



Malaysia Digital Economy Corporation Sdn Bhd [199601016995 (389346-D)]
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GIFTS, HOSPITALITY AND ENTERTAINMENT POLICY

(Reference No: MDEC-POL-IGD-003)

Approved by : Board of Directors on 24 March 2022
Effective date : 24 March 2022

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Title	:	GIFTS, HOSPITALITY AND ENTERTAINMENT POLICY		
Document ID	:	MDEC-POL-IGD-003		
Security classification	:	Internal & External		
Document Owner	:	Integrity and Governance Department (IGD)		
Approved By / Date	:	MDEC Board of Directors		
Administrator	:	Integrity and Governance Department (IGD)		
Effective Date	:	24 March 2022	Version No.	: 3.00
Next Revision Date	:	TBD	Last Version No:	: 2.00

1 REVISION HISTORY

Version	Date	Prepared by	Reviewed / Approved by	Description of Changes
1.0	13 Feb 2018	Siti Saljura Shamsuddin and Shariza Shaffie	Director, HCD	Introduction of new policy as communicated by CEO during MDEC’s Townhall on 9 Feb 2018
2.0	5 Jun 2018	Siti Saljura Shamsuddin and Shariza Shaffie	Director, HCD	Inclusion of No Festive Gift policy
3.0	14 Mar 2022	<ul style="list-style-type: none"> • Annisa Ibrahim • Shariza Shaffie • Zareena Izmin Ismail • Whahaedea Samai 	BOD	Revision of title, document owner and content to be aligned with MACC Act 2009 as well as applicable policies

2 OBJECTIVE / PURPOSE

- 2.1 To enable MDEC Employees and Board to uphold highest standard of ethics and integrity in establishing an ethical work environment;
- 2.2 To strictly prohibit MDEC Employees and Board from giving or accepting gifts, hospitality or entertainment, no matter the value or the reason, unless expressly exempted under this Policy;
- 2.3 To avoid situations which may influence the judgement of the Employees or Board in a decision-making process;
- 2.4 To avoid conflict of interest or the appearance of conflict of interest for either party in an on-going or potential business dealing between MDEC and Third Parties; and
- 2.5 To comply with applicable anti-bribery and corruption laws.

3 SUMMARY OF THE POLICY

This gifts, hospitality and entertainment policy (“Policy”) outlines the commitment of MDEC, its Employees and Board, in demonstrating the highest standards of ethics and conduct.

4 SCOPE OF THE POLICY

This Policy applies to all MDEC Employees and Board. MDEC also expects the Third Parties dealing with MDEC to observe this Policy.

5 DEFINITIONS

For the purpose of this Policy, the following terms shall bear the following meaning:

“Bid”	Means a tender and/or proposal in respect of a contract, award or project;
“Board”	Means the directors of MDEC, including an alternate or substitute director;
“Business Dealings”	Means the supply of good or services to or by MDEC or the submission for Bid(s) for the supply of goods or services to or by MDEC, whether directly or indirectly; the receipt of cash grants or sponsorship from MDEC; and/or participation in any of the programmes launched or undertaken by MDEC;
“Employee(s)”	Means the employees of MDEC, irrespective of whether designated as permanent, probationary, temporary, intern, Fixed Term Contract (FTC) and/or for a Contract For Services (CFS);
“MDEC”	Means the Malaysia Digital Economy Corporation Sdn. Bhd.;
“Participants”	Means persons who participate in any of the programmes launched or undertaken by MDEC;
“Recipients”	Means recipients of grant, incentive or sponsorship, whether in cash or in-kind, from MDEC;
“Relative”	Means the spouse, parent, grandparent, great-grandparent, child, including adopted child and stepchild, grandchild, great-grandchild, brother, sister, son-in-law, daughter-in-law, brother-in-law, sister-in-law, uncle, aunt, cousin, niece, grandniece, great-grandniece, nephew, grandnephew and great-grandnephew;
“Satellite Offices”	Means the offices of MDEC other than MDEC’s headquarters;
“Suppliers”	Means the bidders, suppliers, vendors, contractors, consultants, agents or other service providers of MDEC; and
“Third Parties”	Means the Suppliers, Recipients, Participants, customers, clients, business partners, joint venture partners, associates, and any other stakeholders (e.g., media, investors etc.), with whom MDEC has a business relationship, whether previous, current or prospective (including their employees, agents, representatives, contractors and subcontractors).

