

**General Session: Review of the KL
Principles – A Voluntary Regional Approach
Designed to Ensure Successful Code
Adoption**

Dato' Hjh. Sutinah binti Sutan

**Deputy Chief Commissioner
Malaysian Anti-Corruption Commission (MACC)**

EFFECTS OF CORRUPTION ON TRADE AND BUSINESS

- **Increase cost of doing business**
- **Reduce opportunity of a level playing field in business**
- **Allow for unfair business practices**
- **Affect business sustainability**
- **Kills a healthy business transaction**

OBJECTIVE

**A WORKSHOP TO SUPPORT
MEDICAL DEVICE ASSOCIATIONS IN
WRITING OR UPDATING THEIR
VOLUNTARY CODES OF BUSINESS
ETHICS IN LINE WITH THE KL
PRINCIPLES**

KL Principles: Endorsed by SME Ministers in Big Sky (USA), May 2011

“The Ministers endorsed the adoption and implementation of the Kuala Lumpur Principles Medical Device Sector Codes of Ethics (the “KL Principles”), which were developed by an Expert Working Group in Kuala Lumpur, Malaysia. Ministers called on the medical device sector industry associations and their member companies to adopt and implement codes of business ethics consistent with the KL Principles and encouraged capacity building initiatives so that these measures are fully implemented.”



KL Principles: Pilot for the biopharmaceutical and construction sectors

“Ministers fully support and look forward to the development of additional sets of voluntary ethical principles or codes of ethics in sectors where SMEs are important stakeholders, beginning with the construction and bio-pharmaceutical sectors.”



KL Principles: Endorsed by APEC Ministers, November 2011

“APEC High Level Policy Dialogue on Open Governance and Economic Growth” chaired by U.S. Secretary of State Hilary Clinton:

“We applaud the decision of the APEC SME Ministers at Big Sky, Montana in May 2011 to endorse the Kuala Lumpur Principles for Medical Device Sector Codes of Business Ethics. This set of principles for the region’s medical devices industry is the first of its kind, and will improve the quality of patient care, encourage innovation, and promote the growth of SMEs that produce medical devices. We also congratulate the work of the APEC SME Working Group in establishing voluntary sets of ethics principles for the biopharmaceutical sector (the Mexico City Principles) and the construction and engineering sector (the Hanoi Principles). We endorse these three sets of principles and look forward to further APEC efforts to ensure that these principles have a practical impact for small and medium-sized companies.”

KL Principles: Endorsed by APEC Ministers, November 2011

From “Actions to address barriers facing SMEs in trading in the region” in the trade track of the APEC Ministers Meeting, chaired by U.S. Trade Representative Ron Kirk:

“Therefore, economies have committed to undertaking the following actions...Endorse principles for voluntary codes of business ethics in the construction and engineering, medical devices, and biopharmaceutical sectors to ensure open and transparent business environments...”



WHY WE NEED THIS REGIONAL INITIATIVE?

- **IT'S A COLLECTIVE ACTION, MANIFESTATION OF THE ENDORSEMENT, A PACT BY INDUSTRIES TO ENCOURAGE SUSTAINABILITY OF THE INDUSTRY**
- **A STANDARD BEHAVIOUR AMONG APEC ECONOMIES IN DOING BUSINESS VIS-À-VIS MEDICAL DEVICE SECTOR**
- **PART OF CAPACITY BUILDING IN TERMS OF HAVING STRONGER VOICE, STRENGTHENING MONITORING, ENFORCEMENT AND ACCOUNTABILITY AGAINST UNETHICAL BEHAVIORS AMONG ALL THE PLAYERS**



CHALLENGES

DIFFERENCES IN:

- **CULTURE & TRADITION** – eg. gift giving during festive seasons
- **VALUES** of the gifts – nominal and non-commercial, subject to deeper discussion
- **LEGAL PRACTICES** – anti-corruption laws, facilitation payments

AREAS OF CONCERN TO BE CONSIDERED IN DRAFTING THE CODE

- **policy on gift**
- **entertainment expenses**
- **policy on whistle blowing**
 - **provide channel for complain**
- **conflict of interest**
- **political donation**
- **corporate social responsibility (CSR)**

WHY ARE WE HERE?

A draft code that is acceptable by all economies and in the long run, making corruption and unethical behavior legally, culturally and morally unacceptable