



SCCE Regional Compliance & Ethics Conference

How to Succeed in Establishing Corporate Compliance & Ethics within Thai Companies

Bangkok
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PTT Public Company Limited




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VP, Corporate Affair
IRPC Public Company Limited




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Topics:



- I. Major compliance and ethics requirements which a public company in Thailand has to comply as a minimum requirement
- II. Why it is important to a Thai Company to have a Corporate Compliance & Ethics Culture ?
- III. How to Implement a Corporate Compliance Program of SCCE to Thai Companies?
- IV. Key issues and practical compliance steps which should be considered to achieve this purpose in a sustainable manner

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I. Major compliance and ethics requirements which a public company in Thailand has to comply as a minimum requirement

II. Why it is important to a Thai Company to have a Corporate Compliance & Ethics Culture ?

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PTT Group Businesses









E & P
Gas & Trading
Refinery & Petrochemical
OIL & RETAIL
POWER

- **7 Listed Companies**
- **A few hundred subsidiaries / affiliates**
 - Wholly – owned
 - Largest shareholder
 - JV
 - Minority shareholder

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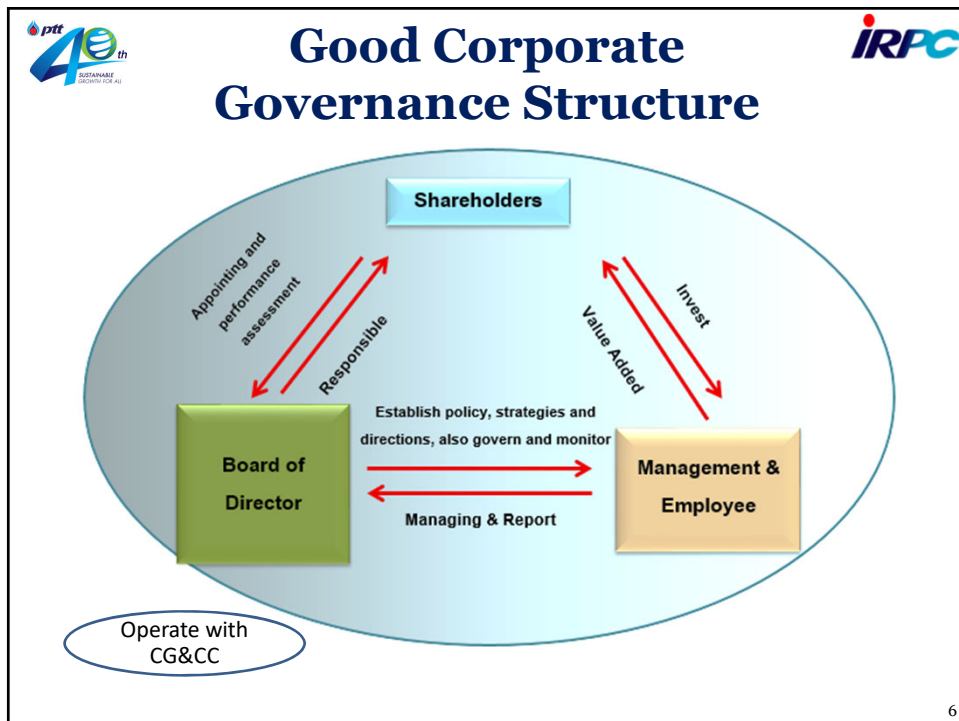
ptt 40th SUSTAINABLE GROWTH FOR ALL

IRPC

- **Legal Requirements**
 - Public Company Act and Securities Act
 - National Anti-corruption Act
 - Criminal Liability of Representatives of Juristic Persons
- **Good Corporate Governance (CG)**
 - CG Code / Principles for Listed Company by Thai SEC and Stock Exchange
 - OECD Guidelines
 - CG of State-Owned Enterprises by World Bank
 - CG Principles and Guidelines by State Enterprise Policy Office, Ministry of Finance
- **Social Pressure e.g. Investors, Public, Community**
 - Sustainability
 - SDGs
 - ESG (Environment, Social & Governance) Investment Policy

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IRPC

Thai Public Company Act & Securities Act



Fiduciary Duty of Directors and Management

- Performance
- Conformance (Overseeing)

