



## **INTEGRITY KIT**

Prepared by:

**INTEGRITY & GOVERNANCE DEPARTMENT**

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## BANK ISLAM INTEGRITY KIT

### **Our pledge**

**Bank Islam Malaysia Berhad** and its subsidiaries ("the Bank") has, from its inception, consistently adheres to the principles of good corporate governance and emphasis on operating its business with fairness and transparency. This is in line with the Bank's shared value of "**Act with Integrity**". The Bank is also a signatory to the Corporate Integrity Pledge, committing to uphold an Anti-Corruption Principles in Malaysia in promoting integrity, good governance and transparency in all aspects of its operation.

### **Our expectations**

In line with the commitment and with these underlying spirits, the Bank's Integrity Kit establishes essential guidelines to all Bank Islam's business associates in relation to all its dealings and business activities with the Bank. All our business associates are expected to read, understand and comply with the requirements set forth in this Integrity Kit.

### **Our policies**

The Bank has developed pertinent integrity policies as part of Bank Islam's commitment to integrity and sustainable way of doing business. All policies apply to Bank Islam and its stakeholders who include the directors, employees, business associates, members of public (where relevant) and all parties involved directly or indirectly in the affairs of the Bank. These policies are aligned with all relevant laws and regulations, including the National Anti-Corruption Plan ("NACP") and Malaysian Anti-Corruption Commission ("MACC") Act 2009, particularly Section 17A of the MACC (Amendment) Act 2018:

- i) Anti-Bribery and Corruption Policy ("ABCP");
- ii) Gift Policy ("GP"); and
- iii) Whistleblowing Policy ("WBP").

### **Our commitment**

Through these policies, the Bank holds **zero-tolerance approach** against all forms of bribery and corruption when conducting and all Bank's employees are not permitted to give or offer anything of value including gifts, hospitality, or entertainment to anyone for the purpose of improperly obtaining or retaining a business or personal advantage except otherwise governed by the policies.

The Bank pledges its full commitment to act professionally, fairly and with integrity in all its business dealings and expects its employees to observe the same. Hence, should you have any knowledge of, have reasonable belief the existence of an attempted, suspected or actual bribery and reason to suspect any violation of the policies and the related laws, you are expected to report it in good faith via the following channels:



whistle@bankislam.com.my



Bank Islam Integrity Hotline: 1-800-22-0091

**ADHERENCE TO SECTION 17A MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009 (MACC ACT) – CORPORATE CRIMINAL LIABILITY FOR CORRUPTION OFFENCES**

***What is s.17A MACC Act?***

The new section 17A which was introduced into the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”) in May 2018 provides for corporate criminal liability for corruption offences as well as for personal liability of persons involved in the management of a commercial organisation which come into force on 1 June 2020.

**Section 17A (1)** provides that a commercial organisation commits an offence if a “person associated” with the organisation corruptly gives, agrees to give, promises or offers to any person any gratification, whether for the benefit of that person or another person, with intent to obtain or retain business for the organisation, or to obtain or retain an advantage in the conduct of business for the organisation.

Pursuant to **Section 17A (3)** when a commercial organisation is convicted of an offence under section 17A, a director, controller, officer, partner or member of the management of the organisation is deemed to have committed the offence unless he proves that the offence was committed without his consent or connivance, and that he had exercised due diligence to prevent the commission of the offence, having regard to the nature of his function and to the circumstances.

***What is commercial organisation?***

“Commercial organisation” includes companies and partnerships (including limited liability partnerships), whether incorporated or formed in Malaysia or elsewhere, provided that the organisation concerned carries on business, or part of its business, in Malaysia.

***Who is “person associated”?***

“Person associated” refers to a director, partner, employee or any person who performs services for or on behalf of a commercial organisation.

***What are bribery and corruption offences under MACC Act?***

There are four main offences under MACC Act 2009:

1. Section 16 (Individuals)/Section 17 (Agents);
2. Section 16 & Section 17 – Offer/gives gratification,
3. Section 18 – Making false claim; and
4. Section 23 – Using office or position (public body) for gratification.

***What is the punishment?***

It is our duty to remind that the penalties imposed against a commercial organisation found to have committed these offences are severe. The organisation can be subjected to a fine of not less than 10 times the sum or value of the gratification or RM1.0 million, whichever is higher or to imprisonment for a term not exceeding 20 years, or to both.

**BANK ISLAM'S ANTI-BRIBERY AND CORRUPTION POLICY**

**Introduction**

This Policy sets out Bank Islam's zero-tolerance approach against all forms of bribery, corruption and any other non-regulatory compliance related risks.

