



الجامعة الإسلامية العالمية ماليزيا
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA
بوسني في سبيل الله
Garden of Knowledge and Virtue

LEADING THE WAY
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LEADING THE WORLD



INTERNATIONAL MULTI-AWARD WINNING INSTITUTION FOR SUSTAINABILITY

ANTI-BRIBERY

AND ANTI-CORRUPTION POLICY

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INTERNATIONAL MULTI-AWARD WINNING INSTITUTION FOR SUSTAINABILITY

Name of Policy:	IIUM Anti-Bribery and Anti-Corruption Policy (ABAC)	Version:	1
Approving Authority:	Board of Governors	Effective Date:	29th May 2025 31st May 2022

1. Objective

This Anti-Bribery and Anti-Corruption Policy (hereinafter referred to as the “Policy”) aims to provide information, guidance and good practice to prevent, combat, and deal with bribery and corruption that may arise in the course of business. The objectives are:

- a) Upholding the highest governance standards
- b) Ensuring compliance to Anti-bribery and Anti-corruption Policy
- c) Ensuring the business associates and vendors upholding the highest integrity level
- d) Training and Awareness
- e) Case investigation
- f) Corruption case action
- g) Whistleblower protection
- h) Corruption risk management

2. Policy Statement

The IIUM ABAC Policy Statement is as follows:

‘IIUM is committed to conduct its business ethically, professionally, and with the highest standard of integrity. IIUM practices a zero-tolerance approach against all forms of bribery and corruption and adheres to all applicable laws and policies in relation to anti-bribery and anti-corruption.

It strictly prohibits offering, giving, receiving, or soliciting kickbacks, favors, gratuities, gifts, hospitality, donations, facilitation payments, preferential terms, or anything of value to and by each and every person working for or with IIUM which may influence or maybe construed to influence negotiations or dealings with IIUM or for IIUM.

In general, IIUM is committed to the following: -

- a) Establish, maintain, and review ABAC policy that is appropriate to IIUM for achieving its objectives;
- b) Encourage complaints through the whistleblower channel;

- c) Commit to continual improvement of the ABAC;
- d) Implement and monitor bribery and corruption risks;
- e) Ensure business associates and vendors deal ethically and with integrity;
- f) Establish a dedicated unit to monitor the implementation of ABAC;
- g) Establish a strategic alliance with MACC in combating bribery and corruption
- h) Take legal and disciplinary action against non-compliance to ABAC Policy and Laws’.

The staff of IIUM (academics and administrators) who fail to comply with the ABAC Policy shall be subjected to disciplinary actions in accordance with IIUM Staff Disciplinary Rules, IIUM Financial and Purchasing Policies and Procedures, directives, guidelines and other applicable laws.

The anti-bribery and anti-corruption policy will:

- a) be available as documented information;
- b) be communicated in appropriate languages within the organization and to business associates who pose more than a low risk of bribery;
- c) be available to relevant stakeholders, as appropriate.

3. Scope

This Policy shall be applicable to:

- a) Staff;
- b) External members of the IIUM Board or Committees; and
- c) Business Associates.

4. Definitions

Bribery	refers to the act of corruptly offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so to induce or influence an action or decision. Bribery may be ‘outbound’, where someone acting on behalf of the University
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	attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be 'inbound', where an external party is attempting to influence someone within the University such as a decision-maker or someone with access to confidential information.
Business Associate	refers to an external party with whom the University has, or plans to establish, some form of business relationship. This primarily include but not limited to counterparties and business partners i.e. clients, customers, consultants, joint venture partners, affiliates, trainees, seconded staffs, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, volunteers, interns, sponsors, intermediaries, investors and service providers of any kind performing work or services with the University.
Conflict of interest	means when a person's direct or indirect interests influence, have the potential to influence or are perceived to influence his or her decision-making. An indirect interest may relate to the interest of relatives or business partners of the Staff, External members of the IIUM Board or Committees and Business Associates or business in which the staff External members of the IIUM Board or Committees; and Business Associates holds an interest.
Relative	refers to Section 3 of MACC Act 2009 (Act 694) "relative", in relation to a person, means – (a) a spouse of the person; (b) a brother or sister of the person; (c) a brother or sister of the spouse of the person; (d) a lineal ascendant or descendant of the person; (e) a lineal ascendant or descendant of a spouse of the person; (f) a lineal descendant of a person referred to in paragraph (b); (g) the uncle, aunt or cousin of the person; or (h) the son-in-law or daughter-in-law of the person.

