



# INTEGRITY PACT

# PREFACE

The Integrity Pact Manual Handbook (the Handbook) was developed to improve integrity and transparency within the Human Resource Development Corporation (HRD Corp), in its procurement exercise and work processes.

The Handbook shall act as a guide for all employees in our fight against corrupt practices, while instilling good governance, reducing wastage, and eliminating the abuse of power.

This Handbook also covers offences related to corruption, abuse of power and other governance malpractices covered under the Malaysian Anti-Corruption Commission Act 2009; Item 12.1 of HRD Corp's Code of Conduct of Business Ethics (COBE); Item 8 of HRD Corp's Anti-Bribery Corruption Policy (ABC) and Pembangunan Sumber Manusia Berhad Act 2001 (PSMB Act 2001).

This Handbook also outlines a comprehensive set of guiding principles that serve as a preventive mechanism in implementing various procurement and selection processes, particularly those involving internal and external stakeholders. All stakeholders must adhere to the guiding principles mapped out in this Integrity Pact, in carrying out their functions, duties and responsibilities on behalf of HRD Corp.

All respective Head of Divisions, Departments or Units are responsible in ensuring that relevant stakeholders (i.e., training providers, service providers, consultants and/or employees) are bound by the provisions of this Handbook. This must be done by filling up and signing the Declaration Form within the Integrity Pact.

Each stakeholder, including employees, shall be equally responsible and accountable in ensuring that the Declaration is completed by all relevant parties.



## CONTENT

1.0 BACKGROUND .....	03
2.0 IMPLEMENTATION STAGES AND WORK PROCESSES	
2.1 Board Members and Employees .....	07
2.2 Members of Procurement Committees .....	08
2.3 Vendors and Suppliers .....	09
3.0 APPENDIX	
3.1 Appendix A - Declaration by PSMB's Board Members .....	10
3.2 Appendix B - Declaration by HRD Corp's Employees .....	13
3.3 Appendix C - Declaration by Training Providers .....	15
3.4 Appendix D - Declaration by Vendors and Suppliers .....	17
3.5 Appendix E - Declaration by Committees .....	19
3.6 Appendix F - Termination on Corruption, Unlawful or Illegal Activities .....	21

## DEFINITIONS

In this Handbook, the following words and expressions shall have the meanings ascribed thereto unless the context otherwise requires:

- **“Board”** refers to the board of directors of HRD Corp;
- **“Employee”** includes an officer, an executive or a manager, a director, a member of the management, a member of the board of directors and a member of a committee created by the employing Party, a consultant hired by the employing Party, as well as an agent of the employing Party, irrespective whether such person has a contract of service with the employing Party;
- **“Employer”** refers to any person who has entered into a contract of service to employ any other person as an employee, and includes an agent, manager or factor of such-first mentioned person;
- **“Fund”** refers to the Human Resources Development Fund established under Section 22 of PSMB Act 2001;
- **“Minister”** refers to the Minister charged with the responsibility for human resources;
- **“PSMB Act 2001”** refers to the Pembangunan Sumber Manusia Berhad Act 2001 and includes all rules, regulations, code of practices and/or guidelines made thereunder;
- **“Training Provider”** refers to any company, organisation, corporation, or other group of persons involved in the training, promotion and/or development of human resources and are registered with HRD Corp in accordance with the terms and conditions stipulated at the time of their registration.

## 1.0 BACKGROUND

The Integrity Pact is a concept introduced by Transparency International to assist Governments in its effort to curb corruption in public contracts. Today, the development of the Integrity Pact forms part of the Government's National Key Result Area (NKRA).

HRD Corp implemented the Integrity Pact in order to strengthen integrity and promote good governance within the organisation. Based on the National Anti-Corruption Plan 2019-2023 (NACP): Strategy 6 Inculcating Good Governance in Corporate Entities, HRD Corp is required to impose conditions and map out specific purposes in the utilisation of the funds it receives from the Government.

As an organisation that has received and will continue to receive Government grants for the purpose of training and developing Malaysian talents, it is essential that HRD Corp develops and enforces the terms and conditions stipulated within the Integrity Pact.

