



## **ANTI-CORRUPTION POLICY**

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## 1.0 INTRODUCTION

This Policy describes Bursa Malaysia's stance on areas relevant to fraud, bribery and corruption and provides guidance on how employees are expected to conduct themselves in encountering potential acts of fraud, bribery and corruption. This Policy is not intended to be exhaustive and all individuals working at all levels, including senior management, employees (whether permanent, contracted or temporary), trainees, protégé's, part-time staff, suppliers, vendors, service providers, consultants and contractors or any agents of Bursa Malaysia shall adhere to the substance and spirit of this Policy at all times. They are expected to always ask for clarification, whenever in doubt.

For the purposes of this Policy, employee means all levels of employees of Bursa Malaysia, its group of companies including such persons who are on contract, secondment, apprenticeship, attachment or any persons by whatever description under the supervision of Bursa Malaysia and its group of companies whether remunerated or otherwise. Non-executive directors of Bursa Malaysia are governed by the Code of Conduct and Ethics for Directors.

## 2.0 CONFLICT OF INTEREST

As a market operator and regulator, Bursa Malaysia is committed to acting impartially, objectively and free from any influence. The organisation acknowledges that a potential or perceived conflict of interest may arise between the commercial interest of Bursa Malaysia and public interest, in particular investor protection. However, if and when such a situation arises, public interest shall prevail. All such conflicts shall be managed in accordance with the Public Interest Framework that includes the Guidelines for Handling Conflict of Interest.

Bursa Malaysia's employees are expected to always act in the organisation's best interests, exercise proper care and judgment and avoid conflicts of interests in the discharge of their duties. Employees shall refrain from taking advantage of their positions or exercising their authority to further their own personal interests at the expense of the organisation.

There are certain circumstances where employees are strictly prohibited from directly or indirectly soliciting, offering or accepting any gift, entertainment or hospitality, to avoid the perception or appearance of potential conflicts of interest. Examples include -

- (a) In respect of a particular regulated person, when there is a regulatory action pending vis-à-vis that individual or organisation (e.g. processing of an application for waiver under the rules or investigation of a breach);
- (b) Procurement process (e.g. tender or competitive bidding);
- (c) Placement of funds;
- (d) Negotiations in relation to any contract including the exercise of any right or entitlement, any variation, termination or extension of the same as well as the formalization of the relevant documentation;
- (e) Process to determine any criteria for the recognition of achievements by regulated persons;  
or
- (f) Recruitment process.

Employees are advised to adopt a more prudent approach when it comes to the above circumstances to avoid potential or perceived conflicts of interest.

Where a conflict or potential conflict of interest arises, the employee shall disclose this to the relevant internal parties and recuse himself/herself from any related proceedings.

The Code of Ethics provides further details on situations where conflicts of interest may arise.

### **3.0 ASSET DECLARATION**

As set out in the Group Human Capital Manual on Declaration of Assets, employees from certain management levels as specified must declare their assets. Assets include both movable and immovable assets which individually exceed a prescribed value. They are required to declare their assets upon entering employment, promotion to a prescribed level, when acquiring or disposing of assets or upon being required by Bursa Malaysia to do so.

### **4.0 CORPORATE GIFTS, CORPORATE HOSPITALITY, ENTERTAINMENT AND TRAVEL**

Bursa Malaysia prohibits the corrupt use of gifts, entertainment or travel, directly or indirectly, to unduly influence business or regulatory decisions, gain an unfair advantage or to retain or win business. Employees are strictly prohibited from soliciting gifts, entertainment or travel from any third party. They are particularly disallowed from giving or accepting gifts, entertainment or travel from parties engaged in a tender or competitive bidding exercise (e.g. vendors or consultants) or parties who are the subject matter of the circumstances mentioned in sub-paragraphs (a) to (f) of paragraph 2.0 above.

#### **4.1 Corporate Gifts**

At the corporate level, Bursa Malaysia allows the giving or receiving of gifts as follows:

**(a) Official Functions, Events or Engagements**

Providing corporate gifts to a third party as tokens of appreciation in relation to the organisation's official functions, events, engagements or celebrations of any kind (e.g. commemorative gifts or door gifts offered to all guests attending the event). The determination of the appropriate corporate gifts to be given shall be in accordance with established policies and procedures;

**(b) Company Visits or Courtesy Calls**

Providing or receiving tokens of appreciation at company-to-company level such as gifts exchanged as part of an official company visit or courtesy call, where the gifts received are treated as company property; or

**(c) Charity or Corporate Social Responsibility**

Providing or soliciting gifts or donations to or from third parties (e.g. monetary gifts or gifts in-kind) for charity or CSR related purposes, including donations given by Yayasan Bursa Malaysia in accordance with its constitution.

Employees are generally prohibited from accepting or offering gifts to any third party. Employees may only accept or offer gifts to any third party in the limited exceptions where there is no conflict of interest in accepting or offering the gift and the gift is-

- (i) a corporate gift (bearing the corporate logo) of a nominal value (i.e. something small or is a small gesture), worth not more than RM250 and is equally offered to all persons from the same category (e.g. employee receiving the same gift offered to other speakers where the employee was also a speaker); or
- (ii) a perishable item (e.g. fruits, festive cookies or delicacies offered during festive seasons).