Corruption	<p>for the purpose of this Policy, corruption includes act of extortion, collusion, breach of trust, abuse of power, (trading under influence), embezzlement, fraud or money laundering and the following offences (in line with the Malaysian Anti-Corruption Act 2009 (MACC Act 2009) [Act 694]):</p> <ol style="list-style-type: none"> 1. Soliciting/Receiving Gratification (Bribe) [Section 16 & 17(a) MACC Act 2009] 2. Offering/Giving Gratification (Bribe) [Section 17(b) MACC Act 2009] 3. Offering/giving Gratification (Bribe) by commercial organization [Section 17A MACC Act 2009] Section 17A (1) A commercial organisation commits an offence if a person associated with the commercial organization corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent— <ul style="list-style-type: none"> (a) to obtain or retain business for the commercial organisation; or (b) to obtain or retain an advantage in the conduct of business for the commercial organisation. 4. Intending to Deceive (False Claim) [Section 18 MACC Act 2009] 5. Using Office or Position for Gratification (Bribe) (Abuse of Power/Position) [Section 23 MACC Act 2009]
Directors	refers to all independent and non-independent directors, executive and non-executive directors of the University, IIUM Holdings and its subsidiaries and shall also include alternate or substitute directors.
Facilitation Payments and Kickbacks	<p>facilitation payments means payments made to secure or expedite the performance of a routine or administrative duty or function that a person would normally be entitled to.</p> <p>Kickbacks means payment made in return for a business favor or advantage.</p>

Gift	gift includes cash, electronic items, jewelries, property, souvenirs, travel facilities, entertainment, services, club memberships, any forms of discount or commission or any other valuable items.
Gratification	<p>refers to the following:</p> <ul style="list-style-type: none"> (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage; (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity; (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part; (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage; (e) any forbearance to demand any money or money's worth or valuable thing; (f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).
Staff	means any person employed under a contract of service with the University.
University	refers to the International Islamic University Malaysia.
University Authority	means the Board, the Senate, the University Finance Committee and includes such other bodies as may be prescribed by Rules or Regulations.

5. Responsibilities

- 5.1 All persons as specified in Clause 3 shall:
- a) comply with this Policy;
 - b) be responsible in the prevention, detection, and reporting of bribery and corruption in the University;
 - c) avoid any activities that could lead to, or suggest, a breach of this Policy.
- 5.2 Any Staff who attempts to violate or violates this Policy or attempts to breach this policy would be subjected to disciplinary action in accordance with the University's rules and regulations.
- 5.3 For Business Associates, non-compliance may cause immediate termination of a contract. Further legal action may also be taken in the event that the University interests have been harmed as a result of non-compliance by the Business Associates.

6. Risk Assessment

The University will conduct corruption risk assessments periodically to identify, analyse, assess and prioritise the internal and external corruption risk of the University.

7. Facilitation Payments and Kickbacks

- 7.1 All Staff, External members of the IIUM Board or Committees and Business Associates are strictly prohibited from, directly or indirectly, offering, giving, or accepting or attempting to offer, give or accept facilitation payments and kickbacks in return for business favours, information, and favourable/special treatment in the course of their dealings with the University.
- 7.2 All Staff are expected to immediately notify and consult their immediate supervisor when encountered with any request for facilitation payments or have any suspicions, concerns, or queries

regarding the nature or purpose of a payment.