6 POLICY STATEMENTS

6.1 MDEC Employees including Board must never, directly or indirectly, solicit, accept or agree to accept any gifts, hospitality or gratification of any kind from Third Parties in respect of any Business Dealing with MDEC or in relation to or in the course of its Business Dealings with MDEC, no matter the value, for himself/herself or for his/her Relative, at any time, on or off the work premises.

6.2 MDEC Employees including Board and MDEC Suppliers shall not directly or indirectly, give, agree to give, promise or offer to any person, any gifts, hospitality or gratification, whether for the benefit of that person or another person, with the intent:

- a) to obtain or retain business for MDEC; or
- b) to obtain or retain an advantage in the conduct of business for MDEC.

6.3 Gifts, hospitality or gratification means:

Offerings to please or to satisfy in the form of money, donation, gift, loan, fee, reward, valuable security, property or interest in property of any description whether movable or immovable, financial benefit, or any other similar advantage as provided under the definition of "gratification" in Section 3, Interpretation of the MACC Act 2009. The examples include but are not limited to:

- a) Wedding gifts;
- b) Festival money packets containing money (ang pao and *duit raya*);
- c) Hampers;
- d) Paid holidays and/or airfare;
- e) Travel expenses, lodging and/or accommodation;
- f) Education fee funding;
- g) Golf club membership;
- h) Hospitality outings such as opera tickets and/or Formula 1 tickets;
- i) Entertainment such as karaoke, meals, drinks and/or massages;
- j) Healthcare reimbursements;
- k) Discounts and/or house renovation;
- l) Paid expenses such as car repairs, stereo systems and/or appliances; and
- m) Facilitation payments and/or commission.

6.4 The following gifts, products or items shall be **exempted** from the prohibition under this Policy:

- a) Gifts exchanged at company-to-company level (e.g., gifts exchanged between companies as part of an official company visit/courtesy call or speaking engagement. The said gift shall thereafter be treated as MDEC's property);
- b) Gifts from MDEC to external institutions or individuals in relation to MDEC's official functions, events and celebrations (e.g., commemorative gifts or door gifts offered to all guests attending the event);
- c) Gifts from MDEC to Employees in relation to an internal or externally recognised MDEC's functions, events and celebrations (e.g., in recognition of an Employees' service to MDEC);
- d) Token gifts bearing MDEC's company logo (such as pens, notepads, planners, calendars and other small promotional items) that are given out to Employees, Board, customers, delegates, students and members of the public, attending events such as conferences, exhibitions, trainings, career fairs, etc., and deemed as part of MDEC's company brand building or promotional activities;
- e) Gifts to MDEC Employees and Board bearing third parties' company logo (such as pens, notepads, planners, calendars and other third parties' company promotional items);
- f) Gifts to external parties who have no Business Dealings with MDEC (e.g., monetary gifts or gifts in-kind to charitable organisations such as orphanage, religious institutions or old folks' home, or for the purpose of implementing MDEC's Corporate Social Responsibility);
- g) Gifts to MDEC, which of a festive seasonal nature, that are perishable and consumable or a "souvenir" item and of low monetary value (less than a total current value of RM250.00) which will then be shared with the recipient's members of department;
- h) Payment of honorarium with monetary value of not more than RM250.00 per session, to Employees who are invited to give talks, briefings, address a class, participate in a presentation, or provide a lecture, all on a one-time basis. For avoidance of doubt, Employees are only allowed to accept honorarium payment for six (6) times only in a year; and

- i) Payment of honorarium with monetary value of not more than RM1,000.00 per session, to Board who is invited to give talks, briefings, address a class, participate in a presentation, or provide a lecture in the capacity of MDEC's Board of Director, all on a one-time basis. For avoidance of doubt, Board is only allowed to accept honorarium payment for six (6) times only in a year.

6.5 Items mentioned in clauses 6.4(a) until 6.4(f) need not be declared to IGD. As for items mentioned in clauses 6.4(g) until 6.4(i), declaration must be made to Integrity and Governance Department by the recipient within three (3) working days using the gift declaration form in Annexure A of this Policy.