The Integrity Pact initiative will be a part of the HRD Corp's strategy to curb bribery, corruption, and abuse of power in its management of Government funds. Beyond that, it will also help strengthen the organisation's integrity while ensuring that good governance is practiced at all levels of the organisation.

The Integrity Pact comprises a set of declarations by HRD Corp's employees who are involved in procurement and selection activities, namely within the Procurement Committee and Selection Committee. This may include but not be limited to Senior Management, Technical Committee, Opening Committees, Evaluation Committee, Approval Committee, Internal Sourcing Committee. The declaration also extends to HRD Corp's Suppliers.

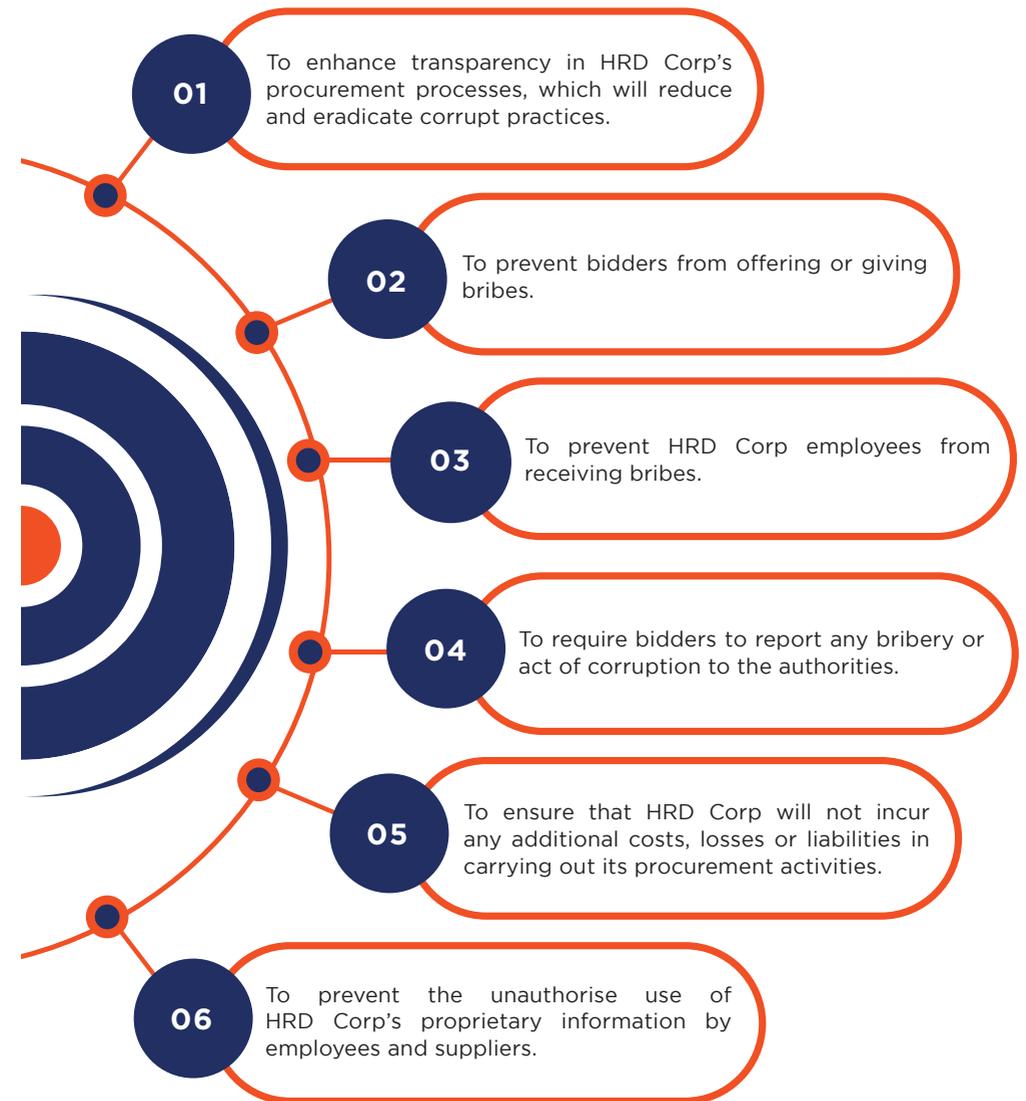
The declaration provides that all HRD Corp vendors and suppliers are prohibited from offering any form of bribery as a means to obtain a contract or to facilitate certain processes within HRD Corp. HRD Corp's employees are strictly prohibited from accepting bribes from its suppliers and/or be involved in any form of corrupt practices.

