

CORPORATE GOVERNANCE IN MALAYSIA



NATIONAL ANTI-CORRUPTION PLAN (2019-2023)

6 PRIORITY AREAS



Corporate Governance

Strategy 6: Inculcating Good Governance In Corporate Entity

Greater transparency over who owns and controls corporate entities

- More **stringent vetting requirement** for hiring top management (“hot jobs”)
- Step ahead **to consider local and international (foreign business) laws**
- More **measures and controls ensuring accountability and transparency on Government funding allocations**
- **Additional disclosures**
 - Direct and indirect shareholdings of senior management
 - Directors and key management’s directorship in public companies (listed or otherwise)
 - Remuneration of directors in detail
 - Remuneration of senior management

Greater corporate entities resilience against the threat of corruption

- Developing an **Organisational Anti-Corruption plan (OACP)**; addressing corruption as part of entities’ **strategy, ERM and undertaking CRM**
- **Strengthen Anti-Corruption awareness** and engagement with agencies
- Enable **certified integrity officers (CIO) as part of integrity units**
- Embed **Anti-bribery management systems and ISO37001 into entities’ operational systems**
- Consider **conflict of interest disclosures** when undertaking business
- More **disclosure regarding subsidiaries**, in addition non-consolidated companies
- Introduce a **legal provision that prohibits political contributions** (e.g. as part of anti-bribery policy)

CORPORATE GOVERNANCE:

ORGANISATIONAL ANTI-CORRUPTION PLAN (OACP)

- The development of Organisational Anti-Corruption Plan (OACP) has been made mandatory to all agencies in public sector, including Statutory Bodies, State-Owned Enterprises (SOE) and private sector under the National Anti-Corruption Plan.
- OACP helps to **flag corruption risk** and **provides anti-corruption policies and strategies** to drive the agency's performance **based on good governance principles**.
- Continued efforts to promote integrity and good governance in business is crucial to improve the Malaysia's Government investment. Therefore, **OACP helps business to demonstrate their on-going commitment by creating a clean business ecosystem which is free from corruption**.
- To date, 14 Government Linked Companies (GLCs) have shown their commitment in developing the OACP. Among the GLCs are **Felda Global Ventures, Khazanah Nasional Berhad** and the **Employees Provident Fund (EPF)**.



T

R

U

S

T

PRINCIPLE 2

PRINCIPLE 4

Top Level
Commitment

Risk
Assessment

Undertake
Control measure

Systematic Review,
Monitoring & Enforcement
Commitment

Training
& **C**ommunication

PRINCIPLE 1

PRINCIPLE 3

PRINCIPLE 5



Direct
engagement



Assign and
resource
competent person



Marketing
intermediaries



Government
liaison



Customer
and supply
chain



Due
diligence



Reporting &
whistleblowing



Collate
implementation data



Optional
ISO 37001



Role-specific training,
which is tailored to
corruption risks the
position is exposed to



Messages on the
organization's intranet
or website

LAWS OF MALAYSIA



LAWS OF MALAYSIA

Act 694

MALAYSIAN ANTI-CORRUPTION COMMISSION
ACT 2009

**Malaysian Anti-
Corruption
Commission Act 2009**



LAWS OF MALAYSIA

REPRINT

Act 605

STATUTORY BODIES (DISCIPLINE
AND SURCHARGE) ACT 2000

Incorporating all amendments up to 1 January 2006

PUBLISHED BY
THE COMMISSIONER OF LAW REVISION, MALAYSIA
UNDER THE AUTHORITY OF THE REVISION OF LAWS ACT 1968
IN COLLABORATION WITH
PERCETAKAN NASIONAL MALAYSIA BHD
2006

**Statutory Bodies
(Discipline &
Surcharge) Act 2000**



LAWS OF MALAYSIA

REPRINT

Act 574

PENAL CODE

Incorporating all amendments up to 1 January 2006

PUBLISHED BY
THE COMMISSIONER OF LAW REVISION, MALAYSIA
UNDER THE AUTHORITY OF THE REVISION OF LAWS ACT 1968
IN COLLABORATION WITH
PERCETAKAN NASIONAL MALAYSIA BHD
2006

Penal Code



SECTION 17A OF THE MACC ACT: CORPORATE LIABILITY



WHO FALL WITHIN THE AMBIT OF A “PERSON ASSOCIATED WITH THE COMMERCIAL ORGANISATION”?

- 1 **Director** of the commercial organization;
- 2 **Partner** of the commercial organization;
- 3 **Employee** of the commercial organization;
- 4 Person performing services for and **on behalf** of the commercial organization.

FARAH ADURA HAMIDI

Deputy Director General

National Centre for Governance, Integrity and Anti-Corruption (GIACC)

Prime Minister's Department

Putrajaya



THANK YOU