



CHARTERED INSTITUTE™
OF ISLAMIC FINANCE
PROFESSIONALS

Chartered Institute of Islamic Finance Professionals
201501023371 (1148700-X)

THIRD PARTY CODE OF CONDUCT

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1.0 OBJECTIVE

- 1.1 Chartered Institute of Islamic Finance Professional (“CIIF”) practices a high ethical standard, integrity culture and adopts tolerance against all forms of improper conduct, fraud, briberies and corruption.
- 1.2 The Third Party Code of Conduct (“TCOC”) established a set of standards on business and ethical practices and professional conduct expected on all Third Party. Third Party includes all contractors, vendors, suppliers, solicitors, agents, consultants, joint venture partners and to any person(s) appointed by them in any capacity to deliver the goods or perform any part of the services to the CIIF.

2.0 SCOPE

- 2.1 This Code of Business Conduct for Third Parties ("Code") shall apply to any party with which the organisation has, or plans to establish, some form of business relationship, including but not limited to members, clients, joint venture partners, consortium partners, contractors, consultants, sub-contractors, suppliers, service providers, vendors, advisors, agents, distributors, representatives, intermediaries, and any other persons or entities who provide work, goods or services or act for or on behalf of the CIIF ("Third Parties"), including but not limited to their employees, affiliates or any other third parties or sub-contractors who have been engaged by the Third Parties to perform services for, or provide products to, or act for or on behalf of the CIIF (collectively, "Personnel").
- 2.2 This Code shall also apply to all Third Parties and their Personnel who provide work, goods or services or act for or on behalf of persons or entities appointed by the CIIF except any person or entities that have their own code of business conduct for third parties, in which case such Third Party and their Personnel shall comply with the code of business conduct for third parties implemented by the relevant subsidiary.
- 2.3 This Code shall be read in line with any existing policies, procedures and codes relevant to Third Parties; e.g: the CIIF Code of Conduct and the CIIF Anti-Bribery and Corruption Policy and Procedures.

3.0 ABBREVIATIONS

Term	Definition
CIIF	Chartered Institute of Islamic Finance Professionals
GC	Grand Council constituted for the management of the affairs of the CIIF
TCOC	Third Party Code of Conduct
MACC	Malaysian Anti-Corruption Commission

4.0 RESPONSIBILITY

- 4.1 It is the responsibility of the Third Party to ensure that its representative(s) complies with this TCOC.
- 4.2 The CIIF reserves the right to take action on the Third Party if the CIIF believes that there is a breach of the TCOC.
- 4.3 If all parties have reason to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future perpetrated by the CIIF Personnel that breaches this policy, they may use the CIIF whistle blowing channel to raise their concerns, or they can report directly to MACC.

5.0 INTRODUCTION

- 5.1 This policy provides a set of governing principles for ethical behaviour for Third Parties when interacting with the CIIF or when acting on its behalf.
- 5.2 The CIIF expects the same level of integrity and business conduct from our Third Parties and their personnel as it does its own people.
- 5.3 The CIIF expects its Third Parties and their Personnel to have a continuing obligation to familiarise themselves with this Code and applicable laws in relation to conducting their business with the CIIF.

6.0 CONFLICTS OF INTEREST (COI)

- 6.1 The CIIF prohibits the Third Party from gaining improper advantage or preferential treatment in their relationship with the CIIF.
- 6.2 The Third Party is considered to be in COI when a situation arises itself in a position being able to exploit in a professional or official capacity for self and family member's benefit.
- 6.3 The Third Party must exercise reasonable care to avoid situations that could result in actual or potential conflict of interest. In order to ensure this, Third Party is required to sign the **declaration on Non-Conflict of Interest with the CIIF (refer Appendix 1)**.
- 6.4 Further reference on conflicts of interest to be referred to the CIIF Anti-bribery and Corruption Policy and Procedures.

7.0 CONFIDENTIAL AND SECRECY

- 7.1 All information relating to the CIIF shall be treated as confidential unless stated otherwise. Hence, Third Party must exercise vigilant in handling information/date obtained in the course of their duties with the CIIF and refrain from using the CIIF's name, directly or indirectly, for whatsoever purposes unless being authorised by the CIIF.

- 7.2 Third Party may have access to material non-public information (MNPI) about the CIIF and other companies conducting business with the CIIF. In this regard, the Third Party must consider all information as MNPI unless it has been publicly announced.

8.0 BANKRUPTCY

- 8.1 The Third Party who had been wound-up or being declared bankrupt by a court of competent jurisdiction or receives winding-up petition/bankruptcy notice shall immediately notify the CIIF.