**Purpose**

This Policy is intended to:

- a. ensure that all opportunities on corruption and any action in relation to bribery, conflict of interest, malpractice, abuse of power could be effectively and efficiently addressed; and
- b. ensure compliance with all applicable anti-corruption regulatory requirements when conducting business.

**Applicability**

This Policy applies to Bank Islam and its stakeholders which include the vendors, contractors, consultants, agents, outsourcing providers, solicitors (excluding ad-hoc solicitors), valuers (collectively, "Business Associates" (BA)), directors, employees and all parties involved directly or indirectly in the affairs of the Bank and they are required to strictly adhere to this Policy in carrying out and discharging their responsibilities. This ABCP also applies to members of the public, where relevant.

**Policy Statement**

Bank Islam holds a **zero-tolerance approach against all forms of bribery and corruption**. All business associates, directors, employees and all parties acting on behalf of Bank Islam should be responsible for maintaining the Bank's reputation by conducting the business honestly and ethically as well as observing the Bank's shared value, "**Act with Integrity**".

**Types of Bribery and Corruption**

Bribery and corruption may be in a variety of forms, amongst others are conflict of interest, political contributions, facilitation payments, money laundering, and abuse of power but not limited to the following:

No.	Types of Bribery & Corruption	Control Measures
1	Gift, Entertainment & Hospitality	<ul style="list-style-type: none"><li>• Only <b>permissible gifts</b> are allowed. Acceptance of all permissible gifts from third party must first <b>be declared and approval from appropriate authorities</b> must be sought prior to usage;</li><li>• It is <b>limited</b> in terms of <b>value (threshold of RM300.00), frequency, customary and lawful</b>; and</li><li>• Proper care and judgment must be carried out before providing and receiving entertainment and corporate hospitality as it may lead to improper cause undue influence on any party in exchange for some future benefit or result.</li></ul>

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No.	Types of Bribery & Corruption	Control Measures
2	Sponsorships & Donations	<ul style="list-style-type: none"><li>• Must be <b>in accordance to procedures</b> as provided in relevant Bank Islam's policy;</li><li>• <b>Refuse or decline professionally</b> if the external parties offer <b>any sponsorships or donations</b> (e.g. sponsoring staff activities i.e. teambuilding, annual dinner, family day, etc.); and</li><li>• <b>Ensure</b> that it is <b>genuine and not for business related matters or dealings</b> i.e. personal donations for charity purposes or religious events.</li></ul>
3	Facilitation Payments	<ul style="list-style-type: none"><li>• <b>Be cautious</b> and consider the purpose of such payment and whether the payment amount is reasonable for those goods or services; and</li><li>• <b>Request a receipt</b> that describes the purpose of payment.</li></ul>

### Dealings with Business Associates

**Due Diligence (DD) assessment** will be conducted **prior to any dealings** to review BA's background, reputation and business capability before engaging or contracting any on-boarding BA in particular, where there is significant exposure to bribery and corruption risk. This is to ensure that the Bank's interest is protected at all material times.

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**GIFT POLICY**

A gift connotes the giving or receiving gifts with intention to influence the recipient's judgment and/or decision or with the expectation of an exchange for a favour and/or benefit.

**General Rule of Gifts**

Bank Islam has implemented a **Gift Policy** which prohibits its employees from receiving or giving gifts from customers, vendors and any external parties/stakeholders. The policy outlines on what should or should not be accepted as a present, award or token of appreciation from business associates with a value **not exceeding RM300**. However, it must be stressed that **accepting gifts from vendors** or certain business associates is deemed inappropriate and falls under the **non-permissible category**. The Bank has established a specific condition on the types of **permissible gifts** and **non-permissible gifts as follows:**

**Permissible  
Gifts**

- **Exchange of gifts** at company-to-company level as part of an company's **official visit or courtesy call**;
- **Gift token** of nominal value bearing the organisation's logo and deemed as part of the **organisation's branding or promotional** activities;
- Gifts such as **flowers, fruits or food hampers** especially during festive seasons;
- **Gifts from business associates** to employees or vice versa in the capacity of Bank Islam which relates to an **event of a ceremonial nature** (e.g. commemoration of a business transaction or event);
- **Reciprocal meal or entertainment exchanges** that serve as legitimate business interests or are infrequent, normal, and social courtesies;
- **Complimentary invitation** by regulators or business associates for **conferences, seminars and trainings** as part of Bank Islam system improvisation or to support daily business activities;
- **Gifts** received by employees for the purpose of **birthday or wedding celebration on personal capacity**;
- **Gifts from the Bank to VVIP** (King/Sultans/Prime Minister/ Ministers), external institutions (governments/regulators/investors) or individuals in relation to the Bank's **official functions, events and celebrations**; and
- **Corporate gifts** from Bank Islam in relation to **Corporate Social Responsibility (CSR)** programme or motivational/educational/religious talks.

