



**Asia-Pacific
Economic Cooperation**

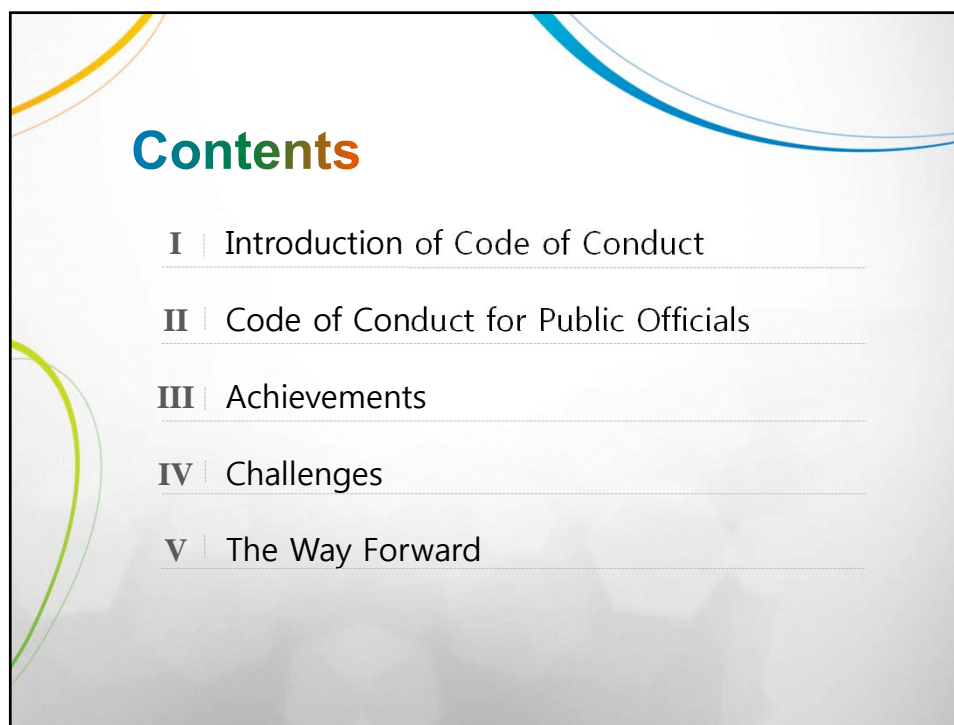
2013/SOM3/ACT/WKSP/002
2nd Session

Preventing Facilitation Payments and Managing Gratuities in Korea

Submitted by: Korea



**Workshop on Strengthening Integrity Through
Public-Private Partnership: Preventing
Facilitation Payment and Managing Gift Rules
Medan, Indonesia
24 June 2013**



I . Introduction of Code of Conduct



Introduction of Code of Conduct for Public Officials

- Background : To set high and concrete ethical standard
 - Legal ground : Article 8 of the 'Act on Anti-Corruption and the ACRC'
 - Target : Public Officials
 - Goal : Fair and transparent performance of duties
 - Punishment : Internal disciplinary measures
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- Introduction : May 2003
 - Target institutions : 1,361 Government agencies(as of June 2013)
 - * Each agency has to establish and implement their own CoC based on 'Code of Conduct for Public Officials'

II. Code of Conduct for Public Officials



Restriction of receiving money or other valuables

[Article 14] Restriction of receiving money or other valuables

A public official and his/her spouse or lineal ascendants/descendants shall not receive money or other valuables from an individual who is/was a duty-related party/public official.

* Receipt is restricted regardless of any kind of reciprocity or reward

[Article 14-2] Prohibition of giving money or other valuables

A public official shall not give money or other valuables to a public official prohibited from receiving money or other valuables from him/herself.

* Dual punishment

II. Code of Conduct for Public Officials



Exceptions

Exceptions of prohibitions on receiving money or valuables

- Money or other articles provided by a lawful claim
- Foods or convenience provided within the scope of conventional practices(within USD 30)
- Transportation, accommodation or foods uniformly provided by a sponsor to all participants in an official event related to duties
- Souvenirs or promotional goods distributed to many and unspecified persons
- Money or other valuables publicly provided to a public official in need who is afflicted with a disease or suffers other kind of disaster
- Money or other valuables provided to a public official to facilitate the performance of his or her duties within the limit set by the Agency Head

II. Code of Conduct for Public Officials



Restriction regarding family events and exceptions

[Article 17] Restriction on notification of festivities and funerals and on receipt of money thereof

- ◆ A public official shall not notify a duty-related party/public official of festivities and funerals.
- ◆ A public official shall not give or take money or other valuables for festivities and funerals exceeding common practices(USD 50).