9.0 CIRCUMVENTION OF FRAUDULENT PRACTICES

- 9.1 All Third Party must avoid from committing, fraudulent practices which include any acts or omission or false representative with the intention to mislead the CIIF, obtain financial gain (or other benefit) or to avoid an obligation.

10.0 MONEY LAUNDERING AND TERRORISM FINANCING

- 10.1 Money laundering is the process of converting cash or property derived from illegal criminal activities and to portray the appearance of having been obtained from legitimate sources.
- 10.2 Terrorism financing is the process of financing terrorist activities through legitimate or illegitimate sources. Some of the examples of terrorism financing techniques include movement of funds via financial system, raising fund from legitimate sources, raising fund from ransom/kidnapping etc.
- 10.3 If the Third Party have reasonable grounds to suspect that funds with which they are somehow involved are linked to money laundering activities, or the transactions look suspicious, or the funds are linked to/used for terrorism activities etc; the Third Party must channel promptly their suspicions to the CIIF.

11.0 GIFTS, ENTERTAINMENT AND HOSPITALITIES

- 11.1 Generally, CIIF personnel are allowed to receive gifts from third parties depending on the amount or value that is allowed, outlined in the CIIF Anti-Bribery and Corruption Policy and Procedures.
- 11.2 The CIIF personnel shall not provide or accept entertainment and hospitality from the third parties that are illegal, inappropriate or would violate the CIIF's commitment on its Core Values. The CIIF shall politely decline entertainment or hospitality that does not comply with this or more restrictive policies.
- 11.3 It is the responsibility of each employee to obtain approval from the CEO for providing or accepting any hospitality.

- 11.4 Please refer to the CIIF Anti-Bribery and Corruption Policy and Procedures for more detailed procedures and the declaration form to fill up.

12.0 FACILITATION PAYMENT

- 12.1 A Third Party is prohibited from, directly or indirectly, giving, accepting or obtaining or attempting to give, accept or obtain facilitation payments from any person for itself or for any other person subject to this Code.
- 12.2 In this part, the term “facilitation payments” generally means payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.
- 12.3 Please refer to CIIF Anti-Bribery and Corruption Policy and Procedures for detailed information.

13.0 PUBLIC OFFICIALS

- 13.1 Public Officials (sometimes referred to as Politically Exposed Persons or PEPs) mean individuals who are or have been entrusted domestically or internationally with prominent, public functions. Public Officials include immediate family members, close associates and companies related to such individuals in their capacity as directors, members of management or beneficial owners.
- 13.2 The Third Party must declare to the CIIF in the event their profiles match with the public officials’ definition as stated in Section 12.1.

14.0 BREACH OF CODE OF CONDUCT

- 14.1 All Third Party is governed by the COC as part of the terms and conditions of their appointment between them and the CIIF.
- 14.2 Appropriate actions will be taken against any Third Party who contravenes the COC. The severity of punishment shall commensurate with the misconducts such as reporting by the CIIF to the police of Malaysia Anti-Corruption Commission, litigation action, termination of contracts, disqualify the Third Party from tendering for future jobs etc.
- 13.3 The CIIF expects all Third Party to render full cooperation in the event of an investigation, inquiry or litigation relating to or involving the CIIF.

15.0 WHISTLEBLOWING

- 15.1 All Third Party must inform the CIIF as soon as they have a reasonable suspicion of an improper conducts/breach of COC involving the CIIF Personnel or any parties related to the CIIF.

- 15.2 All concerns raised will be treated fairly and properly. The CIIF will ensure that no whistleblower will be at risk of suffering any form of retribution as a result of raising, a concern as long as the same is reported in good faith. The whistleblower will also be protected even if the concern raised proves to be incorrect or unsubstantiated.
- 15.3 All concerns/reports by the Third Party in regard to the improper conducts or breach of COC must be emailed to whistleblow@ciif-global.org .
- 15.4 Further reference on whistleblowing guidelines to be referred to the CIIF Whistleblowing Policy and Procedures.

16.0 PROCEDURES

16.1 Declaration

- 16.1.1 In this regard, the CIIF shall require all third parties with job/contract value of **more than RM3,000 (in aggregate per annum)** to sign a **declaration on Third Party (refer Appendix 2)** prior to commencing any dealings with them.

16.2 Due Diligence verification

- 16.2.1 The relevant departments within the CIIF shall conduct due diligence on all relevant parties prior to entering into any formalised relationships.
- 16.2.2 Methods may include background checks on the person or entity, a document verification process, or conducting interviews with the person to be appointed to a key role where corruption risk has been identified. The search shall at a minimum include a search through relevant means for background screening verification, checking for relationships with public/politically linked/exposed officials, self-declaration, and documenting the reasons for selecting a business associate.
- 16.2.3 The results of the due diligence process must be documented, retained for at least seven (7) years and produced on the IO's request by the relevant CIIF Department.

