Interests (IRC) was set up to conduct a review of the regulatory framework for the prevention and handling

of potential conflicts of interests concerning the chief executive of Hong Kong, members of the executive council and politically appointed officials, and to make recommendations including appropriate changes to the regulatory regime.

In its report submitted to the Hong Kong government in May 2012, the IRC identified a major loophole in the POBO in that the chief executive of Hong Kong was not subject to Section 3 (which criminalises the solicitation and acceptance of advantages by “prescribed officers” with the chief executive’s permission) or Section 8 (which criminalises the offering of advantages to public servants while having dealings with the government department or the public body in which the public servant is employed).

The IRC, therefore, recommended that legislation be enacted to render it a criminal offence:

- for the chief executive to solicit or accept any advantage without the general or special permission of a statutory independent committee; and
- for any person to offer any advantage to the chief executive, without lawful authority or reasonable excuse, where the person has any dealings with the government.

9.2 Likely Changes to the Applicable Legislation of the Enforcement Body

Following the IRC’s submission of its report in May 2012, efforts made to implement the suggested changes have failed to gain traction. Although the government confirmed in 2019 that “[it] [had] been actively following up on the IRC’s recommendations, with a view to enhancing the robustness of the system concerned to effectively prevent and properly deal with potential conflicts of interests involving public officials”, comments made in 2020 by Carrie Lam, then Chief Executive of Hong Kong, that implementing the suggested changes might violate the constitutional position of the chief executive raised doubts about the prospect of such changes being implemented. In 2021, Carrie Lam indicated that she would not seek to extend the application of Sections 3 and 8 of the POBO to cover the chief executive, as doing so could hamper her ability to be accountable to the PRC government and would conflict with the constitutional principle that the POBO is intended to apply to other public officers. Since that time, no further update has been provided by the Hong Kong government on the proposed extension of the application of Sections 3 and 8 of the POBO.

Trends and Developments

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Debevoise & Plimpton has a market-leading white-collar and anti-corruption practice that draws on the firm's global resources to represent its clients in Asia. The team assists its clients with developing compliance programmes, managing corruption risks in transactions, performing internal investigations and dealing with regulators. Debevoise & Plimpton represents a wide range of institutions, including multinational companies and boards of directors with operations in Asia, Asian companies dealing with foreign regulators and regulations, and individuals across

the globe. The firm has experience with virtually all major industries, including consumer products and services, energy and extractive industries, financial institutions, insurance, manufacturing, media, pharmaceuticals and medical devices, retail and specialty goods, and technology and transportation, among others. It works with clients on compliance matters and in all types of adversarial proceedings, ranging from contentious regulatory examinations to administrative enforcement actions and civil and criminal litigation.

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Prevention of Bribery Ordinance (Amendment of Schedules 1 and 2) Order 2025

On 20 June 2025, the HKSAR government (the “government”) published the Prevention of Bribery Ordinance (Amendment of Schedules 1 and 2) Order 2025 (the “Amendment Order”) in the Gazette to expand the list of “public bodies” to include four additional institutions and their employees and officers to the regulatory regime of the Prevention of Bribery Ordinance (Cap 201) (POBO). The Amendment Order took effect on the same day.

The POBO was last amended in January 2021 when Schedule 1 of the POBO was expanded to include HKMC Annuity Limited and HKMC Insurance Limited. The Amendment Order continues this trajectory of incrementally expanding protection in areas where heightened corruption risks may arise.

“Public bodies” and “public servants” under the POBO

Under the POBO, public bodies are subject to more stringent anti-corruption obligations than private organisations because they carry out functions affecting public interest. Public bodies are defined to include any board, commission, committee, or other body specified in Schedule 1 of the POBO, and public servants are defined to mean any government officer, any employee of a public body and any member of its governing body specified under Schedule 2 of the POBO.

The Amendment Order

The Amendment Order introduces amendments to Schedules 1 and 2 of the POBO by expanding the ambit of institutions recognised as public bodies under the POBO to include four new institutions, namely the Hong Kong Investment Corporation Limited (HKIC), Hong Kong FMI Services Limited, OTC Clearing Hong Kong and CMU OmniClear Limited (collectively, the “New Public Bodies”), to the list of public bodies listed in Schedule 1 of the POBO. Accordingly, the employees and officers at these New Public Bodies would also be subject to anti-bribery restrictions under the POBO, and these restrictions are extended to any person doing business with any of the New Public Bodies.