HRD Corp vendors or suppliers as well as HRD Corp's employees are required to sign the Integrity Pact, as an undertaking that they will refrain from getting involved in corrupt practices throughout any procurement process. The Integrity Pact also underlines the measures and consequences that should be taken in the event that the Pact is breached by any signatory.

The implementation of the Integrity Pact is in line with HRD Corp's Anti-Bribery Policy, Chapter 7, which provides that bribery and corruption in all its forms as it relates to HRD Corp's activities are strictly prohibited. This applies equally to all HRD Corp employees, vendors, and stakeholders.

All HRD Corp vendors, suppliers and employees have the responsibility to report any corrupt practices. Vendors or suppliers are also required to make an annual declaration upholding HRD Corp's Code of Business Ethics (COBE).

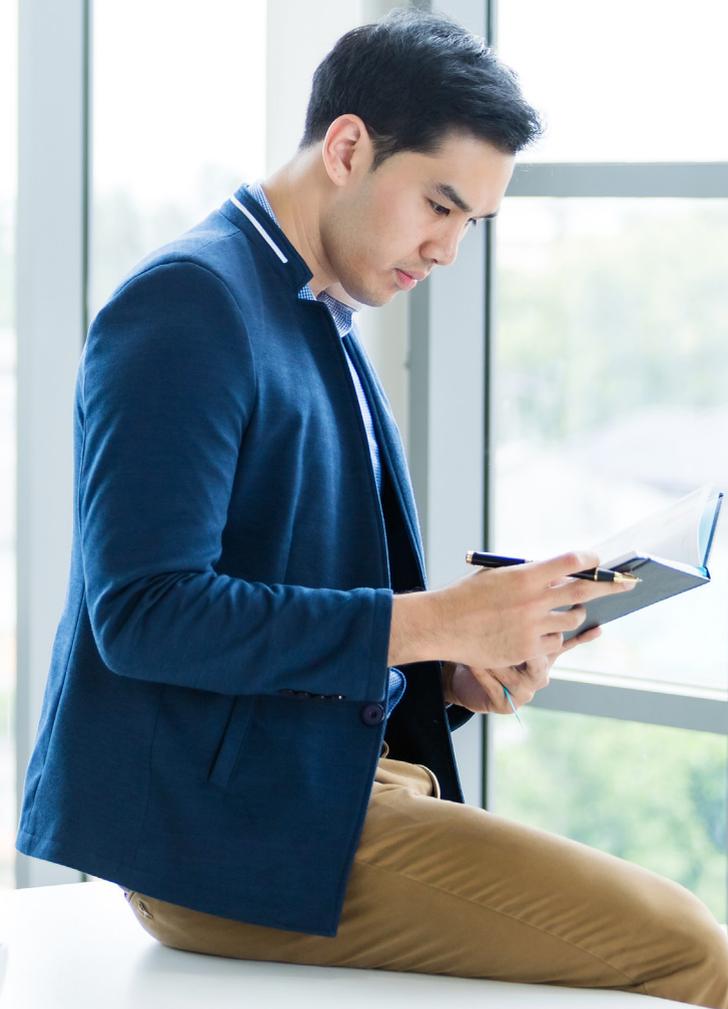
## OBJECTIVES



## RATIONALE

The implementation of the Integrity Pact is also aimed at increasing awareness and subsequently eradicating corrupt practices in HRD Corp such as:

- Offering, seeking, and accepting bribes to or from companies, firms, individuals and HRD Corp employees. Bribes can be in the form of money, gifts, donations, discounts, bonuses, jobs, services and/or favours as defined under: Section 3 of the Malaysian Anti-Corruption Commission Act 2009 (Act 694).
- Abuse of power by HRD Corp employees in the selection process of companies and firms in which the employee(s) has a vested interest in.
- Forgeries of information, documents, and records to influence evaluation processes and procurement decisions.
- False claims/declarations by representative(s) of the firms and/or HRD Corp employee(s) or companies.
- Conspiracy among companies, firms, individuals and HRD Corp employees to obtain a procurement award.



