



CODE OF PROFESSIONAL CONDUCT

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Introduction

The objective of the Institute of Management Consultants Hong Kong (the ‘IMCHK’) is the advancement of the profession of management consultancy through the establishment and maintenance of the highest standard of performance and conduct by its members, and by the promotion of the knowledge and skills required for that purpose.

Professional standard

A management consultant is an independent and qualified person who provides a professional service to business, public and other undertakings, by:

- Identifying and investigating problems concerned with strategy, policy, markets, organization, procedures and methods;
- Formulating recommendations for appropriate action by factual investigation and analysis with due regard for broader management and business implications;
- Discussing and agreeing with the client the most appropriate course of action; and
- Providing assistance where required by the client to implement his recommendations

In rendering such services to all levels of management, consultants carry a heavy burden of responsibility and an obligation to maintain the highest standard of integrity and competence.

Recognising this responsibility, the Institute embodies within its Code of Professional Conduct those duties and obligations required of all members which will ensure the highest standard of performance and thereby enhance the reputation and public recognition of the profession, of the Institute and of its members.

Members of the Institute have basic responsibilities as management consultants to:

- Exercise independence of thought and action;
- Hold affairs of their clients in strict confidence;
- Deal with management problems in perspective and give well-balanced advice;
- Strive continuously to improve their professional skills and to maintain a high quality of advice;
- Advance the professional standard of management consulting;

- Uphold the honour and dignity of the profession; and
- Maintain highest standard of personal conduct.

To honour these obligations all members agree, in writing, to comply with the Institute's Code of Professional Conduct. This distinguishes them from management consultants who are not members of the Institute.

Format of the Code

The Institute's Code of Professional Conduct is based on three core principles:

- (i) High standard of service to the client.
- (ii) Independence, objectivity and integrity.
- (iii) Responsibility to the profession.

These principles are underpinned by detailed rules, which are specific injunctions, and practical notes, which either lay down conditions under which certain activities are permitted or indicate good practice and how best to observe the relevant Principle or Rule.

The Council of the Institute may, from time to time, issue further Principles, Rules, or Notes which will be promulgated in the Institute's publications before being incorporated into a revised edition of the Code. Members are expected to abide by all such new provisions from the date of their publication.

The Principles, Rule and Notes of the Code apply not only to the member personally but also to acts carried out through a partner, co-director, employee or other agent acting on behalf of, or under the control of, the member.

Definitions used in the Code

Member:

A Fellow, Member, Associate or Affiliate of the Institute.

Client:

The person, firm, or organisation with whom the member makes an agreement or contract for the provision of service.

His:

Shall apply to members of both sexes.

Declaration:

A written statement referring to and disclosing the facts relevant to the situations covered by particular Rules of the Code.

Independent:

In a position always to express freely one's own opinion without any control or influence from others outside the (consulting) organisation, and without the need to consider the impact of such opinion on one's own interests.

Institute:

The Institute of Management Consultants Hong Kong (IMCHK).

Disciplinary action

A member is liable to disciplinary action if his conduct is found by the Ethics and Disciplinary Committee (EDC) of the Institute to be in contravention of the Code, or to bring discredit to the profession or to the Institute:

In accordance with the By-laws, a member may be required to make a declaration in answering enquiries from the Institute concerning his professional conduct. A member failing to make such a declaration may be found in breach of the Principle to which the Rule or Note relates.

Principle 1: High standard of service to the client

A member shall carry out the duties which he has undertaken diligently, conscientiously and with due regard to his client's interest

Rules:

- 1.1 A member will only accept an engagement for which he is suitably qualified.
- 1.2 Before accepting an assignment, a member shall clearly define the terms and conditions of the assignment including the scope, nature and period of the service to be provided, the allocation of responsibilities, and the basis for remuneration. (See Notes 1).
- 1.3 A member shall regard his client's requirements and interests as paramount at all times, doing whatever it takes to serve them to the highest possible standard at all times, handling assignments with efficiency and effectiveness, responsibility and accountability and with focus on impartiality, legitimacy, capability and legality.
- 1.4 A member shall ensure professional advice is sound and relevant to client's needs.
- 1.5 A member shall act independently and objectively, exercising professional care, establishing the facts of a situation to enable an informed and experienced judgement.
- 1.6 A member shall only subcontract work with the prior agreement of the client. (See Notes 1).
- 1.7 A member shall consider the possibility of any conflict of interest, or the perception of such a conflict, and take all reasonable steps to protect the interests and confidentiality of each client. Be aware of any Client's code of conduct and take appropriate action, including informing the client, if there is a problem with compliance.

1.8 A member will hold as strictly confidential all information concerning the affairs of clients unless the client has released such information for public use or has given specific permission for its disclosure.

1.9 A member will refrain from inviting any employee of a client advised by the member to consider alternative employment (an advertisement in the press is not considered to be an invitation to any particular person).

