

## Blog: A walk in Hong Kong

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A few weeks ago I had the luxury of a couple of hours off whilst working in Hong Kong. I decided to put the world of compliance behind me and try to buy some Chinese crockery to take home for my food-loving daughter. I didn't want to go to one of those "Western" shops where the service and the goods are the same so I set out to Tsim Sha Tsui to see if I could find a trade warehouse to see how low the prices really can get; by the way, the answer to that is around 20p an item! When I got there however I was confronted by compliance issues of a different type.

As well as crockery the warehouse specialised in corporate gifts. Yet, these were corporate gifts that came with the logos already applied; including those of major law firms, leading Fortune 100 companies and accountancy practices.

This poses a real compliance risk. For example, armed with my portfolio, corporate briefcase and pen from a well known accountancy firm I could easily pose as somebody I wasn't. In the words of the song, a picture paints a thousand words and an individual who's wearing smart business attire and carrying the relevant corporate accessories often won't have his or her identity questioned. Many corporations closely guard their corporate logo on the internet but it seems at least on the basis of my trip they're not as cautious in the offline world.

So what are the messages to take from my trip to the warehouse:

1. Look closely at your supply chain for corporate gifts.
2. Have an appropriate written agreement in place with your supplier including proper contractual provisions to protect your brand.
3. Make sure that that contract provides that only the right number of goods will be produced. If extra goods are created with your logo, for example, because some are faulty or the factory wants to do an overrun in case of quality issues or because you reorder regularly, you'll need appropriate contractual provisions in place for their destruction.

Clearly in places like China no contract is going to be observed all of the time and if your reputation is business critical you might want to look at more secure sources of supply. It is clear, however, that when a potential identity thief, fraudster or anti-corporate activist could pass himself off as one of your people for less than £10 there is a compliance risk which we all need to address.

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