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IRPC

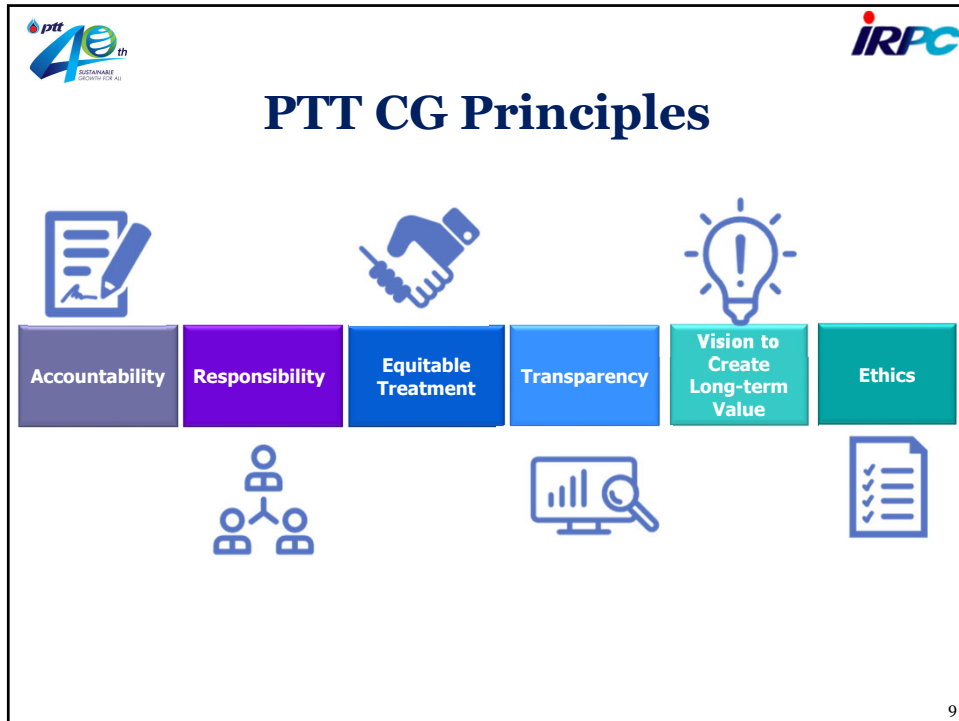
Fiduciary Duty → Duties of Entrusted Persons

- **Duty of Care**
- **Duty of Loyalty**
- **Duty of Obedience** – Compliance with laws, objectives, articles of association, resolutions of BoD and shareholders
- **Duty of Disclosure** – Correct, complete, transparent and on – time

Source : Thai IOD

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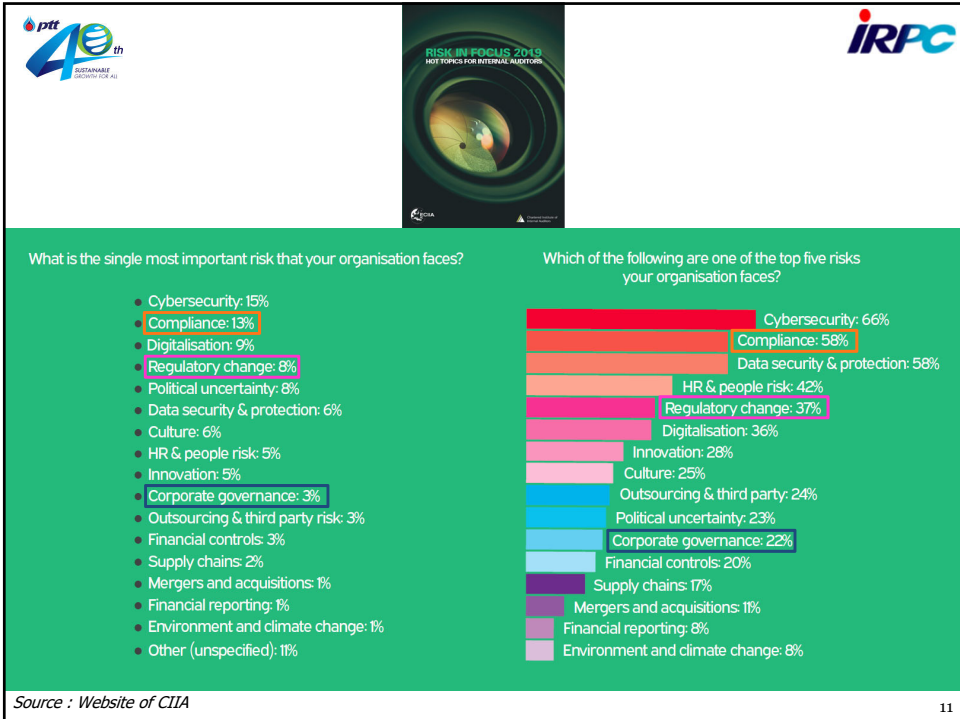
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The Organic Act on Counter Corruption, B.E. 2542 (1999)
(as amended by (No. 3), B.E. 2558 (2015))

Section 123/5

"Whoever grants, offers to grant, or promises to grant any property or other benefits to any state official, foreign state official, agent of a public international organisation with intent to persuade such person to wrongfully perform, not perform or delay the performance of any duty in his office shall be subject to an imprisonment for a term not exceeding 5 years or a fine not exceeding Baht 100,000, or both."



