



Malaysia Digital Economy Corporation Sdn Bhd [199601016995 (389346-D)], 2360 Persiaran APEC, 63000 Cyberjaya,  
Selangor Darul Ehsan, Malaysia  
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# INTEGRITY PACT

(Reference No: MDEC/IGD/Integrity Pact V02/2024)

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**Approved by** : Board of Directors on 29<sup>th</sup> January 2024

**Effective date** : 1<sup>st</sup> February 2024

## **PREFACE**

This document sets out the requirements and processes on the implementation of Integrity Pact in MDEC. The Integrity Pact requires certain declarations as stipulated in the appendices herein to be executed. The declarations relate to MDEC procurement and Other Business Dealings processes where each MDEC Employees involved from all divisions, departments and units including MDEC's Board of Directors is responsible to execute. MDEC Suppliers are also required to execute the declarations in accordance with the processes specified herein.

The main objective of the Integrity Pact's implementation is to enhance transparency which aims to reduce and eradicate corrupt practices involving MDEC. It is also hoped that with this initiative, all the divisions, departments and units in MDEC will be able to carry out the procurement and Other Business Dealings more effectively and efficiently.

Though the Heads of Division and Heads of Department are responsible to ensure that the relevant parties execute the declarations as specified under this Integrity Pact, each MDEC Employee is equally responsible and accountable to ensure that such execution is duly undertaken as required herein.

**MALAYSIA DIGITAL ECONOMY CORPORATION**

**1<sup>st</sup> February 2024**

## DEFINITION

<b>Term</b>	<b>Meaning</b>
Corrupt Practices	Any act of offering, giving, receiving or soliciting, directly or indirectly, any type of Gratification to improperly influence the actions of another Entity.
Declaration	Shall mean the integrity declaration that needs to be executed by the relevant MDEC Board, MDEC Employees or MDEC Suppliers as stipulated in the appendices of this Integrity Pact.
Discretionary Authorisation Limit	Document defines the level of authority to recommend, consult, approve and inform the decisions that will be required in the course of MDEC's business activities and operations as delegated by MDEC Board of Directors.
Entity	Refers to individual(s), firm(s), partnership(s), corporation(s) or authority body(ies).
Gratification	As defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] including any amendment and/or substitution of the Act.
MDEC	Malaysia Digital Economy Corporation Sdn Bhd and its subsidiary companies in Malaysia and overseas.
MDEC BOD	MDEC's Board of Directors and includes any person occupying the position of MDEC's Board of Directors and an alternate or substitute director.
MDEC Code of Conduct for Employees	Refers to policy that governs the conduct of MDEC full time employees (excluding temporary staff, intern and persons engaged under contract for service (CFS)) at workplace (as may be modified, added, amended and/or substituted from time to time).
MDEC Code of Conduct for Vendors	Refers to policy that governs the business conduct in relation to MDEC Employees and MDEC Suppliers (as may be modified, added, amended and/or substituted from time to time including any policy relating to business ethics).

MDEC Employees	For the purpose of this Integrity Pact, shall mean those designated as permanent, probationary, temporary, intern, fixed term contract (FTC) and contract for services (CFS). For the avoidance of doubt, the inclusion of intern and persons engaged under contract for service (CFS) in this definition shall not be construed or presumed as such persons being an employee of MDEC under the Employment Act 1955.
MDEC Suppliers	<p>Shall refer to:</p> <ul style="list-style-type: none"> <li>(i) all suppliers, vendors, consultants or service providers of MDEC;</li> <li>(ii) MDEC potential suppliers, vendors, consultants or service providers that participate in a tender bid and any third parties acting for and on behalf of MDEC and/or MDEC Suppliers; or</li> <li>(iii) Entity where MDEC will potentially engage or has engaged with or entered into a commercial arrangement via Other Business Dealings to form a formal arrangement through legal documents including but not limited to letters, terms and conditions, contracts/agreements, subscription forms or memorandums of agreement.</li> </ul>
Other Business Dealings	Including but not limited to grant, incentive, partnership, business sponsorship, procuring of MDEC's services or other transactions at MDEC that require issuance of purchase order(s) from MDEC.
Other Business Dealings Related Committees	Including but not limited to committees related to Other Business Dealings that has the approving authority under Discretionary Authorisation Limit.
Procurement Related Committees	Including but not limited to the chairman and members/alternate members of the Board Tender Committee (BTC), Management Tender Committee, any technical and commercial evaluation committee or any other committee that is related to procurement processes.

