

**Subcommittee on Class IV Vessels
under the Local Vessels Advisory Committee**

Declaration of Interests by Members

Purpose

This paper updates the guidelines for declaration of interests adopted by the subcommittees under the Local Vessels Advisory Committee (“LVAC”) (i.e. Subcommittee on Class I and Class II Vessels, Subcommittee on Class III Vessels, Subcommittee on Class IV Vessels and Subcommittee on Safety for Works on Vessels) (“the Subcommittees”). The guidelines are in line with those for declaration of interests adopted by the LVAC.

Background

2. Declaration of interests is crucial to maintaining public confidence in the impartiality and fairness of the advice tendered by members (including the Chairman) to the Subcommittees, as well as their obligation to make decisions in the public interest. A conflict of interest arises where the financial or personal interests of a member compete or conflict with the interests of the committee he belongs to, or with his duties as a member of the committee. At present, the LVAC adopts a “two-tier reporting system”¹, meaning that in addition to declaration of interests at meetings, members are required to disclose their interests on appointment to the committee and record them in a register. The MD considered the “two-tier reporting system” appropriate. By adopting such a reporting system, members will be protected from criticism or embarrassment arising from the existence of any undeclared general financial interest which may have potential conflict with the work of the committee. It is recommended that the Subcommittees should follow the example of the LVAC’s system of declaration of interests and implement the

¹ The arrangements are adopted from the Provisional Local Vessels Advisory Committee’s reporting system which was introduced in 1997.

relevant guidelines.

Guidelines on Declaration of Interests

(A) Register of Members' Interests

3. The Chairman and members shall register in writing their personal interests, direct or indirect, pecuniary or otherwise, when they first join the Subcommittees and annually thereafter with the Secretariat. The registration shall be made on a standard form (*Annex I*). The Secretariat shall keep the Register of Members' Interests.

4. The types of interests required for registration shall include :

- (i) proprietorships, partnerships or directorships of companies;
- (ii) remunerated employments, posts, trades, professions or occupations; and
- (iii) shareholdings in a publicly listed or private company (e.g. 1% or more of the company's issued share capital); and/or
- (iv) other declarable interests related to the nature of work of the Subcommittees.

(B) Declaration of Interests at Meetings

5. The following are guidelines governing declaration of interests at meetings :

- (i) If a member (including the Chairman) has any direct personal or pecuniary interest in any matter under consideration by the Subcommittee, he must, as soon as practicable after he has become aware of it, disclose to the Chairman (or the Subcommittee) prior to the discussion of the item.
- (ii) The Chairman (or the Subcommittee) shall decide whether a member disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw

from the meeting.

- (iii) If the Chairman declares an interest in a matter under consideration, the chairmanship may be temporarily taken by a member.
- (iv) When a known direct pecuniary interest exists, the Secretary may withhold circulation of relevant papers to the member concerned. Where a member is in receipt of a paper for discussion and he notices a direct conflict of interest, he should immediately inform the Secretary and return the paper.
- (v) All cases of declaration of interests shall be recorded in the minutes of the meeting.

Contracts

6. As a matter of principle, members should avoid entering into any contract (if any) with the Subcommittees. Where this is unavoidable, it is important for the Subcommittees to ensure that the bidding/selection process is fair and transparent, and is convincing to the public. In this regard, the measures recommended by the Independent Commission Against Corruption (ICAC) to avoid the possible conflict of interest arising from members bidding for contracts of the Subcommittees will be adopted. The measures are set out in *Annex II*.

Enquiries

7. For further enquiries, please contact the Secretariat for the Subcommittees (Tel: 2852 4520; Fax: 2545 0556).

Shipping & Multi-lateral Policy Divisional Secretariat cum
Secretariat for the Subcommittees
Marine Department
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To: Secretariat for
Subcommittee on Class IV Vessels
under the Local Vessels Advisory Committee
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Register of Interests

I, _____ request that interests as listed below should be included in the Register of Members' Interests.

- A. Proprietorships, partnerships or directorships of companies, public or private

- B. Remunerated employments, posts, trades, professions or occupations

- C. Shareholdings in companies, public or private (1% or more of the company's issued share capital)

- D. Other declarable interests related to the nature of work of the Subcommittee

Signature : _____

Date : _____

Measures to Avoid Possible Conflict of Interest Arising from Members Bidding for Contracts of Subcommittees under the LVAC

1. When the need for a contract is discussed at a meeting of a Subcommittee, members should be asked at the outset to declare whether they or any company associated with them are interested in bidding for the contract.
2. Members who have declared an interest to bid should not take part in or be present at any subsequent discussions or meetings concerning the proposed contract, and should be prohibited from access to any information in relation to the contract (other than in the capacity of a bidder).
3. Members who have not declared an interest to bid (and the companies associated with them) should not be allowed to bid subsequently.
4. When a member (or a company associated with him) has expressed an interest to bid, the Subcommittee should ascertain whether any information relating to the contract has already come to the possession of the member in the course of his duties as a member. If so, such information should be made available to other bidders as well to ensure a level playing field.
5. If a member (or a company associated with him) has put in a bid, the Subcommittee should ensure that he subsequently has no access to other submitted tender documents which may contain commercially sensitive information.

6. Bidder identity should be anonymised before the evaluation of bids by the Subcommittee if a member (or a company associated with him) is one of the bidders.

7. If a member (or a company associated with him) is successful in bidding for the contract, he should withdraw from all discussions relating to the contract, except when attending in the capacity of a supplier or a service provider.