"If the offence under paragraph one is committed by any person related to any juristic person and the action is taken for the benefit of such juristic person, and the juristic person does not have in place appropriate internal control measures to prevent the commission of such offence, the juristic person shall be deemed to have committed the offence under this section and shall be subject to a fine of one to two times of the damages caused or benefits received."

A person related to the juristic person under paragraph two shall mean an employee, a representative, an affiliated company, or any person acting for or on behalf of such juristic person, regardless of whether having the power or authority to take such action."




Source : Office of the National Anti-Corruption Commission
: Now, Section 176 under the Act, enacted in 2017

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- ❖ Section 123/5 concerns with offences of bribery of state officials, foreign public officials and agents of public international organisations, and liability of juristic persons involving in such bribery.
- ❖ Both “individual” and “juristic person” may be held criminally liable under this section.
- ❖ A juristic person may be held liable if its personnel or business partners involve in bribery of state officials for the benefit of such juristic person.
- ❖ **A juristic person shall not be liable if it has in place appropriate internal control measures against bribery.**
- ❖ Appropriateness of measures depends on various factors, e.g. nature and structure of business, level or exposure of risk of bribery of state officials feasibility of actual implementation, etc. Appropriateness of measures, therefore, will be considered on a case by case basis.
- ❖ Penalty of “the bribe-giver” or “briber” is imprisonment of up to 5 years or a fine of up to Baht 100,000, or both, and penalty of the “juristic person engaging in bribery” is a fine of one (1) time to no more than two (2) times of the damages caused or benefits received.



Source : Office of the National Anti-Corruption Commission

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III. How to Implement a Corporate Compliance Program of SCCE to Thai Companies?

Samples

- **IRPC CC Policy**
 - <https://tinyurl.com/y2cluylz>
- **PTT**
 - www.pttplc.com
 - CG → Compliance

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Resources: Knowledge



- Always have a good knowledge of the business
- Know the key compliance issues relevant to the company?
- What does the law say about compliance ?
- Find out the source – either domestic and/or international (can be a reference)
- **SCCE is the best source to reference for a corporate compliance & ethics theory & best practice**
- Maintain a broad & wide knowledge

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Knowledge / Best Practice from SCCE

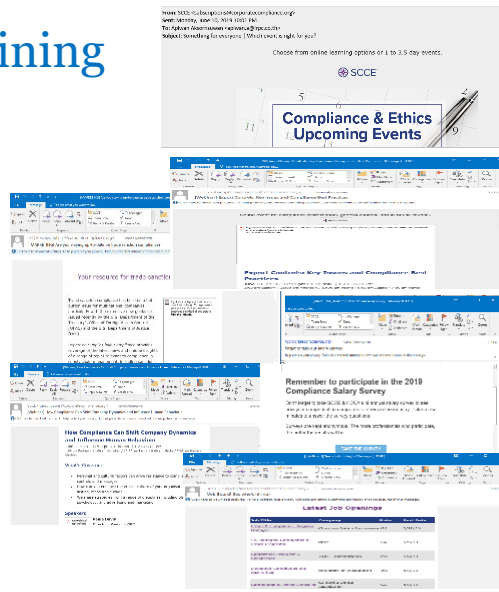


- Seminar & Training

Conference



Webinar

- Information
- Survey Result
- Job board
- Update & etc.



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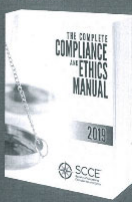



Knowledge / Best Practice from SCCE

The Complete Compliance and Ethics Manual

Now transformed with powerful upgrades

- Now and upgraded content in 3D areas
- Digital access with any web browser
- Improved digital formatting for all screen sizes
- Enhanced topic, keyword, and source searches
- Digital access is included with the purchase of the soft cover manual.




International Compliance 101, 2nd Edition


Compliance and ethics issues are growing in prominence across many industries worldwide. Given this trend, an active and effective compliance and ethics program is more important than ever before.

Although laws and regulatory authorities vary from nation to nation, the basic steps required to build and maintain an effective compliance and ethics program remain essentially the same. *International Compliance 101, 2nd Edition* provides the basic information you need to establish a compliance and ethics program and keep it active and growing. This new edition incorporates global regulatory trends in key areas such as data privacy and anti-corruption.