## 2.0 IMPLEMENTATION STAGES AND WORK PROCESSES

### 2.1 Board Members and Employees

STAGE	WORK PROCESS
<p><b>Stage 1:</b> Upon Reporting for Duty</p>	<p>Every Board Member or employee who is directly or indirectly involved in any procurement activities will be required to sign a <b>Declaration by HRD Corp's Board Members and Employees Involved in Procurement Activities</b> - as outlined in APPENDIX A and B, respectively.</p> <p>This must be done when the officer reports for duty or assumes their responsibilities, whichever is earlier.</p> <ul style="list-style-type: none"> <li>For a Board Member, the form shall be kept by the Company Secretary.</li> <li>For employees, it will be included in their personnel file and kept by the Human Resources Department.</li> </ul> <p>The Company Secretary must ensure that all Board Members execute the <b>Declaration by HRD Corp's Board Members</b> before assuming duties or engaging in procurement or selection activities, or any related matters.</p> <p>Every Head of Division, Department or Unit must ensure that employees under their supervision execute the <b>Declaration by HRD Corp's Employees</b> upon reporting for duty and/or before engaging in procurement or selection activities, or any related matters. The Heads are also responsible in ensuring that the forms are sent to the Human Resources Department, to be kept and filed accordingly.</p>
<p><b>Stage 2:</b> Annual Declaration</p>	<p>The Company Secretary must ensure that all Board Members who are involved in procurement or selection activities, or any related matters, renew their Declaration as outlined in APPENDIX A, on an annual basis. This must be done before the 31<sup>st</sup> of December of each year. The Declaration shall be kept and filed accordingly.</p> <p>The Head of Division, Department or Unit must ensure that all employees under their supervision, who are involved in procurement or selection activities, or any related matters, renew their <b>Declaration</b> as outlined in APPENDIX B, on an annual basis. This must be done before the 31<sup>st</sup> of December of each year. The Declaration shall be kept and filed accordingly.</p>

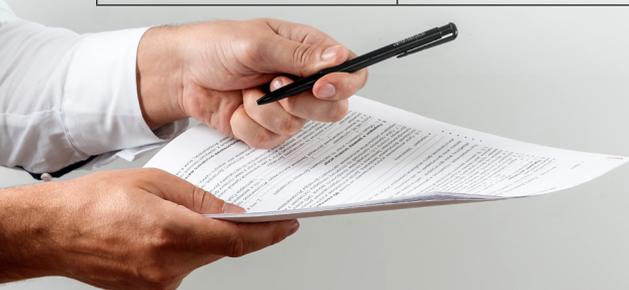
### 2.2 Members of Procurement Committees

STAGE	WORK PROCESS
<p><b>Stage 1:</b> Upon Appointment as a Committee Member</p>	<p>Every individual appointed as a member of a Procurement Committee must execute a <b>Declaration by a Committee Member</b> as outlined in APPENDIX F.</p> <p>A copy of <b>The Declaration</b> must be kept by the Secretariat of the relevant Procurement Committee.</p>
<p><b>Stage 2:</b> After Every Session or Meeting</p>	<p>Every appointed Member of the Committee must execute a <b>Declaration by a Committee Member</b> as outlined in APPENDIX F after every session or meeting that they attend that relates to procurement activities.</p> <p>A copy of <b>The Declaration</b> must be kept by the Procurement Unit.</p>



## 2.3 Vendors or Suppliers

STAGE	WORK PROCESS
<b>Stage 1:</b> Upon Registration as a Training Provider	Suppliers must submit the Declaration Form as outlined in APPENDIX D via the HRD Corp E-TRIS Portal within three (3) working days of receiving their Registered Training Provider/Supplier Certification.
<b>Stage 2:</b> Upon Renewal of the Training Provider Registration	The Training Provider/Supplier must update The Declaration as outlined in APPENDIX D, each time they renew their registration with HRD Corp.
<b>Stage 3:</b> Upon Purchase and Submission of Tender/Quotation/Proposal Documents and before the Official Letter of Appointment	The Training Provider/Supplier must ensure that the Training Provider/Supplier's Declaration as outlined in APPENDIX D or E is duly completed, signed, and attached to the tender or quotation submission.
<b>Stage 4:</b> Upon Execution of the Letter of Acceptance by the Successful Training Provider/Supplier	The successful Training Provider/Supplier must ensure that The Declaration as outlined in APPENDIX D/E is duly completed, signed and attached with the Letter of Acceptance and returned HRD Corp.
<b>Stage 5:</b> Upon Execution of the Procurement Agreement between Successful Suppliers and HRD Corp	The Procurement and Legal Unit are required to ensure that the provision on corruption as attached in APPENDIX E is included in all procurement documentations and legal contracts.