## 1. BACKGROUND OF THE INTEGRITY PACT'S IMPLEMENTATION IN MDEC

The implementation of Integrity Pact in MDEC is one of the directives by MDEC BOD to enhance the governance and integrity practices in MDEC.

The Integrity Pact comprises of a set of declaration forms to be executed by MDEC BOD, MDEC Employees and/or MDEC Suppliers as an undertaking that they will refrain themselves from getting involved in corrupt practices throughout the procurement and/or Other Business Dealings processes. The Integrity Pact also underlines the measures that should be taken in the event that the Integrity Pact is breached and consequences thereof.

The main objectives for the implementation of the Integrity Pact in MDEC are as follows:

- (a) to prevent MDEC BOD, MDEC Employees and MDEC Suppliers that are involved in the procurement and Other Business Dealings processes from accepting and/or offering bribe;
- (b) to require MDEC BOD, MDEC Employees and MDEC Suppliers to report any bribery and/or act of corruption to the Royal Malaysia Police and/or Malaysia Anti-Corruption Commission;
- (c) to avoid any occurrence of conflict of interest in procurement and Other Business Dealings processes involving MDEC;
- (d) to prohibit any unauthorised use of information that is in the possession of MDEC; and
- (e) to increase awareness among MDEC BOD, MDEC Employees and MDEC Suppliers on corruption offences and subsequently eradicate corrupt practices involving MDEC such as follows:
  - i. offering, seeking and/or accepting any Gratification to or from any Entity;
  - ii. abuse of power by MDEC BOD, MDEC Employees, Procurement Related Committees and/or Other Business Dealings Related Committees in the selection process of MDEC Suppliers;
  - iii. false claims/declarations by MDEC BOD, MDEC Employees, MDEC Suppliers, Procurement Related Committees and/or Other Business Dealings Related Committees;
  - iv. forgeries of information, documents and records to influence evaluation and/or decision-making process in procurement and/or Other Business Dealings; and
  - v. conspiracy, facilitation, monopoly among MDEC BOD, MDEC Employees, MDEC Suppliers, Procurement Related Committees and/or Other Business Dealings Related Committees to obtain MDEC procurement agreements and/or Other Business Dealings.

All MDEC BOD, MDEC Employees and MDEC Suppliers are under an obligation to lodge a report to Royal Malaysia Police and/or Malaysia Anti-Corruption Commission on any Corrupt Practices.

Issues related to this Integrity Pact shall be directed to Integrity and Governance Department (IGD) and shall be interpreted by IGD including the needful amendments based on operational and business efficiency of MDEC, guided by the applicable governments' directive and/or circular, as appropriate.

## 2. INTEGRITY PACT IMPLEMENTATION FOR MDEC EMPLOYEES

Stage	Description
<p>This Declaration is to be executed as follows:</p> <ul style="list-style-type: none"> <li>a) for new hires, upon reporting for duty during, or prior to assuming duty; and</li> <li>b) for the existing MDEC Employees, as soon as possible and in any event no later than seven (7) working days upon discovering that the Declaration is yet to be executed.</li> </ul>	<p>Every MDEC Employees shall be required to sign the <b>“Integrity Declaration by MDEC Employees”</b> as per <b>APPENDIX A</b>. The Declaration shall be submitted to Human Resource and Administration Department for the purpose of keeping the Declaration in MDEC Employees’ personal file.</p> <p>Every head of Division and Head of Department shall ensure that all MDEC Employees under his/her supervision execute the “Integrity Declaration by MDEC Employees” in accordance with paragraphs (a) and (b) herein.</p>

**3. INTEGRITY PACT IMPLEMENTATION FOR MEMBERS OF PROCUREMENT RELATED COMMITTEES AND/OR OTHER BUSINESS DEALINGS RELATED COMMITTEES**

Stage	Description
<p>Upon Appointment as Procurement Related Committees and/or Other Business Dealings Related Committees</p>	<p>Every MDEC BOD and MDEC Employees appointed as chairman, member or alternate member to Procurement Related Committees and/or Other Business Dealings Related Committees shall execute the <b>“Integrity Declaration by Members of MDEC Procurement Related Committees and/or Other Business Dealings Related Committees”</b> as per <b>APPENDIX B</b>.</p> <p>A copy of the Declaration is to be kept by the secretariat of the respective Procurement Related Committees or by the relevant department responsible for Other Business Dealings Related Committees.</p>