This book is ideal for a range of compliance and ethics professionals, from those who are new to the field to board members and advisors in senior leadership roles whose responsibilities include compliance. It covers:

- The importance of corporate compliance and ethics
- The seven essential elements of a compliance program
- Steps for implementing an effective program
- Tips for tailoring a program to suit your organization
- Sample compliance materials
- Glossary of compliance terms






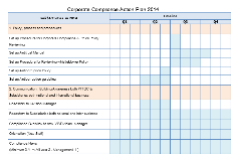
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Design your Corporate Compliance Framework / Road Map and Action Plan

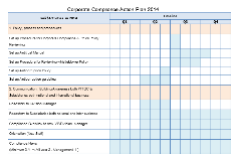
Align your draft of Road Map & action plan to your promotor or support & best friends







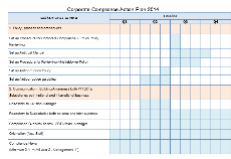















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Sustaining the Culture




- Must have a corporate compliance & ethics policy, process ,procedure etc...





- Must have a permanent communication channel to all users
- Must be at least a permanent agenda item/s in Management Committee & Board Meeting

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What you get is what you do?



- Keep evidence or information that demonstrates that there is compliance in the organization
- At all times for Thai companies, training & communication remains vital and are the heart of compliance & ethics program



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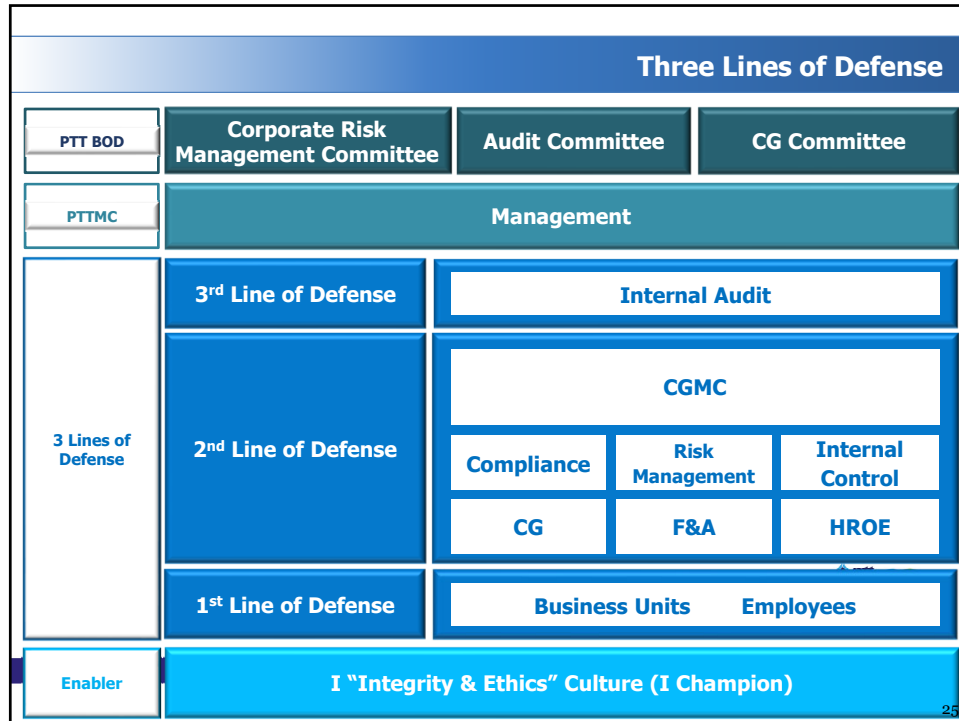
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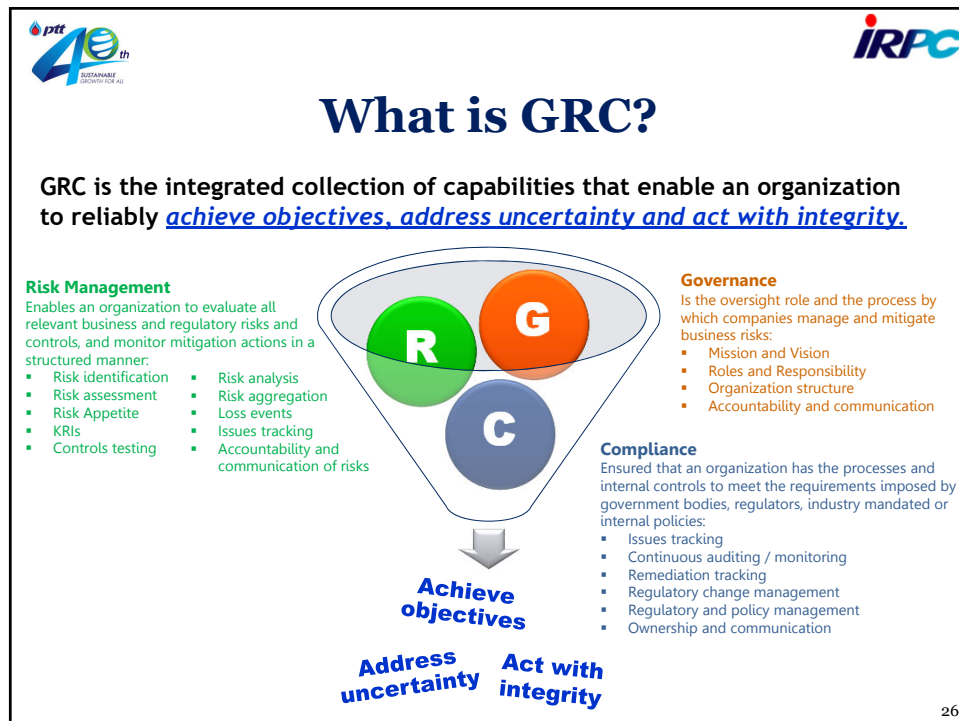
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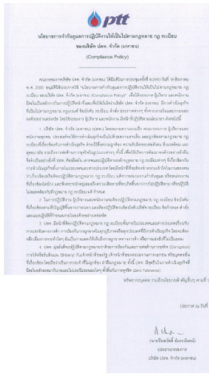
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Compliance Policy