8. Gifts and Hospitality

8.1 Gifts

- a) The University adopts a “No Gift” policy whereby all Staff and their relatives, External members of the IIUM Board or Committees and Business Associates are prohibited from receiving or giving of gifts from or to any person if the receipt or giving of such gifts is in any way connected either directly or indirectly with their duties and responsibilities in relation to the University.
- b) The University acknowledges it is customary particularly during festive seasons such as Hari Raya, Chinese New Year etc., that there would be courtesies extended such as gifts, hospitality and entertainment which may include hampers, invitation to corporate functions as part of creating business goodwill and strengthening business relationship. In such situation, the guiding principles on whether to receive or accept a gift include:
 - i) value of the gift (should not exceed RM500);
 - ii) frequency of the gift (for example, 3 times and more);
 - iii) it is not made to influence the person to whom it is given in the decision-making process;
 - iv) it is not made to obtain or retain a business or a business advantage;
 - v) It is not made with the expectation of a favour in return.
- c. The university does not prohibit the acceptance or giving of corporate gift which are something given from one organisation to another, with the appointed representative of each organization giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the

general public at events and exhibitions as a part of building the company's brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the company name and logo and are of nominal value. Examples of corporate gifts normally bear the company name and logo and are of nominal value. Examples of corporate gifts include items such as diaries, pens, notepads, plaques, and festive gifts such as hampers, oranges and dates.

8.2 Hospitality

- a) The University recognizes that providing corporate hospitality through corporate events or other public events are a legitimate way to network, promote goodwill and build relationships with stakeholders and external parties.
- b) The University is committed to complying with all applicable laws when providing corporate hospitality to others. Staff and external members of the IIUM Board or Committees must exercise proper care and good judgement to ensure that the arrangement is legal under applicable laws, made for the right reasons and reasonable in its form and limit. It must not be given in response to, in anticipation of, or to influence a decision, or give rise to the perception that it is given to gain any advantages of any kind or unduly influence the outcome of a decision made or to be taken.
- c) The University recognizes that acceptance of an appropriate level of corporate hospitality given in the normal course of business is usually a legitimate contribution to building good relationship. Staff and external members of the IIUM Board or Committees must exercise proper care and good judgment to ensure that the arrangement is legal under applicable laws, made for the right reasons and reasonable in its form and limit.

- d) Business Associates are subject to the IIUM Code of Business Ethics and relevant policies when providing corporate hospitality to IIUM in the normal course of business as a legitimate contribution to building good relationships. It must not be given in response to, in anticipation of, or to influence a decision or give rise to the perception that is given to gain and advantages of any kind or unduly influence the outcome of a decision made or to be taken.

9. Conflict of Interest

- 9.1 The University Staff and Business Associate shall avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the university.
- 9.2 Any Staff or Business Associates must not use their position, the University resources and assets, or information available to them for personal gain, receiving gratification or to the University's disadvantage.
- 9.3 Approval from the relevant authorities must be obtained before undertaking activities which may give rise to a conflict of interest. Any Staff or Business Associates may be required to declare the conflict of interest, both on a scheduled basis or on an ad hoc basis when it is required.

10 Political Contributions

The University will not make or offer any contributions whether monetary, in kind or any other means to support any political parties or candidates for political office.

11 Charitable Contributions and Donations

The University encourages charitable contributions and donations as part of its commitment to the wellbeing (“*kesejahteraan*”) of the community. The charitable contributions and donations must comply with the following:

- a) ensure such contributions are allowed by applicable laws;
- b) obtain the necessary approval or authorisation from the relevant University Authority;
- c) be accurately stated in the company’s accounting books and records;
- d) not to be used as a means to cover up an undue payment or bribery; and
- e) all donation and sponsorship expenses must be approved in accordance with the University requirements.

12. Receiving Donations and Sponsorships

12.1 The University does not prohibit its Board, Directors, Management and Staff in receiving of donations and sponsorship for university related matters. However, the Board, Directors, Management and Staff are required to adhere to the following principles in relation to donations and sponsorships:

- a) not with the intention to obtain or retain business for the University, to obtain or retain an advantage in the conduct of business for the University, to influence or perceived to be able to influence judgement or business decisions, to reward for improper performance of responsibilities, or to receive preferential treatment;
- b) does not contradict with applicable laws and policies of both the giver and receiver;
- c) does not coincide with contract negotiations, licensing or permit application/renewal, or any equivalent event;
- d) not given or received frequently from the same party (for

example 4 – 5 times a year);

- e) due diligence and conflict of interest checks shall be performed prior to the donation and sponsorship, to avoid potential corruption or perceived as corrupt situations; and
- f) the university does not have any political affiliations and does not make political contributions, donations or sponsor any events of political parties. Board, Directors, Management and Staff may donate or sponsor political parties in their personal capacity and not to be associated with the University.