7 DECLINING OFFERS

7.1. MDEC Employees including Board are obligated to professionally inform the Third Parties about this Policy, and the reasons MDEC has adopted this Policy. MDEC Employees including Board shall request the Third Parties to respect this Policy and not purchase and deliver any gift to MDEC's Board, management, Employees, a department, Employee's residence or MDEC headquarters and its Satellite Offices, at any time, for whatsoever reason.

7.2. In the event the act of declining the gift/offer would create embarrassment or guilt to the giver, MDEC Employees or Board shall make declaration using the gift declaration form in Annexure A of this Policy and subsequently deliver the gift/offer to IGD which will then be distributed to charitable organisations registered under the laws of Malaysia.

8 RECORDING OF GIFTS

8.1 Any gift, hospitality and entertainment received by Employees must be declared to Integrity and Governance Department by the recipient of the gift within three (3) working days using the gift declaration form in Annexure A of this Policy;

8.2 Any gift, hospitality and entertainment received by Board must be notified and declared at the board meeting during the convening of the subsequent board meeting after the receipt of such gift, hospitality and entertainment. The notification and declaration mentioned herein shall be made a permanent agenda item and such notification and declaration shall be made at the start of every MDEC Board Meeting; and

8.3 All records of declaration shall be disposed upon the cessation of employment, appointment, service and/or contract of the Employee or Board.

9 HOSPITALITY AND ENTERTAINMENT

9.1 MDEC does not receive or provide lavish hospitality and entertainment in circumstances that may be construed as an act of bribery or could be perceived as an act to influence any decision-making process. Lavish hospitality and entertainment means hospitality and entertainment of a total value (in cash or in kind) exceeding RM500.00 per session and in any event, shall not be more than six (6) times a year to and/or from the same Third Parties.

9.2 MDEC Employees are allowed to utilise the entertainment expenses as specified in Clause 1.4.10 of the Employee Handbook and the claims for such expenses are subject to the applicable approval established by MDEC. For avoidance of doubt and for the purpose of this clause, the holder of MDEC's corporate credit card may use the credit card only up to the threshold as specified in Clause 1.4.10.1 of the Employee Handbook.

9.3 The Chairman of the Board of Directors is allowed to utilise the entertainment allowance as specified in his/her letter of appointment and the claims for such expenses are subject to the applicable approval established by MDEC.

- 9.4** Third Parties engaged to provide services for MDEC must not receive or provide any hospitality to anyone on behalf of MDEC.

9.5 Meals

MDEC Employees including Board may accept or offer reasonable hospitality such as business meals or refreshments* provided during a business meeting with legitimate business reasons. The holder of MDEC's corporate credit card or the person (Employee or Board) who is entitled for entertainment expenses as specified in Clause 1.4.10 of the Employee Handbook or entertainment allowance stated in the letter of appointment respectively, shall pay for the business meals. For avoidance of doubt, any expenses not listed hereinbelow shall be considered as entertainment to which Clause 9 above is applicable.

*Business meals or refreshments should be worth less than RM300.00 per pax and fall within the following situations:

- a) it is business-related (e.g., business conference, meeting or other legitimate business discussion);
- b) venues are modest and should not contain elements of entertainment that could create negative public perception; or
- c) it is for participation in a permissible social and celebratory event that will not improperly influence business decisions, such as:
 - i. festive open house;
 - ii. appreciation dinners;
 - iii. gala fund-raisers;
 - iv. business dinners;
 - v. networking events;
 - vi. corporate sports and/or recreation events that emphasise on wellness;
 - vii. celebratory events, including:
 - 1. events to recognise the success of MDEC;
 - 2. events to recognise a contribution such as a successful business partnership;
 - 3. events commemorating a milestone anniversary of the external stakeholders, other external parties or government agencies;
 - 4. awards ceremonies to celebrate success; or
 - 5. opening or launching ceremonies for a new project or facility.

