

# BANK ISLAM GROUP INTEGRITY KIT



**Prepared by:**  
**INTEGRITY & GOVERNANCE DEPARTMENT**

Bank Islam Malaysia Berhad • 198301002944 (98127-X)

**BANK ISLAM**

Assuring Trust. Delivering Value.

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### **Our pledge**

**Bank Islam Malaysia Berhad Group** ("Bank Islam Group") 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 Bank Islam Group's shared value of "**Act with Integrity**". Bank Islam Group 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, Bank Islam Group's Integrity Kit establishes essential guidelines to all Bank Islam Group's business associates in relation to all its dealings and business activities with the Group. All our business associates are expected to read, understand and comply with the requirements set forth in this Group Integrity Kit.

### **Our policies**

Bank Islam Group has developed pertinent integrity policies as part of Bank Islam Group's commitment to integrity and sustainable way of doing business. All policies apply to Bank Islam Group 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 Bank Islam Group. 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) Group Anti-Bribery and Corruption Policy ("GABCP");
- ii) Group Gift Policy ("GGP");
- iii) Group Whistleblowing Policy ("GWBP");
- iv) Group Business Associates Code of Conduct Guideline ("GBACOC"); and
- v) Group Corruption Risk Management Policy ("GCRMP").

### **Our commitment**

Through these policies, Bank Islam Group holds **zero-tolerance approach** against all forms of bribery and corruption when conducting and all Bank Islam Group'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.

Bank Islam Group 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 tier based whistleblower structure which can be referred under Group Whistleblowing Policy section under this Group Integrity Kit.



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

### **What is Section 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 five main offences under MACC Act 2009 (Amendment 2018):

1. Section 16 (Individuals)/Section 17 (Agents);
2. Section 16 & Section 17 – Offer/gives gratification;
3. Section 17A – Corporate Liability;
4. Section 18 – Making false claim; and
5. 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.

# GROUP ANTI-BRIBERY AND CORRUPTION POLICY



## Introduction

Group Anti-Bribery and Corruption Policy (GABCP) sets out Bank Islam Group'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 the compliance with all applicable anti-corruption regulatory requirements when conducting business.

## Applicability

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

## Policy Statement

Bank Islam Group 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 Group should be responsible for maintaining the Bank Islam Group's reputation by conducting the business honestly and ethically as well as observing Bank Islam Group'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.	<b>Gift, Entertainment &amp; Hospitality</b>	<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</b> from appropriate authorities must be sought prior to usage;</li> <li>▪ It is <b>limited</b> in terms of <b>value (threshold of RM300.00), frequency, customary</b> and <b>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>
2.	<b>Sponsorships &amp; Donations</b>	<ul style="list-style-type: none"> <li>▪ Must be <b>in accordance with procedures</b> as provided in relevant Bank Islam Group'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>.</li> </ul>

No.	Types of Bribery & Corruption	Control Measures
		<ul style="list-style-type: none"> <li>▪ As a business, we have <u>no political affiliations</u> and we do not make political donations. We provide support, both in money and in other forms, to qualified non-profit organisations to improve the overall well-being of the communities in which we operate. Charitable contributions or donations must be conducted transparently and verifiable, in order to avoid discrimination or appear to benefit both political parties and Bank Islam Group; and</li> <li>▪ Donations to charities associated with public officials and their families represent a significant risk for bribery and should be carefully considered and recorded according to our Anti-Bribery and Corruption; and Sponsorship and Donation policies.</li> </ul>
3.	<b>Facilitation Payments</b>	<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 business associates' background, reputation and business capability before engaging or contracting any on-boarding business associates in particular, where there is significant exposure to bribery and corruption risk. This is to ensure that Bank Islam Group's interest is protected at all material times.



# GROUP 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 Group has implemented a **Group Gift Policy** which prohibits its Group's employees from receiving or giving gifts from/to its business associates or 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 the threshold of **RM300**. However, it must be stressed that **accepting gifts** from business associates is deemed inappropriate and falls under the **non-permissible category**. Bank Islam Group 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 Group 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 Group's system improvisation or to support daily business activities;
- Gifts received from **employees' supervisors**, fellow colleagues and business associates on **personal capacity** which **may include cash** for occasional celebration e.g. birthday celebration, wedding celebration, new-born baby occasion and etc.;
- **Gifts from Bank Islam Group to VVIP** (King/Sultans/Prime Minister/ Ministers), external institutions (governments/ regulators/investors) or individuals in relation to Bank Islam Group's **official functions, events and celebrations**;
- **Corporate gifts** from Bank Islam Group in relation to **Corporate Social Responsibility (CSR)** programme or motivational/educational/religious talks;
- Gifts from Business Unit/ Support Unit (BU/ SU) to **Management Committee** and **Board of Directors** during **festive season** under its own BU/ SU budget allocation; and
- **Sample items** given by on-boarding business associates e.g. t-shirt, mug, umbrella and etc.