12.2 All donations and sponsorships given shall be authorized in accordance with the Delegation and Approval Limit Policy.

13. Sponsorship from External Parties for Attending Conferences, Courses, Research, etc.

- 13.1 Staff may secure or receive sponsorship from external parties. Sponsorship refers to anything sponsored, including funding facilities, registration fees, travel expenses, accommodation, food and beverage costs, and any other related expenses/facilities for official purposes such as courses, studies, training, workshops, seminars, visits, examinations, research, organizing departmental programs, and conferences, whether held locally or abroad.
- 13.2 The University deems it is appropriate for external parties to incur travel-related expenses for Staff who they engage on matters such as appointment as an external examiner or as an invited speaker, or adjunct professor etc.
- 13.3 In such situations, Staff are reminded to obtain the necessary approval, follow the existing Standard Operating Procedures in place, to comply with the IIUM Code of Ethics or any other policy and procedures relating to the receipt of present, gifts and hospitality and conflict of interest.

- 13.4 Sponsorship approval will be granted based on evaluation guidelines established by the relevant authority, taking into consideration the following factors:
- a) the sponsorship offered must be beneficial for the department and contribute to the professional development of the staff;
 - b) staff shall not accept sponsorship directly from any contributor, supplier, or contractor who has obtained a project from the department unless it has been approved through the prescribed evaluation method determined by the relevant authority;
 - c) the duration and frequency of sponsorship received by the staff, both domestically and internationally, must be reasonable;
 - d) opportunities must be provided for all deserving staff who excel in their roles within the department;
 - e) the staff must not be subject to any disciplinary action; and
 - f) the sponsorship is subject to mutually agreed-upon conditions by both parties (university and sponsor).
- 13.5 Staff who receive sponsorship are not entitled to make any claims to the Department for expenses covered by the sponsorship. Eligibility for claims related to expenses not covered by the sponsorship is subject to the existing regulations and provisions of the respective departments.
- 13.6 All Staff are required to comply with the IIUM Code of Ethics or any other policy and procedures relating to the receipt of present, gifts and hospitality and conflict of interest.

14. Due Diligence

- 14.1 The University has established criteria for conducting due diligence on relevant parties or personnel prior to entering into any formalized

relationships. Staff and Business Associate must perform due diligence when dealing with external parties to avoid IIUM from being exposed to risks of external parties not following ethical business practices. A due diligence investigation should be conducted prior to entering into any contractual relationship.

15. Procurement Process

- 15.1 The University has established a policy and procedures on processes of internal controls on supplier selection and to ensure they are free from bribery elements or conflict of interest prior to procurement process.
- 15.2 The bidding process is open to all qualified bidders and no parties having the unfair advantage of separate, prior, close-door negotiations for a contract.

16. Student Recruitment Process

- 16.1 The University has established a policy and procedures with regard to student admission which is in line with local Acts and regulations.
- 16.2 In line with this Policy, the University will carry out the required due diligence exercise on potential candidates for each academic programme when it is required.
- 16.3 The university may adopt a 'referral policy' for the purpose of recruitment which are open to the University's Alumni and current students. The University's staff, members of Board, committees are not eligible to benefit from the referral scheme.

17. Staff Recruitment Process

- 17.1 The recruitment of Staff shall be based on approved selection

criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of the Staff.

- 17.2 In line with this Policy, the Management Services Division has established a procedure to carry out background checks to ensure that the potential staff has not been convicted in any corruption and/or bribery cases.