Exceptions of notification

- Relatives, current or former colleagues
- Members of a social gathering to which he/she belongs
- Notification through newspapers, broadcasting and intranet

Exceptions of standard

- Between a public official and his/her relatives
- Given by religious or friendly group in accordance with its regulations
- As determined by the Agency Head

II. Code of Conduct for Public Officials



Disposal of money or other valuables received

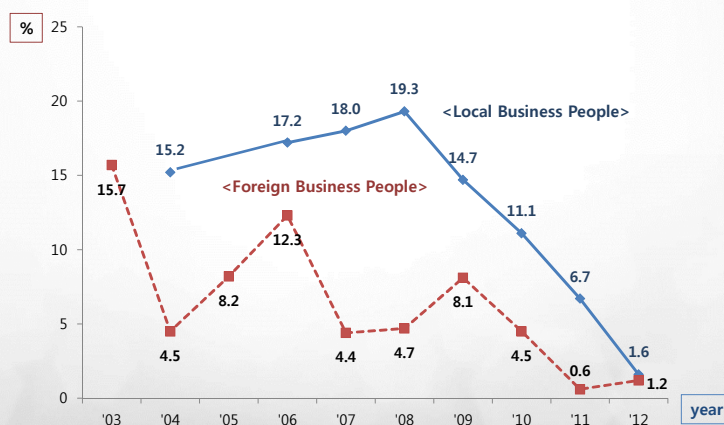
[Article 21] Disposal of money or other articles prohibited

- ◆ A public official who has received money or other valuables in violation of Article 14 or 17 shall immediately return them to the offering party.
- ◆ In the following cases, A public official shall immediately report to the head of his/her agency or the Code of Conduct Officer and then dispose them according to the decisions by the head.
 - The money or other valuables are subject to loss, decay or deterioration
 - The name or address of the offering party is not obvious
 - There are other unavoidable reasons for not returning them

III. Achievements



Experience rate of giving bribes of businesspeople



✓ A sharp drop in experience of giving bribes

III. Achievements



Statistics on violations of Code of Conduct

Category	'03.5~	'04	'05	'06	'07	'08	'09	'10	'11	'12
Violations (in total)	367	842	937	678	679	764	1,089	1,436	1,506	1,836
Money, Gift and Entertainment (Article 14)	259	624	737	428	392	283	381	760	651	701
Family Events (Article 17)	7	11	15	7	6	5	2	9	4	18
Percentage(%)	72.5	75.4	80.3	64.2	58.6	37.7	35.2	53.6	43.5	39.2

✓ Proportion of violations for articles 14 and 17 has decreased.

IV. Challenges



Challenges in implementation

- It is difficult to prove violation in case of small-scale gratuities because of lack of evidence.
- Only a few public officials make voluntary report for fear of disclosure of identity and disadvantages in the process of reporting.
- Detection is getting more and more difficult with various ways of offering money and valuables.
- Stakeholders are continuously raising opposition to the restriction on the receipt of gifts.
- It takes a long time to change the unique Korean culture of offering gifts and entertainment.

V. The Way Forward



Measures to enhance effectiveness of CoC

◆ Integrity Mileage System

- Public agencies provide or deduct mileage points to their employees according to anti-corruption achievements and reflect them into personnel management.

◆ Clean Reporting Center

- Each agency is operating Clean Reporting Center to receive and handle self reports of money or gifts received in violation of Code of Conduct.

◆ Protection and Award for Whistleblowers

- The ACRC provides award for whistleblowers, and implements protection and confidentiality measures.

◆ Anti-corruption Competitiveness Evaluation(ACE)

- Statistics on CoC violation detected and inspections performed by the agencies themselves are reflected in ACE performed by the ACRC.

V. The Way Forward



Measures to enhance effectiveness of CoC

The Korean Government,

- Will come up with more specific guidelines for the standards of receiving money and valuables by public officials.
- Will expand public-private partnership for corruption prevention including training courses for business ethics officers.
- Will introduce and use various and effective corruption detection systems including reporting with smartphones.

V. The Way Forward



media coverage regarding video reporting of corruption



 **Thank You**

Contact Information

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