



EU-Malaysia Chamber of Commerce and Industry (EUMCCI): Implementation of the Section 17A of the MACC Act Should Continue As Scheduled to ensure Investor Confidence in Malaysia's Economy

KUALA LUMPUR 6 May 2020 - EU-Malaysia Chamber of Commerce and Industry (EUMCCI) acknowledges with concern calls to delay enforcement of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 for a period of one year. Section 17A introduces corporate liability for corruption offences into Malaysian law, holding directors and management responsible for acts of corruption committed on behalf of the company. Currently the amendment is scheduled to come into force on 1 June 2020.

The Covid-19 situation has certainly created additional challenges for the business sector of Malaysia. However, at this time more than ever the eradication of corruption from the landscape is critical for the well-being and long-term success of Malaysia's economy.

“Considering the Malaysian government's urgent action to ensure investor confidence in the Malaysian economy and market, the EU-Malaysia Chamber of Commerce and Industry strongly recommends to address this implementation of Section 17A of the MACC Act as part of the economic recovery plan instead of making it a roadblock”, stated Sven Schneider, CEO of EUMCCI.

Corporate liability greatly strengthens the anti-corruption programme of the country and creates important drivers for companies to support the National Anti-Corruption Plan. A significant delay in the enforcement date will seriously undermine the conscientious activities of many responsible companies who have already taken steps to implement their anti-corruption programmes. Conversely, those companies which have adopted an indifferent “wait and see” attitude and made no efforts at all to establish effective measures will have their approach affirmed for the long-term; for a 12 month delay can be taken as an indefinite suspension.

Malaysia's standing as a preferred destination of choice for international companies will be reduced if corporate liability is significantly delayed. Since companies have already had 2 years to prepare, our recommendation is to continue with enforcement as planned on 1 June 2020.

“Recognising the impact of the Covid-19 situation, a 3-month postponement, with the new date gazetted to establish a firm deadline, would be an acceptable alternative. A postponement of 6-months, with the date gazetted, should be the maximum period of delay. Any longer would give entirely the wrong signal and be detrimental to the economic interests of Malaysia in long term at this challenging time”, explained Dr Mark Lovatt, Head of Transparency and Integrity Committee of the EUMCCI.



About EU – Malaysia Chamber of Commerce and Industry (EUMCCI). The EUMCCI represents 1600+ European and Malaysian corporate and SME members active in a wide range of business activities key to the Malaysian economy. Sectors of industry represented in the chamber are Aerospace, Automotive, Food & Beverages, Green Technologies, Industry 4.0 and Automation, Healthcare as well as professional services such as banking, recruitment or legal services to name a few. It is our mission to contribute towards nurturing a better business environment and promote EU business interests in the country. For media inquiries please contact mohanraj@eumcci.com and dedaridzwani@eumcci.com