18. Raising a Concern or Complaint

18.1 Responsibility to report non-compliance

- (a) If any Staff has any suspicions or concerns regarding conduct to which this Policy applies, or if the Staff becomes aware of any action in conflict with this Policy, he must report those concerns or actions to his head of department, or report their concerns, confidentially, by following the procedure set out in the IIUM Whistleblower Protection Policy (IWPP).
- (b) If Staff are offered a bribe by anyone, or are asked to make one, or if Staff have reason to believe that they are a victim of another corrupt activity, they should report to the Ombudsman within a reasonable time.
- (c) All concern or complaint raised by the Staff shall be in accordance with the IWPP Procedures.
- (d) If an anonymous report is made to the Ombudsman, such report shall be dealt with in accordance with the procedure set out in the IWPP.

18.2 False report

It shall be a disciplinary offense for any person to make, provide or

lodge false information with malicious intention on any person or staff receiving or being offered gratification.

18.3 Responsibility of Supervisor

- (a) It is the responsibility of a supervisor who has knowledge that a subordinate is receiving or offered gratification (or conflict of interest) to report to the Ombudsman.
- (b) Any supervisor that failed, refused, or neglected to lodge such a report is subject to disciplinary action under the Staff Disciplinary Rules.
- (c) The supervisor shall cooperate in any investigation or proceedings by providing the necessary information and documentation.
- (d) The supervisor shall not be liable under 19.1 in the event the committee discovered that report is a mere false allegation.

19. Protection and Personal Safety

- 19.1. If Staff refuse to accept or offer a bribe or report a concern relating to potential act(s) of bribery or corruption, the University understands that Staff may feel worried about potential repercussions. The University will support anyone who raises concerns in good faith under this Policy, even if the investigation finds that they were mistaken.
- 19.2. The University will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.
- 19.3. Detrimental treatment refers to dismissal, disciplinary action, threats, or unfavorable treatment in relation to the concern the individual raised.

- 19.4. Staff who believe that they are subjected to unjust treatment, in a consequence of concern or refusal to accept a bribe, are encouraged to raise your concern immediately to the University Authority.

20. Record keeping

The University Authority shall maintain detailed and accurate financial records and provide sufficient internal control. The University Authority shall further ensure that all hospitality or gifts received or given are subject to managerial review.

21. Monitoring and Review

- 21.1 Unit in charge of integrity is responsible for monitoring the effectiveness and review the implementation of the Policy on a regular basis.
- 21.2 Regular assessment of this Policy shall be carried out to ensure the scope, policies, procedures, controls are adequate and effective to prevent bribery and corruption.
- 21.3 Regular audit will be conducted to ensure the compliance with this Policy.
- 21.4 Unit in charge of integrity shall monitor the legal and regulatory procedures where it operates, and any changes made and identify the risk for this Policy's improvement.

22. Training and Communication

- 22.1 The University will provide training on a regular basis, in accordance with the relevant and level related to bribery and corruption risk. The training should be provided to:

22.1.1 New recruitment; and

22.1.2 Staff.

22.2 The University's Anti-Bribery and Anti-Corruption Policy and zero-tolerance attitude will be clearly communicated to all suppliers, contractors, Business Associates, and any third-parties at the outset of business relations, and as appropriate thereafter.

22.3 The University will provide relevant anti-bribery and corruption training to Staff on the knowledge of how to comply with the MACC Act 2009.

DISCLAIMER:

The University may amend this policy at any time so as to improve its effectiveness in combating bribery and corruption.

Related Policies/Rules and Regulations/Code/Guidelines

1. IIUM Board Charter 2022
2. IIUM Constitution 2018
3. IIUM Code of Ethics
4. IIUM Staff Disciplinary Rules 2015
5. IIUM Financial Policies and Procedures
6. Financial Policy No. 4.4 on Gift
7. Financial Policy No. 2.3 on Solicit Funds and Sponsorship from Public
8. IIUM Purchasing Policies and Procedures
9. IIUM Guideline on Due Diligence
10. Student Affairs and Development Division (STADD)
11. Malaysian Anti-Corruption Commission Act 2009 [Act 694]
12. Any other related policy, rules and regulations, code and guidelines of the University

International Islamic University Malaysia

P.O. Box 10, 50728 Kuala Lumpur

Phone: (+603) 6421 6421

Fax: (+603) 6421 4053

Email: webmaster@iium.edu.my