1.10 A member will develop recommendations specifically for the solution of each client's problems; such solutions shall be realistic and practicable and clearly understandable by the client.

1.11 To ensure efficient performance of each assignment, a member will exercise good management through careful planning, frequent progress reviews and effective controls.

1.12 Follow a process for managing the consulting assignment that conforms appropriate to the guidelines given in ISO 20700:2017, and explains the importance of the guidelines to the clients.

Notes 1:

- Before undertaking or continuing with any work, a member should ensure that his resources are adequate and properly directed at carrying it out.
- The terms of an assignment should always be evidenced in writing.
- When sub-contractors are employed, the principal consultant will take responsibility for the quality of the work produced and for compliance with the requirements of the Code. Members are referred to the Institute's guidelines on subcontracting agreements.

Principle 2: Independence, objectivity, integrity

A member shall avoid any action or situation inconsistent with his professional obligations or which in any way might be seen to impair his integrity.

Rules:

- 2.1 A member will maintain a fully independent position with the client at all times, making certain that advice and recommendations are based upon thorough impartial consideration of all pertinent facts and circumstances and on opinions developed from reliable relevant experience.
- 2.2 A member will declare at the earliest opportunity any special relationships, circumstances or business interests which might influence or impair his judgment or objectivity on a particular assignment. (See Notes 2)
- 2.3 A member shall not serve a client under terms or conditions which might impair his independence, objectivity, or integrity; he will reserve the right to withdraw if conditions beyond his control develop to interfere with the successful conduct of the assignment. He will not practice during a period when his judgment is or might be impaired through any cause.
- 2.4 A member shall not take discounts, commissions or gifts as an inducement to show favour to any person or body.
- 2.5 A member will advise the client of any significant reservations he may have about the client's expectation of benefits from an engagement. He will not accept an engagement in which he cannot serve the client effectively.
- 2.6 A member will not indicate any short-term benefits at the expense of the long-term welfare of the client, without advising the client of the implications.
- 2.7 A member will discuss and agree with the client any significant changes in the objectives, scope, approach, anticipated benefits, or other aspects of the engagement which might arise during the course of carrying it out.
- 2.8 A member who, in circumstances not specifically covered in these Rules, finds that his professional or personal conflict of

interests so as to risk a breach of the Principle shall, as the circumstances may require, either withdraw from the situation, or remove the source of conflict, or declare it and obtain in writing the agreement of the parties concerned about the continuance of his assignment.

Note 2:

- Rule 2.2 requires the prior disclosure of all relevant personal, financial, or other business interests which could not be inferred from the description of the services offered. In particular this relates to: (i) any directorship or controlling interest in any business in competition with the client, (ii) any financial interest in goods or services recommended or supplied to the clients, (iii) any personal relationship with any individual in the client's employ, (iv) any personal investment in the client organisation or in its parent or any subsidiary companies.
- A member shall not use any confidential information about a client's affairs, elicited during the course of his assignment, for his own personal benefit or for the benefit of others outside the client organisation. There shall be no insider dealing or trading as legally defined or understood.
- If any such business or financial interest arises during the course of an assignment, Rule 2.8 shall apply.
- It should be noted that the IMCHK may, depending on the circumstances, be one of the 'parties concerned'. For example, if a member is under pressure to act in a way which would bring him into non-compliance with the Code of Professional Conduct, in addition to any other declaration which it might be appropriate to make, he should declare the facts to the Institute.

Principle 3: Responsibility to the profession

A member shall at all times conduct himself in a manner which will enhance the standing and public regard of the profession.

Rules:

- 3.1 A member recognises that he has a responsibility to the profession as well as to himself and his clients, to ensure that his knowledge and skills are kept up to date and will take appropriate action to his end.
- 3.2 A member shall demonstrate the personal qualities and good practices of professional consultant including: Honesty, Respect, Integrity, Independence, Objectivity, Commitment, Robustness and Transparency of Communication. Set highest personal standard, respect confidentiality, and be courteous, reliable and responsive in dealing with others.
- 3.3 A member shall maintain currency in all the competences required to carry out consultancy assignments and add value to clients. Create an environment that enables others working with me to be creative, agile, innovative and value-adding.
- 3.4 A member will not knowingly, without permission, use copyright material, or a client's proprietary data, or materials or techniques that others have developed but have not released for public use.
- 3.5 A member shall have proper regard for the professional obligations and qualifications of those from whom he receives or to whom he gives authority, responsibility or employment, or with whom he is professionally associated (See Notes 3).
- 3.6 A member shall only initiate or accept a joint assignment with a member of another professional body if he is satisfied (and can satisfy the client and if required by the Institute) that such an assignment would be conducted to the standard represented by this Code of Professional Conduct.
- 3.7 A member referring a client to another management consultant will not misrepresent the qualifications of the other management consultant, nor will he make any commitments for the other management consultant.
- 3.8 A member will not accept an assignment for a client knowing that another management consultant is serving the client in a similar capacity unless he is assured, and can satisfy himself, that any potential conflict between the two assignments is recognized by, and