## 3.0 APPENDIX

### 3.1 DECLARATION BY MEMBERS OF THE BOARD OF DIRECTORS OF PEMBANGUNAN SUMBER MANUSIA BERHAD (PSMB) [Upon Appointment & Annually]

#### APPENDIX A



#### DECLARATION BY MEMBERS OF THE BOARD OF DIRECTORS OF PEMBANGUNAN SUMBER MANUSIA BERHAD (PSMB)

In consideration of **Pembangunan Sumber Manusia Berhad (Company) No. 545143-D (PSMB)** confirming my appointment as Director of PSMB from \_\_\_\_\_ until \_\_\_\_\_ (Appointment), I \_\_\_\_\_

(NRIC No.) \_\_\_\_\_, a Malaysian citizen of full age residing at \_\_\_\_\_

do solemnly swear and sincerely declare that I owe a fiduciary duty to PSMB to avoid any conflict of interests for the entire duration of my Appointment, and to, at all times, act in the best interest of PSMB, I confirm that:

1. I do not have any competing professional or personal financial or pecuniary interest, direct or indirect, that could have a real or perceived effect on my ability to fulfil my responsibilities to the best of my abilities.
2. I shall not engage in any activity that may create or appear to create a conflict of interest. A conflict of interest for the purposes of this Declaration is when there is an actual, perceived, or potential discrepancy between an individual's interest and/or benefit and his obligations to PSMB and which may arise in particular, as a result of economic interests, political or national affinities, family or emotional ties, or any other relevant connection or shared interest with PSMB, and/or PSMB's stakeholders.
3. I shall inform PSMB or the Malaysian Anti-Corruption Commission or other relevant authority(ies), without delay, of any situation constituting a conflict of interest or which could give rise to a conflict of interest, including but not limited to:
  - a. any party(ies) offering, giving, agreeing, or promising to give any money, goods or service(s) or any form of gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 (Act 694) in exchange for my support or assistance in discharging my duties under the Appointment;
  - b. engaging in any outside employment that may be perceived as being a real or apparent influence on my objectivity in carrying out my duties under the Appointment;
  - c. providing assistance or advice to any party participating in a [proposal/tender/contract] with PSMB;
  - d. having any ownership, investment interest, compensation arrangement or any other pecuniary interest, directly or indirectly, with any party participating in a [proposal/tender/contract] with PSMB;



**3.2 DECLARATION BY EMPLOYEES OF HUMAN RESOURCE DEVELOPMENT CORPORATION (HRD CORP)**  
[Upon Reporting for Duty & Annually]

**APPENDIX B**



**INTEGRITY PACT**

**DECLARATION BY PSMB'S EMPLOYEES OF HUMAN RESOURCE DEVELOPMENT CORPORATION (HRD CORP)  
UPON REPORTING FOR DUTY AND ANNUAL DECLARATION**

I, \_\_\_\_\_ Staff No. \_\_\_\_\_ NRIC No. \_\_\_\_\_ of  
\_\_\_\_\_ hereby declare and undertake as follows:

**1. SCOPE OF DECLARATION**

This declaration defines Confidential Information and sets out the Employee's obligation in dealing with the same.

1.1 I shall not directly or indirectly solicit, receive or obtain or agree to receive or obtain for myself or for any other person any money, goods or service(s) or any gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] as a consideration or reward for the decision, opinion, recommendation, vote or other favours to be selected in the aforementioned tender/quotation exercise\*.