**Non-  
Permissible  
Gifts**

- **Cash or cash equivalents** (cheques, money orders, stocks, shares, saving bonds and cash vouchers);
- **Loans, fees, rewards, valuable security, use of property or interests in property** being property of any description whether movable or immovable, use of vehicle, financial benefits or any other benefits similar in advantage;
- Any **payment, release, discharge or liquidation of any loan**, obligation or other liability, whether in whole or in part;
- Any **travel-related expenses or accommodation** paid by customer or its agents associated with business or customer visitation, meetings or events except justified legitimate business travel and are subjected to HR policy;
- Any **paid holidays** which include transportation, accommodation or holiday package;
- Any **individual apparel** which includes jewellery, watch, bags, shoes, clothing, sunglasses, etc.;
- Any type of **electronic items or IT gadgets** which includes laptop, computer, smartphone, etc.;
- Any type of **paid club membership** (e.g. golf club membership, etc.);
- Any **complimentary tickets related to hospitality outing** including shariah non-compliant entertainment (e.g. concert tickets, musical tickets, opera tickets, free casino slots, formula 1 tickets, meals at non-halal restaurant etc.);
- Any **non-business related gift for the purpose of birthday celebration, wedding celebration, retirement or farewell using Bank's fund**;
- Any type of **entertainment expenses or sport activities** which are paid by customers or business partners (e.g. karaoke, spa treatment, golf, fishing, etc.); and
- Any **offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding points mentioned above** especially from the Bank's vendors & business associates such as procurement vendors, IT vendors, solicitors, valuers, etc., be it past, existing or not in our list of panels.

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The salient **DOs and DON'Ts** under the Bank's Gift Policy are as follows:



### **DOs**

- All acceptances of permissible gifts must first be declared and it must not be used until and unless approval is obtained accordingly; (See *Gift Policy on types of permissible gifts*).
- Employees may accept permissible gifts with the value up to RM300 with the approval of Branch Manager/ Head Region/Head of Department/Division;
- For permissible gifts beyond RM300, an approval from DCIO and/or CIGO/CCO is required;
- The Gift Acceptance Declaration Form must be completed within 7 days from the date of acceptance of the gift; and
- Should there be a request for bribe or receives bribe offer, report must be made to your immediate supervisor or to the Whistleblower Coordinator through the reporting channels.



### **DON'Ts**

- Under no circumstances may employees accept gift in the form of cash/cash equivalent/other types of benefits;
- No gifts may be given or accepted to influence any decision and/or action in order to retain business, expectation of specific favour or improper advantages;
- All employees and its stakeholders are prohibited from soliciting any form of gifts; and
- Customary hamper received during festive seasons are not allowed to be brought back and must be declared to the respective Branch Manager/Head of Region/Department/Division. The respective heads will then decide the treatment of the hamper whether to donate the hamper to charity or share it with other employees in the department.

**WHISTLEBLOWING POLICY**

**IF SOMETHING'S WRONG, SPEAK UP!**

By speaking up, we are holding the wrong-doers accountable

**Policy Statement**

This Whistleblowing Policy (WBP) aims to urge speaking up against wrongdoings and the Bank is committed to ensure the highest standards of ethical, integrity, moral and legal business conduct and practices. The Bank is also committed to transparency and accountability in all aspects of its business and operations. These commitments shall also align with the Bank in championing Shariah values and to maintain the standards of Shariah principles.

**Objective of the Policy**

WBP is to provide an avenue for all employees of the Bank and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and to provide protection for employees and members of the public who report such allegations.

**Applicability of the Policy**

The policy shall be applicable to all employees of the Bank, senior management, directors, including its subsidiaries and any other individuals who have established a relationship with the Bank including, but not limited to, agents, consultants, contractors, vendors, suppliers, and service providers.

