

Circumstances Constituting Potential Conflict of Interest

I. Under the following situations, a Member should be considered as having direct and substantial interest in a matter under consideration:

(a) **The subject matter involves a landed interest held by the Member or the Member's spouse**

For example:

- the Member and/or his/her spouse is the sole or part owner or the tenant of the application/representation site under consideration.
- the Member and/or his/her spouse is the applicant/representer/commenter/further representer of the matter under consideration.

(b) **The subject matter involves a public or private company or other organisation (including subsidiary or associated companies within the same group) of which the Member or his/her spouse holds a proprietorship, partnership, directorship or substantial shareholdings (i.e. 1% or more of the issued share capital), advisory or client relationship, employment or other significant connection.**

For example:

- the company of which the Member or his/her spouse holds a proprietorship, partnership, directorship or substantial shareholdings is the applicant/representer/commenter/further representer of the matter under consideration.
- the Member or the company of which the Member or his/her spouse holds a proprietorship, partnership or directorship is the professional consultant tendering professional advice to or representing the applicant/representer/commenter/further representer in the matter under consideration.
- the Member or his/her spouse is the employee/staff of a company, an organisation or association such as the Scouts Association and the University of Hong Kong, which is the applicant/representer/commenter/further representer of the matter under consideration.
- the Member or his/her spouse is a staff of a Government department which itself is the applicant under consideration.

This also applies to the situation where the subject company has a substantial shareholdings (i.e. 1% or more of the issued share capital) of the company owned by the Member or his/her spouse.

- (c) **The subject matter involves a statutory/public body, club, association, union or other bodies of which the Member or his/her spouse holds a chairmanship or, in some cases, membership, or is the office bearer of an executive board, a board of directors or a management committee.**

For example:

- the Member or his/her spouse is a member of a statutory/public body (including its sub-committee), such as the Hong Kong Housing Society (HKHS), the Hong Kong Housing Authority (HKHA), the Urban Renewal Authority (URA) and the District Council, which is the applicant/representer/commenter/further representer of the matter under consideration.

This does not apply to the situation where the Member or his/her spouse is just an ordinary member/corporate member of a club, association or other bodies, and the Member or his/her spouse is not involved in the matter under consideration.

- (d) **The Member or his/her spouse has current business dealings and/or business dealings under negotiation with the applicant/representer/commenter/further representer of the matter under consideration.**

For example:

- the Member or his/her spouse is at present a consultant/advisor to the applicant/representer/commenter/further representer's on-going development projects irrespective of whether the dealings are related to the matter under consideration.
- the Member or his/her spouse or the company owned by the Member or his/her spouse was a business partner with the applicant/representer/commenter/further representer on on-going businesses irrespective of whether the dealings are related to the matter under consideration.

- (e) **The Member who is also a member of the HKHA/HKHS/URA or other public bodies and the subject of a representation/further representation involves a project of such public bodies**

This does not apply to situation where a HKHA/HKHS/URA project is the subject of an amendment to a statutory plan proposed by the Planning Department or where HKHA/HKHS/URA sites are proposed in a new plan.

- II. The following situations would give rise to potential conflict of interest but whether the interest is direct and substantial would depend on the substance, scope and nature of the interest in relation to the case under consideration:

- (a) **The subject matter affects a landed interest held by the Member or his/her spouse.**

For example:

- the Member (and/or his/her spouse) is the sole or part owner or the tenant of a property that may be affected by the development proposal under consideration.

- (b) **The subject matter involves or affects a landed interest held by a “close relative or close friend” of the Member or his/her spouse.**

For example:

- a “close relative or close friend” of the Member or his/her spouse is the sole or part owner or the tenant of the application/representation site under consideration. Members themselves are the best judges of who, in the particular circumstances, is a “close relative or close friend”.

- (c) **A Member or his/her spouse has given personal advice or opinion to an applicant/ representer/commenter/further representer on any occasion on the subject matter under consideration.**

For example:

- the Member or his/her spouse has given personal opinion or advice to the applicant/representer/commenter/further representer on the matter under consideration, which might lead the public to believe that the Member’s views might be biased or not given impartially.

The situation of Government departments tendering professional advice or stating Government policies to the applicant/representer/commenter/further representer should not fall within this category as it is incumbent upon the official member to tender advice, which is consistent with the official views of the Government departments or statement of Government policy.

- (d) **The subject matter involves a public or private company or other organisation (including subsidiary or associated companies within the same group) of which the Member’s or his/her spouse’s “close relative or close friend” holds a proprietorship, partnership or directorship, advisory or client relationship, employment or other significant connection.**

For example:

- the Member’s or his/her spouse’s “close relative or close friend” is the owner of a company/organisation and the company is the applicant/representer/commenter/further representer of the subject matter.
- the Member’s or his/her spouse’s “close relative or close friend” is the professional consultant tendering professional advice to the applicant/

representer/commenter/further representer in the subject matter under consideration.

This is to avoid situations where the public might believe that the Member's advice has been influenced by the closeness of the association. The Members themselves are the best judges of who, in the particular circumstances, is a "close relative or close friend".

(f) The Member or his/her spouse has past business dealings with the applicant/representer/commenter/further representer of the matter under consideration.

For example:

- the Member or his/her spouse or the company owned by the Member or his/her spouse was previously the professional consultant tendering professional advice to the applicant/representer/commenter/further representer in the matter under consideration but the Member or his/her spouse or the company owned by the Member or his/her spouse is no longer involved in the matter. The Member should declare **all** such past dealings. If the matter involves a completed project, the Member should be allowed to continue to participate in the discussion. If the matter involves an on-going project, the Member should be required to withdraw from the meeting.
- the Member or his/her spouse has general business dealings with the applicant/representer/commenter/further representer. If the business dealings are not related to the matter under consideration, the Member should declare only the recent dealings in the past three years, and upon declaration, the Member should be allowed to continue to participate in the discussion.