#### 4. INTEGRITY PACT IMPLEMENTATION FOR MDEC SUPPLIERS

Stage	Description
<p><b>Stage 1</b> Procurement related matters (for MDEC Suppliers who are registered under MDEC Registered Vendor List): At the stage of first appointment as MDEC Suppliers or as guided by IGD.</p> <p>Other Business Dealings: At the stage when the transaction is entered with MDEC or as guided by IGD.</p>	<p>MDEC Suppliers are required to execute the “<b>Integrity Declaration by MDEC Suppliers</b>” as per <b>APPENDIX C</b>.</p> <p>This Declaration shall remain in full force and effect:</p> <ul style="list-style-type: none"> <li>a) until the completion of the agreement entered by respective MDEC Suppliers and MDEC;</li> <li>b) as long as the respective MDEC Suppliers remain as MDEC Suppliers; and/or</li> <li>c) until a renewal of the Declaration as and when required by MDEC.</li> </ul> <p>The said Declaration shall be kept and filed by Procurement Department for procurement processes, or by relevant department for Declaration related to Other Business Dealings.</p> <p>The following department is responsible to forward the Declaration to counterparty and ensure the Declaration is executed as follows:</p> <ul style="list-style-type: none"> <li>i) procurement related matters by Procurement Department;</li> <li>ii) grant related matters by Grant Management Department; and</li> <li>iii) others matters not stated under paragraphs (i) to (ii) above by the respective project team/project owner.</li> </ul>
<p><b>Stage 2</b> Template to be included in all legal documents related to procurement and Other Business Dealings</p>	<p>MDEC Legal Department is required to ensure that the provision as attached in <b>APPENDICES D and E</b> (whichever is applicable) are included in legal documents related to procurement and Other Business Dealings.</p>



**INTEGRITY DECLARATION BY MDEC EMPLOYEES**

(Pursuant to Clause 2 of Integrity Pact)



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**INTEGRITY DECLARATION**

1. I, \_\_\_\_\_, Employee No: \_\_\_\_\_  
 NRIC No.: \_\_\_\_\_ an employee of Department \_\_\_\_\_  
 Division \_\_\_\_\_ of **MALAYSIA DIGITAL ECONOMY CORPORATION SDN. BHD. (MDEC)** [199601016995 (389346-D)], hereby declare and undertake as follows:
- a) I shall not directly or indirectly solicit, receive or obtain or agree to receive or obtain for myself or for any other Entity, or give, agree to give, promise or offer to any Entity, any form of Gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] as a consideration or reward for any decision, opinion, recommendation, vote or other favour in any procurement and/or Other Business Dealings;
  - b) I shall not collude with/facilitate any MDEC Suppliers or any other Entity in any type of practices including but not limited to "bid rigging" and corruptly provide any tender/quotation/transaction that may affect the transparency and fairness during any procurement or Other Business Dealings processes and during any agreement implementation period;
  - c) I agree to keep confidential all information that is in the possession of MDEC relating to procurement, Other Business Dealings and/or comply with relevant policy/standard operating procedure related to data and/or information in strictest confidence and hereby covenant to take all reasonable measures to protect the secrecy of and avoid disclosure or use of such data and/or information to any unauthorised Entity;
  - d) I hereby declare that none of my family member(s) or relative(s) as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] has any interest in any of MDEC Suppliers in the foreseeable tender/quotation/transaction under my supervision and/or knowledge and if there is any in the future, I shall immediately declare it with details to the Head of Procurement Department for matters related to procurement or to relevant Head of Department for matters related to Other Business Dealings (whichever is applicable), and to Head of Integrity and Governance Department, and abstain myself from participating in the aforementioned tender/quotation/transaction exercise and/or any task related thereto;
  - e) I shall immediately report to Head of Integrity and Governance Department and/or relevant authority and/or enforcement body in the event there is an Entity who offers, gives, or agrees or promises to give (directly or indirectly) any form of Gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] for being selected for any tender/quotation/transaction; and
  - f) I shall at all material times abide by MDEC's Code of Conduct for Employees, MDEC's policies relating to anti-bribery and anti-corruption and any other MDEC's policies and procedures applicable during any tender/quotation/transaction process until the completion of the agreement entered by MDEC.
2. I agree that this Declaration shall remain in full force and effect during my employment or contract for service with MDEC.
3. I duly understand that failure to comply or breach of any terms of this declaration may result in criminal and/or civil proceedings and/or disciplinary action taken against me including termination or dismissal.

