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CODE OF CONDUCT FOR PAP MPs

Board seats: Code updated for MPs

The move is to help protect PAP's reputation by ensuring appropriate conduct

By Leslie Koh and Lynn Lee

BEFORE they take up positions on the boards of companies, People's Action Party MPs must now ask themselves several questions.

They include: Do I know the company well enough? How will I deal with any conflict of interest? Am I good enough to fulfil my role?

It is part of the self-examination that MPs have been urged to take, under a revised set of guidelines governing their involvement in business.

Releasing the updated code of conduct yesterday, Prime Minister Lee Hsien Loong told MPs that the code is to help those who do business and take up company directorships to continue to conduct themselves appropriately and protect the party's reputation.

'The integrity and reputation of the PAP MPs and Government is our most precious asset, which has been built up over half a century,' he explained in a one-page letter to MPs.

'If we lose this, we will lose the respect of voters and the confidence of investors, and Singapore will go down.'

The revised code includes the guidelines set out in April last year by then-prime minister Goh Chok Tong.

These covered three broad areas: MPs' acceptance of directorships, rules for keeping business and politics separate, and reporting their interests in companies.

Mr Goh had introduced to the long-standing code a new requirement for all PAP MPs to declare their company directorships. He also barred them from sitting on the boards of companies owned or chaired by grassroots leaders they have appointed.

The latest revision adds more guidelines on their conduct in business dealings.

The code now urges MPs to conduct their business activities to 'bring credit to themselves and to the party'.

'Adverse publicity on their performance as directors, or lapses in the companies they are associated with, will tarnish their reputation as MPs and lower the public's regard for the party,' it warns.

Another new guideline urges each MP to satisfy himself that the company is reputable and that he can make a 'meaningful contribution' before he accepts a directorship.

Just like anyone else contemplating a directorship, he should ask himself several questions:

First, how well does he know the company, its business strategy and its shareholding structure?

Second, does he know the relationships between the board and its management, and between shareholders and the firm?

Third, does he know enough about the industry to fulfil his roles? Does he know his obligations under the law and code of corporate governance?

And lastly, how will he deal with any conflict of interest?

The revised guidelines were welcomed by MPs interviewed yesterday. Mr Ong Kian Min, for instance, described them as helpful.

The Tampines GRC MP, who holds directorships in 11 listed companies, said: 'It's especially useful for MPs not in business or commerce, to let them be more aware of what they are getting into.'

Agreeing, Dr Tan Cheng Bock said he had asked himself those exact questions whenever he was approached. The Ayer Rajah MP sits on the board of two companies.

He had 'flatly refused' some requests, he said, because he did not understand the company's business.

'Some might think that getting an MP gives them some prestige. But it's the responsibility of the MPs to do the checks.'

The codes of conduct for both ministers and Members of Parliament can be found on the STI website at <http://www.straitstimes.asia1.com.sg/>