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Senior Bank Employee Dismissed for Failure to Declare Position on Conflict of Interest

Siti Dzahirah Binti Harun v Malayan Banking Berhad
(Industrial Court Award No 2141 of 2018)

| by Rebecca Sonali Alfred |

The employee in this case held the position of Head of Business HR, Insurance & Takaful in the Bank. It is the Bank's policy that all employees must submit a Yearly Declaration of Observation Form, which included a declaration on conflict of interest.

Article 20 of the Bank's Code of Ethics and Conduct states that:

"Employees are required to declare their position on conflict of interest on an annual basis irrespective of whether or not they have a conflict of interest. It is the employee's responsibility to disclose any conflict of interest and to take the necessary steps to resolve the conflict."

Almost seven years into her employment, the Bank discovered that the employee was a director and majority shareholder in a company called RSA Solutions Sdn Bhd, even prior to her employment with the Bank.

When questioned, the employee first denied but eventually admitted that she was in fact a shareholder of RSA Solutions Sdn Bhd.

In reply to the show cause letter issued by the Bank, the employee claimed that she had declared her involvement in RSA Solutions Sdn Bhd to the former CEO of the Bank.

Given the employee's position, the Bank had considered that it was incumbent on her to ensure that all employees complied with the submission of the Yearly Declaration of Observation Forms, which she herself had failed to do. As such, the employee was dismissed from the Bank with immediate effect.

The Industrial Court held that the Bank was justified in dismissing the

employee. In particular, the Industrial Court pointed out that:

- (a) The employee had not called the former CEO of the Bank as a witness;
- (b) The employee was untruthful with her answers to the Bank; and
- (c) The employee held a very senior position in the Bank and, more than just holding a position of trust, the employee was under a duty to ensure compliance with the Bank's policy.

The Bank was represented by partner Dato' Thavalingam Thavarajah and associate Rebecca Sonali Alfred of [Lee Hishammuddin Allen & Gledhill](#).

The Industrial Court award may be viewed [here](#).

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