-----  
 Name :  
 Employee No. :  
 Designation :  
 Date :

**INTEGRITY DECLARATION BY MEMBERS OF PROCUREMENT RELATED COMMITTEES AND/OR OTHER BUSINESS DEALINGS RELATED COMMITTEES**

*Upon appointment as Procurement Related Committees and/or Other Business Dealings Related Committees  
(Pursuant to Clause 3 of Integrity Pact)*



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**INTEGRITY DECLARATION**

1. I, \_\_\_\_\_,  
Employee No. (if applicable): \_\_\_\_\_, NRIC No.: \_\_\_\_\_,  
Position/Designation: \_\_\_\_\_ of **MALAYSIA DIGITAL ECONOMY CORPORATION SDN. BHD (MDEC)** [199601016995 (389346-D)] has been appointed as chairman/member of \_\_\_\_\_ effective on \_\_\_\_\_

and hereby declare and undertake as follows:

- a) I shall not directly or indirectly solicit, receive or obtain or agree to receive or obtain for myself or for any other Entity any form of Gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] as a consideration or reward for any decision, opinion, recommendation, vote or other favour in any procurement and/or Other Business Dealings;
- b) I shall not collude with/facilitate any MDEC Suppliers or any other Entity in any type of practices including but not limited to “bid rigging” and corruptly provide any tender/quotation/transaction that may affect the transparency and fairness during any procurement or Other Business Dealings processes and during any agreement implementation period;
- c) I agree to keep confidential all information that is in the possession of MDEC relating to procurement, Other Business Dealings and/or comply with relevant policy/standard operating procedure related to data and/or information in strictest confidence and hereby covenant to take all reasonable measures to protect the secrecy of and avoid disclosure or use of such information to any unauthorised Entity;
- d) I hereby declare that none of my family member(s) or relative(s) as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] has any interest in any of MDEC Suppliers in the foreseeable tender/quotation/transaction under my supervision and/or knowledge and if there is any in the future, I shall immediately declare it with details to Head of Procurement Department for matters related to procurement or to relevant Head of Department for matters related to Other Business Dealings (whichever is applicable), and Head of Integrity and Governance Department and abstain myself from participating in the aforementioned tender/quotation/transaction exercise and/or any task related thereto;
- e) I shall immediately report to Head of Integrity and Governance Department and/or Royal Malaysia Police and Malaysia Anti-Corruption Commission in the event there is Entity who offer, give, or agree or promise to give (directly or indirectly) any form of Gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] for being selected for the aforementioned tender/quotation/transaction; and
- f) I shall at all material times abide by MDEC’s Code of Conduct for Employees, MDEC’s policies relating to anti-bribery and anti-corruption or any governing documents related to MDEC Board of Directors and any other MDEC’s policies and procedures applicable during any tender/quotation/transaction process until the completion of the agreement entered by MDEC.

2. I agree that this Declaration shall remain in full force and effect until the completion of the agreement relating to the procurement and/or Other Business Dealings entered by MDEC.

3. I duly understand that failure to comply or breach of any terms of this Declaration may result in criminal and/or civil proceedings and/or disciplinary action taken against me including termination or dismissal.

Name : -----  
Employee No. (if applicable) :  
Designation :  
Date :

**INTEGRITY DECLARATION BY MDEC SUPPLIERS (STAGE 1)***For the appointment as MDEC Suppliers*

(Pursuant to Clause 4, Stage 1 of Integrity Pact)



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### INTEGRITY DECLARATION

1. I, \_\_\_\_\_,  
 NRIC No: \_\_\_\_\_ the duly authorised representative of  
 \_\_\_\_\_ (name of the company)  
 with company registration number \_\_\_\_\_ ("Company") hereby declare  
 and undertake that, I, or any individual or entity representing the Company including employees, agents,  
 subcontractors and/or representatives of the Company ("Entity"):
  - a) shall not directly or indirectly offer, give, agree or promise to give to any individual in Malaysia Digital Economy Corporation Sdn. Bhd. and/or any of its subsidiaries (collectively referred to as "MDEC") or to any other Entity any form of gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] for being selected as an MDEC supplier or in relation to any procurement/other business dealings awarded in the future or as a consideration or reward for the decision, opinion, recommendation, vote or other favour in any procurement/other business dealings processes at MDEC;
  - b) shall not collude with/facilitate any other MDEC suppliers and/or individuals in MDEC or any other Entity in any type of practices including but not limited to "bid rigging" and corruptly provide any tender/quotation/transaction that may affect the transparency and fairness during any procurement or other business dealings processes and during the agreement implementation period;
  - c) agree to keep confidential all information that is in the possession of MDEC relating to procurement and/or other business dealings in strictest confidence and under no circumstances, would any information related to a tender/quotation/transaction be discussed or disclosed with or to other Entity; and
  - d) shall abide by MDEC Code of Conduct for Vendors and any other MDEC policies and procedures applicable during the tender/quotation/transaction process and/or until the completion of the agreement entered by the Company.
  
