

1. This Integrity Policy (the “Policy”) of Credit Guarantee and Investment Facility (“CGIF”), a trust fund of the Asian Development Bank (“ADB”), addresses integrity issues in the activities of CGIF staff and the guarantees CGIF issues.
2. CGIF will seek to: (i) promote the highest ethical standards in the activities of CGIF staff and the guarantees it issues; and (ii) obtain reasonable assurance that CGIF’s guarantees will not be utilized for unlawful purposes, including money laundering (the processing of the proceeds of crime to disguise their illegal origin) or the financing of terrorism (providing or collecting funds with the intention or knowledge that they are to be used to carry out terrorism).
3. Pursuant to the Policy, CGIF will establish and implement internal procedures designed to enhance the integrity of CGIF’s operations, strengthen CGIF’s internal controls and safeguard CGIF’s funds¹ (the “Procedures”). The Procedures will require CGIF to adopt a risk-based approach² in identifying, assessing, managing and monitoring integrity-related risks (including integrity violations) in the course of guarantee processing, issuance and administration. The Procedures will also require CGIF to seek to obtain reasonable assurance that: (i) CGIF’s guarantees do not facilitate tax secrecy, tax evasion or tax fraud; and (ii) do not involve material related-party contracts under which CGIF’s client makes excessive payments to an offshore related party (typically in a no-tax or low-tax jurisdiction) that may inappropriately transfer assets out of ADB’s developing member countries (DMCs).³ CGIF seeks to obtain reasonable assurance that each transaction it finances does not facilitate such an unacceptable tax integrity practice. CGIF will disclose such tax integrity risks and significant integrity risks to CGIF’s board of directors.⁴
4. In pursuance of the Policy, integrity violations in relation to CGIF’s activities, or its staff include:⁵
 - i. Corrupt practice, which is the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;
 - ii. Fraudulent practice, which is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
 - iii. Coercive practice, which is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - iv. Collusive practice, which is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
 - v. Abuse, which is theft, waste or improper use of assets related to CGIF-related activity, either committed intentionally or through reckless disregard;
 - vi. Conflict of interest⁶, which is any situation in which a party has interests that could improperly influence that party’s performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations;
 - vii. Obstructive practice, which includes (a) deliberately destroying, falsifying, altering, or concealing of evidence material to an investigation; (b) making false statements to investigators in order to materially impede an investigation; (c) failing to comply with requests to provide information, documents, or records in connection with an investigation; (d) threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (e) materially impeding CGIF’s contractual rights of audit or inspection or access to information;
 - viii. Violations of ADB sanctions;⁷
 - ix. Misconduct, which is failure by a staff member to observe the rules of conduct or the standards of behavior prescribed by CGIF, may not necessarily be intentional and can arise from neglect, recklessness or mismanagement;
 - x. Retaliation against whistleblowers or witnesses, which is any detrimental act, direct or indirect, recommended, threatened or taken against a whistleblower or witness, or person associated with a whistleblower or witness, in a manner material to a complaint because of the report or cooperation with an investigation by the whistleblower or witness; and
 - xi. Other violations including failure to adhere to the highest ethical standards.
5. CGIF will require integrity issues to be addressed, as appropriate, in legal documents.
6. Updates to the Policy may be required from time to time and will be released on CGIF’s website promptly following such updates.⁸

¹ This is consistent with ADB’s Anticorruption Policy (1998), as amended and ADB’s policy: *Enhancing the Asian Development Bank’s Role in Combating Money Laundering and the Financing of Terrorism* (2003).

² Adopting a risk-based approach is consistent with the recommendations of the Financial Action Task Force (in relation to anti-money laundering) and with ADB’s policy: *Anticorruption Policy: Enhancing the Role of the Asian Development Bank in relation to Tax Integrity* (2016).

³ As detailed at <https://www.adb.org/about/members>

⁴ This is consistent with ADB’s policy: *Anticorruption Policy: Enhancing the Role of the Asian Development Bank in relation to Tax Integrity* (2016).

⁵ The integrity violations are consistent with ADB’s Anticorruption Policy (1998), as amended, and ADB’s *Integrity Principles and Guidelines* (2015).

⁶ A conflict of interest may not, in all cases, in and of itself, constitute an integrity violation.

⁷ Sanctions includes the remedial actions as referred to in ADB’s *Integrity Principles and Guidelines* (2015).

⁸ For example, an update of this Policy may be required if ADB’s *Integrity Principles and Guidelines* (2015) or any ADB policies referred to in this Policy are amended.