### Non-Permissible Gifts

- **Cash or cash equivalents** (cheques, money orders, stocks, shares, saving bonds and cash vouchers);
- **Financings, 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 financing, 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 Group Human Resources 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 Islam Group'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 Bank Islam Group's business associates, be it past, existing or not in our list of panel.



The salient DO's and DON'Ts under Bank Islam Group's Gift Policy are as follows:

## Do's

- All acceptances of permissible gifts must be declared, **except** for small corporate gifts and empty festival money packets, and it must not be used until and unless approval is obtained accordingly;
- Bank Islam Group employees may accept permissible gifts with the value up to RM300 with the approval of Branch Manager/ Head of Region Office/ Department/ Division or Group Chief Executive Officer at the entity level;
- For permissible gifts above RM300, an approval from Deputy Chief Integrity Officer and/or Group Chief Integrity & Governance Officer/Group Chief Compliance Officer is required;
- The Gift Acceptance Declaration must be completed within 7 working days from the date of acceptance of the gift; and
- Should there be a request for bribe or offer of bribe, Bank Islam Group's employees shall report to his/her immediate supervisor or to Group's whistleblowing reporting channels.

## Don'ts

- Under no circumstances, Bank Islam Group's employees may accept gift in the form of cash/cash equivalent/other types of benefits;
- No gifts can be given or accepted to influence any decision and/or action in order to retain business, expectation of specific favour or improper advantages; and
- All Bank Islam Group's employees and its stakeholders are prohibited from soliciting any form of gifts.

# GROUP WHISTLEBLOWING POLICY

Blow The Whistle, Speak Up!

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

## Policy Statement

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

## Objective of the Policy

GWBP is to provide an avenue for all employees of the Group 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 Group 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 and/or giving kickbacks;
- b) Fraud or dishonesty;
- c) Abuse of position;
- d) Abuse of the Group's property and information;
- e) Forgery or alteration of any documents belonging to the Group, its customers, another financial institution(s), or agents of the Group;
- f) Embezzlement or theft;
- g) Conflict of interest;
- h) Any other actual or suspected breach of any other laws;
- i) Breach of the Bank's Code of Ethics and Conduct and any other policies;
- j) Breach of BNM policy documents;
- k) Abetment to commit any of the above wrongdoing;
- l) Detrimental action taken against WB or persons closely associated with WB; and
- m) Such other matter that may breach the Group's and/ or subsidiary's Code of Ethics and Conduct and/ or actions that may damage or negatively impact the Group's branding.

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

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

## To Whom to Disclose

Any disclosure of improper conducts depending on the identity of the person being complained against, shall be made to any of the relevant Designated Person through the email channels as set out in the table below:

### Bank Islam Group

Person being reported	Designated Person(s) and email address
<b>Tier 1</b> Any member of the Board of Directors (BOD) and Shariah Supervisory Council (SSC)	Chairman Bank Islam chairman@bankislam.com.my
<b>Tier 2</b> i. Chairman BOD ii. Group Chief Executive Officer (GCEO) iii. Group Chief Integrity & Governance Officer (GCIGO) iv. Any member of Integrity & Governance Department (IGD)	Senior Independent Director (SID) SID@bankislam.com.my
<b>Tier 3</b> Employees of the Group excluding BIMB Securities Sdn Bhd (BIMBSEC) and BIMB Investment Management Berhad (BIMBINVEST)	i. Senior Independent Director (SID) ii. GCIGO  <b>whistle@bankislam.com.my</b> or online submission through Bank's corporate website: <b><a href="https://cif.bankislam.com.my/WB/">https://cif.bankislam.com.my/WB/</a></b>

### BIMB Securities Sdn Bhd (BIMBSEC)

Person being reported	Designated Person(s) and email address
<b>Tier 1</b> Any member of BIMBSEC's BOD and Shariah Advisory Committee (SAC)	Chairman BIMBSEC chairman.bimbsecurities@bankislam.com.my
<b>Tier 2</b> i. Chairman BIMBSEC ii. Chief Executive Officer (CEO) BIMBSEC	Chairman Board Audit & Risk Committee (BARC) BIMBSEC Barcchairman.bimbsecurities@bankislam.com.my



Person being reported	Designated Person(s) and email address
<b>Tier 3</b> Employees of BIMBSEC	i. Chairman BARC BIMBSEC ii. GCIGO whistle.bimbsecurities@bankislam.com.my

#### BIMB Investment Management Berhad (BIMBINVEST)

Person being reported	Designated Person(s) and email address
<b>Tier 1</b> Any member of BIMBINVEST's BOD, Investment Committee and Shariah Advisors	Chairman BIMBINVEST chairman.bimbinvestment@bankislam.com.my
<b>Tier 2</b> i. Chairman BIMBINVEST ii. CEO BIMBINVEST	Chairman BARC BIMBINVEST Barcchairman.bimbinvestment@bankislam.com.my
<b>Tier 3</b> Employees of BIMBINVEST	i. Chairman BARC BIMBINVEST ii. GCIGO whistle.bimbinvestment@bankislam.com.my

#### Bank Islam Group Integrity Hotline

For disclosure against the Group employees including BIMBSEC and BIMBINVEST, the disclosure can also be made via secured Integrity Hotline at 1-800-18-0201 attended personally by Group Chief Integrity and Governance Officer.