ประกาศ ณ วันที่ 18 สิงหาคม 2560

บริษัท ปตท. จำกัด (มหาชน) คณะกรรมการ ผู้บริหารและพนักงาน มีหน้าที่ดังต่อไปนี้

- 1. ต้องให้ความเข้าใจในงานของตนว่าต้องปฏิบัติตามกฎหมาย กฎระเบียบ มติที่เกี่ยวข้องโดยตรง และทั้งตระหนักถึงความเสียหายที่จะเกิดขึ้นจากการไม่ปฏิบัติตาม
- 2. ต้องปฏิบัติตามกฎหมายที่มีอยู่ด้วยดีทั้งจากภายนอก และกฎระเบียบภายใน ปตท. ที่กำหนดขึ้นอย่างเคร่งครัด
- 3. ปฏิบัติตามกฎหมายเกี่ยวกับ การแข่งขันทางการค้า การป้องกันการผูกขาดทั้งภายใน และต่างประเทศที่ ปตท. เข้าไปลงทุน
- 4. ปฏิบัติตามกฎหมายว่า Anti-Corruption , การให้หรือรับสินบน (Bribery) กับ เจ้าพนักงานของรัฐ โดยยึดมั่นในการดำเนินธุรกิจที่ยึดมั่นในหลักธรรมาภิบาลและใน ประสิทธิภาพ โปร่งใสกับการทุจริต (Zero Tolerance)
- 5. เคารพและปฏิบัติตามกฎหมายเรื่องสิทธิมนุษยชน
- 6. ปกป้องกัน ค้นหา หรือยื่นฟ้องปัญหาที่ ปตท. และบริษัทในกลุ่มเป็นเจ้าของ มิให้ถูก และรวมถึงเคารพสิทธิในทรัพย์สินทางปัญญาของผู้มีส่วนเกี่ยวข้องไม่กระทำการละเมิด หรือนำไปใช้โดยไม่ได้รับอนุญาต
- 7. ป้องกันองค์กรไม่ให้ตกเป็นเครื่องมือของกระบวนการฟอกเงิน หรือสนับสนุนการเงินแก่การก่อ การร้าย

Compliance Policy → Compliance Charter → Compliance Framework

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GRC Cultural Behavior



- Lead By Example
- Communicating and Promoting Ethics and Values
- Reporting
- Reward Integrity

- Think Before You Act
- Understand Key Risk
- Do the Right Thing
- Dare to Fight Fraud (Zero Tolerance to Fraud)

Tone from the top



Mood in the Middle



Buzz at the bottom



All Employees are “PTT Ambassador”



AWARENESS
“I know it”



ACCEPTANCE
“I can explain it”





ACTION
“I live it”




ADVOCACY
“I promote it”

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SOCIAL
ENVIRONMENT
GOVERNANCE
WORKFORCE




PTT Group Way of Conduct

Streamlined GRC down to Operational Level

Counterparties Ethical Analytics & Screening


Shaping Integrity Culture

Intentions



VS

Actions



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