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Additional Anti-Corruption Measures for Listed Issuers

As we may all be aware, the corporate liability provision introduced in the form of s 17A to the Malaysian Anti-Corruption Commission Act 2009 (**MACC Act**) will come into effect in June 2020. Following this, a commercial organisation (a listed issuer included) may be found liable for acts of corruption committed by any persons associated with the organisation.

Considering the adverse implications that such acts may cause to listed issuers, Bursa Malaysia Securities Berhad (**Bursa Malaysia**) published an amendment to the Main Market Listing Requirements (**Main LR**) on 18 December 2019, which seeks to encapsulate anti-corruption measures in the Main LR. The anti-corruption measures are intended as a means of assurance to listed issuers to ensure that they would be equipped with a defence against legal liability on the ground that they have established and implemented adequate procedures to prevent the occurrence of corrupt behaviours.

The anti-corruption measures added to the Main LR are twofold:

- (1) Obligations imposed on the listed issuer and its board of directors, whereby the listed issuer and its board of directors are required to ensure that:
 - (a) the following are established and maintained for the listed issuer and its subsidiaries (**group**):
 - (i) policies and procedures on anti-corruption; and
(Note: This is required, at a minimum, to be guided by the Guidelines on Adequate Procedures issued pursuant to s 17A(5) of the MACC Act)
 - (ii) policies and procedures on whistleblowing;
 - (b) the policies and procedures on anti-corruption and on whistleblowing are reviewed in a periodical manner to assess their effectiveness and in any event, at least once every three years;
 - (c) corruption risk is made a part of its annual risk assessment of the group.
- (2) Obligation imposed on the listed issuer, whereby the listed issuer

is required to publish on its website:

- (a) its policy on anti-corruption; and
- (b) its policy and procedures on whistleblowing.

For listed issuers with multiple subsidiaries, Bursa Malaysia has clarified that a listed issuer is in compliance with the newly added requirements in the Main LR if the requisite policies and procedures are established on a group basis and adopted by the listed issuer and all its subsidiaries within the group.

Given the introduction of s 17A and the amendments made to the Main LR, there is no room for commercial organisations, particularly listed issuers, to be indolent and to turn a blind eye towards the state of their anti-corruption programme. Commercial organisations should immediately take the necessary steps to ensure compliance with all the anti-corruption requirements, or else be ready to face severe consequences.

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