The government considers that, given the important role played by these four New Public Bodies, in particular the HKIC, which is entrusted with the significant task of supporting the development of innovation and technology as well as strategic industries via investment in Hong Kong, it is imperative for them to be designated as public bodies under the POBO. In view of this, any interactions with, among others, the employees and officers of the New Public Bodies will be subject to stringent scrutiny.

ICAC and SFC Joint Operation Against Suspected Market Manipulation and Corrupt Practices

ICAC’s collaboration with other regulators remains a key theme in the enforcement of the POBO. A recent example is the joint operation conducted by the Independent Commission Against Corruption (ICAC) and the Securities and Futures Commission (SFC) on 23 July 2025, which targeted a sophisticated syndicate suspected of manipulating the share price of a listed company and engaging in corrupt practices. Code-named “Leverage”, the joint operation was carried out under the framework of the existing Memorandum of Understanding between the ICAC and the SFC, which demonstrates the increasing integration of enforcement efforts between anti-corruption regulatory bodies with the aim of combating anti-corruption and complex forms of financial crime.

Operation “Leverage” involved an extensive search across 14 locations, which included offices of a listed company and SFC-licensed broker firms. In the course of the operation, the ICAC arrested a former chairperson and a former executive director of the listed company for suspected bribery, money laundering and market misconduct, in contravention of the provisions under the POBO, the Organized and Serious Crimes Ordinance, and the Securities and Futures Ordinance.

Specifically, the syndicate allegedly conspired to use fabricated internal records and public announcements of the listed company, which purported to show that the listed company had entered into a share subscription agreement and formed a joint venture with a Mainland company involving transactions exceeding HKD20 million. The syndicate is accused of having manipulated the market and/or created false mar-

ket appearance for the shares of the listed company through multiple nominee accounts. Furthermore, the former executive director of the listed company was suspected of accepting advantages from the former chairperson of the listed company and improperly misappropriating client shares with a market value of approximately HKD9 million. These acts, if proven, would represent a breach of fiduciary duties and a clear violation of Hong Kong's anti-bribery laws. The investigation is still ongoing.

The joint operation demonstrates Hong Kong's steadfast efforts in upholding market integrity through coordinated enforcement efforts. This case underscores the necessity of maintaining a secure compliance system and diligent record keeping, as well as cultivating a culture of integrity to mitigate the risk of breaching anti-corruption and market manipulation laws.

The Sports Governance and Integrity Alliance

Enhancing sports governance in Hong Kong has been one of the ICAC's major initiatives. Following the publication of the Integrity and Corruption Prevention Guide for local national sports associations (NSAs) in 2024 to set key standards for good governance, the ICAC has made further efforts to enhance governance standards and integrity in the sports industry by launching the Sports Governance and Integrity Alliance (SGIA) on 28 August 2025 jointly with the Hong Kong Jockey Club (HKJC), the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC), and The Hong Kong Chartered Governance Institute (HKCGI). The establishment of the SGIA is intended to kick-start a three-year collaborative initiative aimed at raising the governance standards of local NSAs, and to position Hong Kong as a clean, fair and internationally competitive hub for major sporting events.

Within this new initiative framework, the SF&OC will be tasked with setting standards, the HKJC will contribute resources, the HKCGI will enhance governance principles, and the ICAC will safeguard integrity. This will include the creation of sports programmes, the holding of a symposium on sports governance and the launching of sports governance certification courses, which are initiatives aimed at enhancing the NSA's governance and integrity.

It is further hoped that the launch of SGIA will help raise awareness and mitigate corruption risks in the sports sector. This is particularly significant given the ICAC operation "Tenacity," conducted in March 2025, in which the ICAC uncovered a syndicate suspected of football match-fixing and illegal gambling. A number of individuals were charged for offering bribes to football players for manipulating match results and facilitating the syndicate's illegal gambling business.

Operation "Heron"

On 9 May 2025, the ICAC announced the completion of Operation "Heron". The operation targeted a syndicate of 16 individuals involved in selling electronic cigarettes through an online shop and bribing logistics company staff to store and deliver the electronic cigarettes to customers. This case highlights not only the challenges related to the enforcement of the statutory ban on e-cigarettes, but also the ICAC's steadfast efforts action in tackling any forms of corruption.