1.2 I shall not collude with any bidder(s) and/or Vendor(s)/Service Providers/Suppliers/Consultants/Retainers or any other individual(s), in any type of practices including but not limited to 'bid rigging' and corruptly procuring withdrawal of tender that may affect transparency and fairness during any procurement process or activities and during the contract implementation period.

1.3 I agree to keep confidential all proprietary information and documentations relating to the tender and/or contract in the strictest of confidence and hereby covenant to take all reasonable measures to protect the secrecy of and avoid disclosure or use of such proprietary information and/or documents to any unauthorised party.

1.4 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 bidder(s) and/or Vendor(s)/ Service Providers/Suppliers/Consultants/Retainers in the foreseeable tender/quotation under my supervision and/or knowledge and if there is any in the future, I shall immediately declare it, together with details to the Chairman/Head of Integrity & Governance Unit and abstain myself from participating in the aforementioned tender/quotation exercise and/or any task related thereto.

1.5 In the event, whether directly or indirectly, where there is any individual(s) bidder(s) or individuals who represent the bidder(s) or any other individual(s) who offer, give, agree, or promise to give any money, goods or service(s) or any form of gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 (Act 694), in order to be selected for the aforementioned

**3.2 DECLARATION BY EMPLOYEES OF HUMAN RESOURCE DEVELOPMENT CORPORATION (HRD CORP)**  
[Upon Reporting for Duty & Annually]

**APPENDIX B**

tender/quotation, I shall immediately report such matters to PSMB's Management or relevant authority(ies).

1.6 I shall at all material times abide by PSMB's Code of Business Ethics and/or any other PSMB's policies applicable during the tender/quotation process and the execution of a formal agreement and its implementation thereof; and

1.7 Notwithstanding the date in which this Declaration is entered into, this Declaration shall retrospectively bind me, the Employee, with regards to all Confidential Information obtained by me before the effective date of this Declaration. This Declaration shall also be effective and binding against me after the discontinuation of my employment with PSMB. I acknowledge and recognise that I owe a perpetual duty of care to PSMB with regards to the Confidential Information obtained whilst I am in the services of PSMB.

2. Any provision within the Declaration (or any portion thereof) deemed invalid, unlawful, or otherwise unenforceable by a court of law shall be severed from the Declaration and the remainder of the Declaration shall continue to be valid and enforceable. A severed provision shall not alter the integrity of the Declaration, and the terms set forth in any severed provision shall be construed in such a way as to interpret the purpose for which it was drafted. This Declaration shall in all respects be governed and construed in accordance with the laws of Malaysia and the Parties shall submit to the exclusive jurisdiction of the courts of Malaysia.

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

**4. APPREHENSION OF THIS AGREEMENT**

Employee represents and warrants that he/she has read and understands the content of this Declaration.

For and on behalf of the company,

Witnessed by,

\_\_\_\_\_  
Name:

\_\_\_\_\_  
NRIC No:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Company Stamp:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
NRIC No:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Company Stamp:

**3.3 DECLARATION BY TRAINING PROVIDERS**  
[Upon Registration and Renewal]

**APPENDIX C**



**INTEGRITY PACT**

**DECLARATION BY TRAINING PROVIDERS  
UPON REGISTRATION / RENEWAL**

I, \_\_\_\_\_ (NRIC No.) \_\_\_\_\_ the Managing Director/Chief Executive Officer of \_\_\_\_\_ (name of Company) with Company registration number \_\_\_\_\_ hereby declare that I or any other individual(s) representing this Company including employees, and representatives, undertake as follows:

- 1.1 I shall not directly or indirectly offer, give, or agree or promise to give to any individual(s) in PSMB or any other individual(s), money, goods or service(s) or any form of gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 (Act 694) as a consideration or reward for the decision, opinion, recommendation, vote or other favours which may influence the selection of my company for the aforementioned the registration process and/or any related matters thereof.
- 1.2 I shall not collude with any individuals, and/or any employee(s) of PSMB in any type of practice, in order to influence the decision-making process in my favour. This includes any agreements or decisions entered into between Training Providers, PSMB Employees and/or Board of Directors.
- 1.3 In the event where any individual(s)/ employee(s) from PSMB solicits or attempt to solicit any bribe from me or any individual(s) representing this company, in the form of money, goods or service(s) or any form of gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 (Act 694), in order to select my company during the aforementioned tender/quotation submission process, I shall immediately report such matters to PSMB's Management or any other relevant authority(ies).
- 1.4 I shall abide by PSMB's Code of Business Ethics, and/or any other policies applicable during the tender/quotation process and/or the execution of a formal agreement and its implementation thereof; and
- 1.5 The company has and/or will implement an anti-corruption framework including a compliance program that clearly rejects the practice of bribery and other unethical behaviours, throughout the company.