- has the consent of, the client (See Note 3).
- 3.9 When asked by a client to review the work of another professional, a member will exercise the objectivity, integrity and sensitivity required in all technical and advisory conclusions communicated to the client.
- 3.10 A member will negotiate agreements and charges for professional services only in a manner approved as ethical and professional by the Institute (See Note 3).
- 3.11 A member shall not attempt to obtain work by giving financial inducements to clients or client staff (See Note 3).
- 3.12 A member, in publicising his work or making representations to a client, shall ensure that the information given
- Is factual and relevant;
 - Is neither misleading nor unfair to others; and
 - Is not otherwise discreditable to the profession (See Note 3).
- 3.13 A member shall be a fit and proper person to carry on the profession of management consultancy (See Note 3).
- 3.14 A member shall not willfully give the Institute false, inaccurate, misleading or incomplete information.
- 3.15 A member shall diligently serve the interests of society as a professional Management Consultant (See Note.3.15).
- 3.16 A member shall diligently serve the interests of the organisations he work for (See Note 3)
- 3.17 A member shall diligently serve the interests of those he works with (See Note 3)
- 3.18 A member shall promote the image and standing of the profession, demonstrating understanding of the nature of the management consultancy market and all its stakeholders. Seek and act on feedback from clients and profession leaders to promote development of the profession.

Notes 3:

- Under Rule 3.5.1, a member will provide all possible opportunities for management consultants he employs to exercise their professional skills as widely as possible within the interests of the client, and will, as opportunities arise, assist them to accept progressively greater responsibility in accordance with their ability and experience.
- In a similar way a member will encourage the management consultants he employs to maintain and advance their competence by participating in continuing professional development.
- Legal and fair-trading obligations should take precedence in both public and private sector work.
- Members are referred to the Institute & Guidelines on Charging for Management Consulting Services (to be developed by the Council).
- Payment for legitimate marketing activity may be made and HK laws and customs should be respected.
- Accepted methods of making his experience and / or availability known include:
 - publication of his work (with the consent of the client);
 - direct approaches to potential clients and entries in any relevant directory;
 - advertisements in printed publication, or on radio or television; and
 - public speaking engagements.
- A member shall at all times be of good reputation and character. Matters of particular concern may include:
 - conviction of a criminal offence or committal under bankruptcy proceedings;
 - censure or disciplinary action by a court or regulatory authority; and
 - Unethical or improper behavior towards employees or the general public.
- A member in serving the society shall:
 - a) Ensure that he is aware of, and comply with, all relevant legislation and regulations in the country where he is operating;
 - b) Ensure that he is aware of the importance of national security, and

- comply with the legislation and regulations related to national security;
- c) Respect social, environmental and wider corporate responsibility concerns, assessing the impact of his actions, on the environment and society around him, and seeking to conserve resources wherever possible;
 - d) Consider the application appropriately of the UN Sustainable Development Goals in assignments whenever possible;
 - e) Understand, accept and manage diversity in terms of culture, beliefs, religion, race and gender, respecting the customs, practices and reasonable ambitions of others;
 - f) Understand and apply appropriately the principles of Corporate Social Responsibility (CSR) following guidelines that conform to ISO 26000:2010 (Social Responsibility) whenever possible, encouraging clients to adopt CSR principles in their organization;
 - g) Understand and apply the principles of the 2009 Anti-Bribery Recommendation from OECD and local Anti-Bribery legislation and regulations.
- A member in serving the Organization he works for shall:
- a) Make every effort to support the organisation's overall objectives, safeguard its reputation and assets, and reconcile personal and corporate values;
 - b) Uphold lawful policies, practices and procedures and contribute to their enhancement in the interests of good management practice; and
 - c) Address issues he perceives as improper, or as falling below acceptable standard of professional practice, and apply relevant corrective actions.
- A member in serving the interests of those he works with shall:
- a) Understand his colleagues' responsibilities, areas of authority and accountability and offer them appropriate support;

- b) Act consistently and fairly when addressing any colleagues' shortfall in performance or standard of behavior;
- c) Maintain a culture of openness and transparency in communications, where issues may be addressed in a frank, timely and effective manner;
- d) Have regard for the physical and mental health, safety and well-being of colleagues, recognizing their specific needs and the pressures and problems they face;
- e) Ensure that every individual is treated fairly and that diversity is respected; and
- f) Encourage and assist colleagues to develop their skills and progress their careers, valuing the contribution which they may make, and recognizing their achievements.

Acknowledgement:

1. Special thanks to the IMC in UK for providing the reference and guidance for this Professional Code
2. Reference is made to The ICMCI Code of Conduct for Consultants (CMC003) Version 4.0