**Scope of Reporting**

A disclosure of an unethical conduct and malpractice that may cause potential risk to the Bank shall include but not limited to the following issues:

- a) Bribery, receiving kick-backs
- b) Fraud or dishonesty
- c) Misuse of position
- d) Misuse of the Bank's property and information
- e) Harassment, sexual harassment
- f) Intimidation, bullying
- g) Forgery or alteration of any documents belonging to the Bank, its customers, another financial institution(s), or agents of the Bank.
- h) Actual or suspected criminal offences.
- i) Embezzlement or theft.
- j) Conflict of interest.
- k) Breach of Bank Negara Malaysia Guideline BNM/GP7
- l) Breach of the Bank's Code of Ethics and Conduct and other policies.

Members of the public are also encouraged to blow the whistle should they have discovered any incidences above, where relevant.

## **BANK ISLAM INTEGRITY KIT**

### **Confidentiality and Protection to Whistleblower**

Whistleblower (WB) is encouraged to identify himself/herself when submitting a disclosure report. If the identity is not revealed, the Bank has the discretion whether to proceed with the investigation or reject the anonymous disclosure. All concerns and disclosure made through this channel will be treated in utmost confidence.

The Bank shall take all necessary measures to ensure that the identity and personal information of the WB shall be protected at all time and kept confidential. Upon making the disclosure in good faith, the WB will be protected from any reprisal and/or detrimental action within the Bank as a direct consequence of his or her disclosure.

### **Reporting Channels**

Disclosure / report can be made to any of the following dedicated reporting channels:-

- a) Secured email address at [whistle@bankislam.com.my](mailto:whistle@bankislam.com.my);
- b) Secured hotline number at 1-800-22-0091;
- c) By writing or meeting in person with the Chief Integrity & Governance Officer (CIGO) at Level 30, Menara Bank Islam, No. 22, Jalan Perak, 50450 Kuala Lumpur; or
- d) Online submission through <https://cif.bankislam.com.my/WB/>

### **Timeframe**

The CIGO shall endeavour to complete the whistleblowing process within 90 days from the date the allegation was received, with conducting preliminary examination and thorough investigation upon disclosure.

### **Alternative Avenues to Whistleblow**

Alternatively, a WB may also lodge a report to the Bank Negara Malaysia, Polis Diraja Malaysia, Malaysian Anti-Corruption Commission or any other enforcement agency; if he/she so wishes.

**VENDOR'S CODE OF ETHICS GUIDELINE**

**What To Do**

All vendors and their representative shall conduct business transactions and activities with honesty, trustworthy, responsibility and integrity. In addition, all vendors and their representative shall:

1. Honestly and accurately record and report all business information;
2. Protect and be responsible for maintaining the physical and intellectual assets of Bank Islam, including property and equipment, when authorised by Bank Islam to use such assets;
3. Ensure that all records, communications and disclosures relating to Bank Islam are made fairly and timely when disclose to third party is required under the law as part of the job scope;
4. Protect any data that the bank may share with them in carrying out their scope of work; and
5. Complete the Vendor's Integrity Pledge to Bank Islam Malaysia Berhad which will be embedded in the contractual agreement.

**What Are The Regulations**

All vendors and their representative shall apply and comply with all Bank Islam's regulations and the amendments from time to time during the course of their business activities. In addition, all vendors and their representative shall comply with the following:

1. The terms and conditions as set forth in the contractual agreement;
2. All the Malaysian regulations and laws including the Malaysian Anti-Corruption Act 2009;
3. The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001;
4. Personal Data Protection Act 2010;
5. Islamic Financial Services Act 2013 – Provision on Banking Secrecy under Section 145 and 146; and
6. The environmental laws and regulations ie relating to hazardous materials, air emissions and all kinds of waste

**Why You Need To Follow**

**1) Anti-Corruption**

All vendors and their representative shall not, directly or indirectly, solicit, bargain, accept, give or promise to furnish any reward in terms of monetary, goods or services, to any Bank Islam's employee, family members and acquaintances in return for any decision, opinion, votes or other action affecting any decision on the acquisition of the vendor's services.

**2) Preventing Conflict of Interest**

All vendors and their representative should disclose any relationship it has with Bank Islam's employees, shareholders or Board of Directors upfront to avoid conflict of interest in the procurement arrangements. The disclosure is required upon submission of business interest in the Bank by completing the Declaration of Interest by Vendor.



**ACKNOWLEDGEMENT ON INTEGRITY KIT**

I/We hereby acknowledge receipt and declare that I/we have read and hereby undertake to comply with the requirements set out in Bank Islam's Integrity Kit.

Signed and confirmed  
by Authorised Signatory of the Company

Signature	:	
Name	:	
Designation	:	
Date	:	
Company stamp	:	