2. If I, or any Entity representing this Company, fail to comply or breach any terms of this declaration, I hereby agree as the duly authorized representative of the aforementioned Company, for the following actions to be taken:
  - a) disqualification from the bidding process (if any);
  - b) suspension and/or removal from MDEC suppliers registration and shall be blacklisted for future business dealings with MDEC in accordance with MDEC's applicable policy and/or standard operating procedures;
  - c) revocation of any award and/or agreement offer;
  - d) termination of any existing award and/or agreement;
  - e) forfeiture of the bid security, retention sum and/or performance bond (if any);
  - f) liable for costs/losses incurred by MDEC due to the revocation of offer or termination of the award and/or the agreement; and/or
  - g) any other actions as may deemed fit by MDEC.

**INTEGRITY DECLARATION**

3. In the event where there is any Entity who attempts to solicit bribes from me or any Entity related to this Company as gratification for any procurement or other business dealings exercises involving MDEC, I hereby declare to immediately:
- a) report such act(s) to the Integrity and Governance Department, MDEC by:
    - i. writing to Head of Integrity and Governance Department, MDEC, 2360, Persiaran APEC, 63000, Cyberjaya Selangor;
    - ii. sending an email to [mdec\\_wb@mdec.com.my](mailto:mdec_wb@mdec.com.my); and/or
    - iii. completing the whistleblowing e-form available at [https://mdec.my/static/pdf/footer-pages/Whistleblowing-Forms\\_Appendices-A-n-B.pdf](https://mdec.my/static/pdf/footer-pages/Whistleblowing-Forms_Appendices-A-n-B.pdf)
- OR
- b) lodging a report to the Malaysian Anti-Corruption Commission's office or Royal Malaysia Police.
4. I agree that all obligations under this Declaration shall remain in full force and effect:
- a) until the completion of the agreement entered by the Company and MDEC;
  - b) as long as the Company remains as a MDEC supplier; and/or
  - c) until a renewal of this Declaration as and when required by MDEC.

Signed for and on behalf of the Company,

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Company Name :  
 Name of authorised representative/signatory :  
 NRIC No. :  
 Date :  
 Company Stamp :

**TERMINATION ON CORRUPTION, UNLAWFUL OR ILLEGAL ACTIVITIES (STAGE 2)**

*Template to be included in legal documentations related to procurement and Other Business Dealings (except for grant, incentive and partnership matters)*

(Pursuant to Clause 4, Stage 2 of Integrity Pact)



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**INTEGRITY AGREEMENT**

*Termination on Corruption, Unlawful and Illegal Activities.*

Without prejudice to any other rights of MDEC, if the \_\_\_\_\_(Counterparty), its personnel, servants or employees is/are convicted by a court of law for corruption or unlawful or illegal activities in relation to this \_\_\_\_\_(Agreement) or any other agreement that \_\_\_\_\_(Counterparty) may have with MDEC, MDEC shall be entitled to terminate this \_\_\_\_\_(Agreement) at any time, by giving a written notice with immediate effect. Upon such termination, MDEC shall be entitled to claim all losses, costs, damages and expenses (including any incidental costs and expenses) incurred by MDEC arising from such termination. For the avoidance of doubt, the Parties hereby agree that the \_\_\_\_\_(Counterparty) shall not be entitled to any form of losses including loss of profit, damages, claims or whatsoever against MDEC upon termination of this \_\_\_\_\_(Agreement).

**TERMINATION ON CORRUPTION, UNLAWFUL OR ILLEGAL ACTIVITIES (STAGE 2)**

*Template to be included in legal documentations related to grant, incentive and partnership matters  
(Pursuant to Clause 4, Stage 2 of Integrity Pact)*



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**END OF DOCUMENT**

**MDEC Integrity Pact  
Produced by:  
Integrity and Governance Department, MDEC**