Electronic cigarettes have been banned in Hong Kong since April 2022. Following the ban, the logistics company involved amended its policy and declined to accept any delivery requests for electronic cigarettes. Staff were also required to inspect parcels received from customers. Despite these measures, the syndicate bribed staff at the logistics company into circumventing the policy and successfully delivered about 200 parcels of electronic cigarettes each day. Staff accepted bribes of up to HKD20 per parcel, totalling approximately HKD370,000.

The individuals arrested included the mastermind, his wife and parents, as well as three additional associates who assisted in the operation of the illegal online business. Nine other staff members of the logistics company, including a branch supervisor and frontline station staff, were believed to have facilitated the distribution of the illicit goods.

In the course of the execution of the search warrants, the ICAC raided multiple locations, including private residences, two business stations of the logistics company, and a warehouse operated by the syndicate. From the warehouse, investigators seized 200,000 vaping products with a market value of HKD20 million – the largest single seizure recorded since the

statutory ban on e-cigarette sales came into effect in April 2022.

The Tobacco and Alcohol Control Office of the Department of Health played a central role in this operation by assisting with the testing and verification of the seized products through the government laboratory. The operation is a further example of cross-departmental collaboration in rigorously investigating and prosecuting bribery of any form and value, as well as strictly enforcing statutory prohibition on the sale of electronic cigarettes. This is also an important reminder for logistics companies to maintain robust compliance controls and conduct active internal monitoring in order to prevent staff from being involved in corruption and bribery.

Strengthening international co-operation

As the anti-graft body of Hong Kong, the ICAC recognises the value of close collaboration and strategic partnerships with fellow anti-graft counterparts from other jurisdictions. In 2025, the ICAC continued to foster such close collaboration efforts and co-hosted various training programmes and events with other international anti-corruption agencies.

In January 2025, the ICAC co-hosted an inaugural capacity building programme on anti-corruption with the Anti-Corruption Bureau of Brunei Darussalam. The four-day training programme aimed to promote a sense of integrity among young people at an international level and to encourage commitment to developing initiatives in international co-operation.

In September 2025, the ICAC, in collaboration with the United Nations Office on Drugs and Crime (UNODC) and the International Association of Anti-Corruption Authorities (IAACA), hosted a five-day hackathon event, the “Coding4Integrity Hackathon.” This event brought together young participants from 14 Asian countries and regions to design digital solutions to tackling corruption through the use of technology. This marked the first joint project of the ICAC, UNODC and IAACA. It is hoped that the ideas and solutions generated during this event can be shared with anti-corruption agencies across Asia, while also fostering a sense of integrity in young anti-graft advocates.

At the opening ceremony of the tenth Belt and Road Summit, the Commissioner of the ICAC signed a Memorandum of Understanding (MoU) with the President of the Integrity Authority of Hungary in an effort to promote collaboration and knowledge sharing in the fight against corruption. This marks the ninth MoU the ICAC has signed with overseas anti-graft agencies since 2024. The purpose of this latest MoU is to strengthen exchanges between the two bodies on anti-corruption experience and know-how through seminars, conferences and/or workshops, joint initiatives to promote integrity in the public and private sectors, and mutual assistance in corruption prevention.

The use of AI has not only become an integral part of daily life, but it is also becoming increasingly popular among regulators in Hong Kong for monitoring and enforcement purposes. In October 2025, the ICAC jointly organised and hosted a ten-day professional development programme on using AI and technology in tackling corruption together with the Hong Kong International Academy Against Corruption, the UNODC and its Global Operational Network of Anti-Corruption Law Enforcement Authorities (GlobE Network). The course was attended by representatives from 22 anti-corruption agencies from 16 jurisdictions. This illustrates the ICAC’s use of AI and other advanced technology to support its anti-graft efforts.

Most recently, in October 2025, the ICAC sent a delegation to South Africa to attend the G20 Anti-Corruption Working Group meeting for the first time. The meeting was attended by over 200 representatives from anti-graft bodies and law enforcement agencies across more than 20 jurisdictions who shared experience and know-how in dealing with the challenges of tackling corruption and explored future co-operation and collaboration opportunities.

Looking forward, the ICAC is expected to continue with these initiatives and collaboration, with a view to fostering international anti-corruption co-operation and commitment to sharing and exchanging expertise on issues such as youth engagement and digital anti-corruption strategies with other anti-graft agencies from around the world.

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