9.6 Events

- a) Employees may participate in an event other than events related to Business Dealings, subject to the approval by their head of department.
- b) Board may participate in any event provided that the notification and/or declaration of their participation is made at the subsequent board meeting convening after such event.
- c) Employees and Board are expected to exercise proper judgement in handling gifts and hospitality, and behave in a manner consistent with the general conduct set out in the following code of conduct:
 - i. Shall not allow his/her private interests to come into conflict with his/her duties at MDEC;
 - ii. Shall not use his/her position as an Employee of MDEC or Board to further his/her private interests;
 - iii. Shall not bring disrepute and discredit to MDEC; and/or
 - iv. Shall not disclose or divulge confidential information relating to MDEC and its work to unauthorised persons.

The above is to safeguard MDEC's reputation, as well as to protect Employees and Board from allegations of impropriety or undue influence.

10 PENALTIES RELATING TO CORRUPTION

- a) Under Section 17A of the MACC Act 2009, commercial organisations are also liable and can be punished if their employees or persons associated with the commercial organisations are involved in giving bribes for the benefit of the commercial organisations. The penalties under Section 17A of the MACC Act 2009 includes a fine of not less than 10 times the sum or value of the gratification or RM1 million, whichever is higher; or imprisonment not exceeding 20 years; or both fine and imprisonment.
- b) Any violation of this Policy that amounts to corruption under the MACC Act 2009 may result in MDEC and the alleged individual being convicted under the MACC Act 2009.
- c) For the avoidance of doubt, if the law conflicts with a policy set out herein, the law will prevail.

11 CLARIFICATION

If MDEC Employees are sceptical, in doubt and find that by offering or accepting the allowable gifts, hospitality and entertainment may pose problems related to his/her responsibilities as an Employee of MDEC or may raise suspicion for himself or herself or others or has any doubts or requires clarification on this Policy, the Employee shall refer to his/her performance manager. If the performance manager is uncertain as to the application or interpretation of this Policy, he/she may refer to the Integrity and Governance Department.

12 COMPLIANCE

All heads of division and heads of department are responsible to ensure that this Policy is operationalised within and complied by their respective divisions. Non-compliance of this Policy may result in disciplinary actions being taken as deemed appropriate.

13 DISCLAIMER

Any disclosure of personal data for the purposes of accepting or offering the allowable gifts, honorarium, hospitality or entertainment under this Policy shall be at Employees' and Board's sole and own risk. MDEC shall not be responsible for any loss and damages whatsoever arising out of, resulting from or related to the act of such Employee or Board.

14 REVIEW OF POLICY

This Policy will be reviewed as and when required by Integrity and Governance Department. Any amendment or change to this Policy is to be approved and endorsed by MDEC's Board.

-End of Document-

ANNEXURE A: GIFT, HOSPITALITY AND ENTERTAINMENT DECLARATION FORM



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GIFT, HOSPITALITY AND ENTERTAINMENT DECLARATION FORM

Note: This form is to be completed by the declarant and all fields are mandatory unless stated otherwise. If you do not have any information to be disclosed in respect of a particular item, please state "NIL". The completed form is to be submitted within three (3) working days to Integrity and Governance Department (IGD) at integrity@mdec.com.my

Part 1: Declarant Details

Declaration Date			
Full Name			
NRIC		Employee No	
Job Title & Grade		Department & Division	
Performance Manager		Telephone No & Email Address	

Part 2: Gift, Hospitality & Entertainment Details

This form is applicable for one (1) gift declaration. If more than one (1) gift received, please fill submit in a separate declaration form.

Date offered and/or received	
Offered by <i>(Please state the name, position, organisation and contact details)</i>	
Description of Gift, Hospitality and Entertainment <i>(Please state the gift offered, connection to MDEC and reason of offer)</i>	
Gift, Hospitality and Entertainment estimated or actual total value (in MYR)	
Location of the gift / Name of charity organisation receiving the gift <i>(Please state the current location of the gift)</i>	

Part 3: Declaration

I,.....<please state full name>.....<please state NRIC number> hereby declare that all information stated above are true to the best of my knowledge. I understand that if it is found that I have made false declaration in this form, MDEC reserves the right to take necessary action(s) against me.

Signature : _____
Name : _____
Date : _____

Part 4: Acknowledgement*To be completed by Integrity and Governance Department*

Acknowledged By <i>(IGD Officer's Official Stamp)</i>	
Remark(s)	
Gift Tagging No	MDEC-IGD-GIFT: _____(year)/ _____(number)
Signature	
Date	

- END OF DOCUMENT -