16.3 Standard Anti-Bribery and Corruption Clause

- 16.3.1 The CIIF shall include standard clauses in all contracts with all third parties involved that enable the CIIF to terminate the contract in the event that bribery or an act of corruption has been proved to occur.
- 16.3.2 Additional clauses may also be included for third parties acting on the CIIF's behalf where a more than minor bribery risk has been identified.

APPENDIX 1: NON-CONFLICT OF INTEREST (DECLARATION)



NON-CONFLICT OF INTEREST WITH CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS

I, [NAME & IDENTITY CARD/PASSPORT NUMBERS OF THE AUTHORISED PERSON], being the authorised person of [NAME OF THE COMPANY] [COMPANY NO.], a company incorporated in Malaysia and having its registered office at [REGISTERED ADDRESS OF APPLICANT] (the “**Company**”) have been duly authorised to affirm this Statutory Declaration for and on behalf of the Company. We **DO HEREBY SOLEMNLY AFFIRM AND DECLARE** as follows:-

- That none of the directors of the Company is a Grand Councillor of CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS (“CIIF”);
- That none of the directors of the Company is in the employment of CIIF
- That none of the family members of any of the Company’s director is a Grand Councillor of CIIF;
- That none of the family members of any of the Company’s director is under the employment of CIIF;
- That none of the shareholders of the Company is a Grand Councillor of CIIF;
- That none of the shareholders of the Company is under the employment of CIIF;
- That none of the family members of any of the Company’s shareholder is a Grand Councillor of CIIF;
- That none of the employees of the Company is a Grand Councillor of CIIF;
- That none of the employees of the Company is under the employment of CIIF;
- That none of the family members of any of the Company’s employee is a shareholder/director/employee of CIIF.

which for the purposed herein, we confirm that:-

- (a) “members of family” shall include spouse, parents, spouse’s parents, children, siblings, and the spouse and siblings (biologically and non-biologically).
- (b) “body corporate associated with the Company” shall include a company/corporation:-
 - i. Which in the holding company of the Company; or
 - ii. Which is the subsidiary company of the Company; or
 - iii. Which is the subsidiary of the holding company of the Company; or

- iv. Which is, or the directors of which are, accustomed or under an obligation (whether formal or informal to act in accordance with the directions, instructions or wishes of the company or any directors or shareholders of the Company; or
- v. In accordance with directions, instructions or wishes of which or the directors of which the Company or any directors or shareholders of the Company is accustomed or under an obligation (whether formal or informal) to act; or which the Company holds not less than 15% of the voting shares; or
- vi. In which any of the Company holds not less than 16% of the voting shares; or
- vii. Which any of the said company/corporation director, shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, no less than 15% of the voting shares in the Company; or
- viii. In which any of the Company's director, shareholder and/or persons connected with him are entitled to exercise or control the exercise of, no less than 15% of the voting shares.

Signature of Authorised Person : _____

Name of Company's Authorised Person : _____

Company's Name : _____

Company's Stamp : _____

Date : _____

APPENDIX 2: THIRD PARTY DECLARATION FORM



THIRD PARTY DECLARATION FORM

1. We are the members/ clients/ joint venture partners/ consortium partners/ contractors/ consultants/ sub-contractors/ suppliers/ service providers/ vendors/ advisors/ agents/ distributors/ representatives/ intermediaries of Chartered Institute of Islamic Finance Professionals (“CIIF”).
- 2.
3. We hereby declare that we will comply with:
 - i. All applicable laws and regulations relating to CIIF Anti-Bribery and Corruption Policy and Whistleblowing Policy.
 - ii. The following principles:
 - Committing to promote values of integrity, transparency, accountability and good corporate governance.
 - Prevention of corruption and fighting any form of corrupt practice.
 - Supporting anti-corruption initiatives led by the government and the authorities.
(hereinafter collectively referred to as “the requirements”)
4. We have neither been convicted nor have we been subjected to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and will report any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law, to the CIIF or relevant authorities.
5. We undertake to promptly inform the CIIF of any breach and/or alleged/suspected breach of the requirements via email to whistleblow@ciif-global.org and cooperate with the CIIF in any investigation of such breach involving the CIIF personnel.
6. We acknowledge that the provisions set out in this declaration form shall constitute part of the terms and conditions of our appointment and/or contract of service.
7. We further acknowledge that the CIIF has the right to suspend or terminate the contract/agreement/job and disqualify us from tendering for future contracts/jobs if we were found to have breached the requirements or any other terms and conditions implemented by the CIIF pursuant to the contract/agreement/job.

Signature of Authorised Person : _____

Name of Company's Authorised Person : _____

Company's Name : _____

Company's Stamp : _____

Date : _____