#### 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.

# GROUP BUSINESS ASSOCIATES CODE OF CONDUCT GUIDELINE



## What to do?

All business associates shall conduct business dealings and activities responsibly and with integrity. All business associates shall:

- a) record and report all business information and communication accurately;
- b) protect and be responsible for maintaining the physical and intellectual assets of the Group, including property and equipment, when authorised by the Group to use such assets;
- c) when required and as permitted by the law, to disclose information relating to the Group are made accurately and in timely manner; and
- d) protect any data that the Group may share with them in carrying out their scope of work.

## What are the regulations?

All business associates shall apply and comply with all the regulations and the amendments at all times during their business activities. In addition, all business associates shall comply with the following:

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

## Why do you need to follow?

The Group holds zero tolerance approach against all forms of bribery and corruption. The Group will not tolerate bribery, kickbacks, or corruption directly or indirectly through the business associates. This is to be aligned with Section 17A which was introduced in June 2020 into the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) ("MACC Act") on corporate liability for corruption offences as well as for personal liability of persons involved in the management of a commercial organisation.

All business associates shall not directly or indirectly offer, give, accept, solicit, bargain or promise of an advantage as an inducement in any form including monetary, reward, goods or services, to any of the Group's employees, family members and acquaintances in return for any decision, opinion, votes, or other action affecting any decision on the acquisition of the business associates' services which is illegal and unethical.

## What are the requirements to be complied?

Upon submission of business interest in the Group, all business associates are required to complete the following GBACOC documents:

### a) **Corruption Risk Due Diligence**

The questionnaires on the due diligence are based on the following coverages:

- a) Violation related to corruption;
- b) Government connection; and
- c) Compliance with integrity related matters.

### b) **Group Integrity Kit**

The acknowledge receipt and to comply with the requirements set out in the Group Integrity Kit are in order to ensure that all the business associates and their representatives are aware on all the external and internal laws relating to corruption and bribery in the Group.

### c) **Business Associate Declaration of Interest**

All the business associates shall disclose any relationship either professionally or personally with the Group's employees, shareholders or Board of Directors to avoid conflict of interest in any business dealings.

### d) **Business Associate Integrity Pledge**

This requirement is to ensure the commitment from the business associates to avoid involvement in any corruption activities.

# GROUP CORRUPTION RISK MANAGEMENT POLICY



## What is it about?

Corruption Risk Management (CRM) is a management process which helps to identify structural weaknesses that may facilitate corruption, provides a framework for all staff to take part in identifying risk factors and treatments, and embeds corruption prevention within a well-established governance framework.

It is a risk-based management tool that helps identify potential corruption risks in an organisation, assess those identified risks in terms of their likelihood and impact on the organisational performance, reputation and other parameters, as well as analyse corruption causes and schemes in which ultimately helps in bringing about detection and prevention control measures to mitigate or eradicate those risks.

Key objectives of CRM are:

- i) to develop corruption risk profiles, complete with the assigned residual risk ratings (i.e. low risk, medium risk, high risk or critical risk) in accordance with the corruption risk assessment through the documented risk registers; and
- ii) to develop corruption risk action plans to mitigate the corruption risk, sustain the level of risk tolerance and/ or enhance the control's effectiveness.

## Why is it significant?

This policy is developed in alignment with the requirement for Adequate Procedures – Principle 2: Risk Assessment following the enforcement of Section 17A of MACC Act 2009 on corporate liability.

Additionally, this policy also reflects the Group's dedication to maintaining the highest level of integrity and ethics in line with the Group's zero-tolerance approach against all forms of bribery and corruption and commitment to conduct business dealings with integrity, honesty and respect.

The Group is proud to present that it has zero critical risk identified and overall for the first exercise, our residual corruption risks are rated as satisfactory without any major concerns. This goes to show that the Group has in placed all the necessary policies, procedures and effective controls in preventing and detecting the identified corruption risk.



# ACKNOWLEDGEMENT ON GROUP 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 Group's Integrity Kit.

Signed and confirmed  
by Authorised Signatory of the Company

Signature	
Name	
Designation	
Date	
Company stamp	

# BANK ISLAM

Bank Islam Malaysia Berhad • 198301002944 (98127-X)



**Prepared by:**  
**INTEGRITY & GOVERNANCE DEPARTMENT**