**3.3 DECLARATION BY TRAINING PROVIDERS**  
[Upon Registration and Renewal]

**APPENDIX C**

2. I duly understand that the failure to comply with or the breach of any terms of the Declaration stated above, by myself and/or any individual(s) representing this Company may result in the suspension or blacklisting of this Company from participating in any of PSMB's future procurement activities.

2.1 I hereby agree that this declaration obligation shall remain in full force until the contract has been fully executed and implemented.

For and on behalf of the company,

Witnessed by,

\_\_\_\_\_  
Name:

NRIC No:

Date:

Company Stamp:

\_\_\_\_\_  
Name:

NRIC No:

Date:

Company Stamp:

**3.4 DECLARATION BY VENDORS OR SUPPLIERS**  
[Upon Appointment and Renewal]

**APPENDIX D**



**INTEGRITY PACT**

**SUPPLIER'S DECLARATION  
UPON APPOINTMENT AS PSMB REGISTERED SUPPLIER AND  
UPON RENEWAL OF SUPPLIER REGISTRATION**

I, \_\_\_\_\_ (NRIC No.) \_\_\_\_\_

on behalf of \_\_\_\_\_ (name of Company) with Company registration number \_\_\_\_\_ hereby declare that I, or any individual(s) representing this Company including employees, agents and/or subcontractors and representatives shall not offer or give any bribe to any individual(s) in (collectively referred to as 'PSMB') or any other individual(s), as gratification, as defined under the Malaysian Anti-Corruption Commission Act 2009 (Act 694) pursuant to the supplier registration with PSMB, for being selected as a PSMB-registered Supplier or for any procurement award in the future.

I attach herewith a Letter of Authorisation via a Company Board resolution, which empowers me, as a representative of the aforementioned company, to make this declaration.

2. If I, or any individual representing this Company, were to offer bribes to individuals in PSMB or any other individuals, as gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 (Act 694) for any transaction. I hereby agree that as a representative of the aforementioned Company, the following actions will be taken against my Company:

- 2.1 Suspension and/or removal as PSMB-registered Supplier and being blacklisted for future registration;
- 2.2 Revocation of any award and/or contract offer;
- 2.3 Termination of any existing award/or contract; and
- 2.4 Any other disciplinary actions according to the current PSMB procurement rules and regulations in force.

**3.4 DECLARATION BY VENDORS OR SUPPLIERS**  
[Upon Appointment and Renewal]

**APPENDIX D**

3. In the event where there is any individual(s) who attempts to solicit bribes from me or any individuals related to this Company, in any form, of as gratification for any procurement award, I hereby pledge to immediately report such act(s) in any of the following ways:

3.1 Send an email to [aduanintegriti@hrdcorp.gov.my](mailto:aduanintegriti@hrdcorp.gov.my)

3.2 Write to:

**Chief Integrity and Governance Officer**, Wisma HRD Corp, Jalan Beringin, Damansara Heights, 50490 Kuala Lumpur.

3.3 Fill up and submit the whistleblower form on HRD Corp's portal.

For and on behalf of the company,

Witnessed by,

\_\_\_\_\_  
Name:

\_\_\_\_\_  
NRIC No:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Company Stamp:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
NRIC No:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Company Stamp:



APPENDIX F



**TERMINATION ON CORRUPTION, UNLAWFUL OR ILLEGAL ACTIVITIES**

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







**HUMAN RESOURCE DEVELOPMENT CORPORATION (545143-D)**

Wisma HRD Corp, Jalan Beringin,  
Damansara Heights, 50490 Kuala Lumpur  
1800-88-4800

support@hrdcorp.gov.my | integrity@hrdcorp.gov.my

[www.hrdcorp.gov.my](http://www.hrdcorp.gov.my)