Employees must declare and report the receipt or giving of any gifts either perishable items or corporate gifts to the supervisor who is at the level of Head of Department and above in the manner prescribed in the Code of Ethics. In respect of the receipt of such gift, the approving supervisor must determine whether to:-

- (i) donate the gift to charity;
- (ii) allow the employee to retain the gift, subject to the condition that the employee donates an amount equivalent to the worth of the gift, to charity;
- (iii) allow the gift to be fairly distributed or shared among Bursa Malaysia's employees, or
- (iv) forward the gift to the department in charge of safekeeping of all the corporate gifts received; (Group Strategic Communications).

Under no circumstances may an employee accept gifts in the form of cash, fees, rewards, sponsored travel and holidays, benefits-in-kind, tips, commissions, vouchers, complimentary tickets for concerts, sports events, movies, theatres or sporting equipment or accessories.

Employees are prohibited from indirectly soliciting, giving or receiving gifts including, through their family members, namely their spouse, parent, child, including adopted child and stepchild, brother, sister and the spouse of the child, brother or sister.

For the avoidance of doubt, this does not apply to the acceptance or offering of gifts by employees from or to their relatives, friends or acquaintances who have no current nor prospective business dealings with Bursa Malaysia and where it will not give rise to any potential or perceived conflicts of interest.

#### 4.2 Corporate Hospitality

Corporate hospitality refers to the considerate care of guests by an organisation, which may include meals, transportation or entertainment, usually with the host present. The limited exceptions in which Bursa Malaysia may provide corporate hospitality (such as festive season open houses) or accept corporate hospitality from its business associates or stakeholders at the corporate level, are where all the following principles are adhered to -

- (a) **Valid Purpose**-The corporate hospitality is provided as an act of appreciation to its stakeholders in general, to facilitate networking to strengthen business relationships or to promote mutual understanding for future partnerships or collaborations. The corporate hospitality would not create any undue influence on the outcome of a business or regulatory decision.

- (b) **Transparent-** The corporate hospitality is provided openly, and the host is also present or participating in the event. Where it is a provision of corporate hospitality by Bursa Malaysia, the relevant approvals are obtained in accordance with the Corporate Authority Manual.
- (c) **Proportionate-** The value of the corporate hospitality is modest and proportionate to the occasion.

#### 4.3 Entertainment

Bursa Malaysia employees are not allowed to accept entertainment from third parties except in the form of meals or corporate hospitality that is accepted at the corporate level, as stated above. Employees may offer or accept meals from business associates or stakeholders where all the following conditions are met -

(a) **Valid Purpose**

It is for a legitimate business purpose or to build goodwill to strengthen business relationships and is not solicited or given as a bribe, payoff or kickback. It would not unduly influence the outcome of any business or regulatory decision, influence or appear to influence the performance of the employees' duties in any aspect or create any actual or perceived conflict of interest;

(b) **Proportionate**

The value of the meal is reasonable and appropriate in the context of the business occasion. In this respect, the value of not more than RM250 per person will be considered reasonable in a local setting while the value of not more than USD100 per person will be considered reasonable for an overseas setting;

(c) **Frequency**

The offer or acceptance of meals with the same party, shall not be more than 4 times a year; and

(d) **Approval for Offering Entertainment**

Only certain Bursa Malaysia employees are eligible to entertain and in doing so, they must comply with the Entertainment Policy including obtaining prior approval for the entertainment expense, where required.

#### 4.4 Travel

Bursa Malaysia does not allow third parties to sponsor the travel expenses of any employee, or Bursa Malaysia itself to sponsor the travel expenses of any third party, except in limited circumstances where all the following criteria are met -

**(a) Valid Purpose**

It is for a legitimate business purpose (e.g. the person sponsored is a speaker of an event organised by the sponsoring organisation) and not to unduly influence the outcome of any business or regulatory decision or create any conflict of interest;

**(b) Proportionate**

The class of travel and accommodation are reasonable and appropriate. In the case of the employee, the class of travel and accommodation shall be consistent with what the employee is entitled to under the Employee Handbook. In the case of a third party, the class of travel and accommodation shall be at least on par with what the third party is entitled to under his or her employee entitlements;

**(c) Relevance**

Where the sponsorship is for an employee, the selection of the employee shall be based on relevance to the employee's job function or expertise; and

**(d) Approval**

Approval will be based on the Corporate Authority Manual.

## **5.0 SPONSORSHIPS AND DONATIONS**

As a responsible corporate citizen, Bursa Malaysia is committed to doing its part for the society and the environment and contributing towards sustainable development. Thus, Bursa Malaysia or Yayasan Bursa Malaysia<sup>11</sup> may undertake charitable or corporate social responsibility (CSR) initiatives including fund-raising events to raise funds for deserving beneficiaries. Bursa Malaysia will ensure that all donations or CSR sponsorships are made to beneficiaries in a transparent way and -

- (a) made to legitimate organisations such as those registered with the Registrar of Societies or Registrar of Companies;
- (b) supported by legitimate reasons and permitted by existing laws and regulations;
- (c) not made to improperly influence a business or regulatory outcome or as a means to cover up an undue payment or bribery or create any conflict of interest; and
- (d) are approved in accordance with the Corporate Authority Manual.

In line with Bursa Malaysia's commitment to high levels of integrity and ethics, appropriate due diligence shall be undertaken on the beneficiaries.

CSR sponsorships include corporate sponsorships for non-business-related purposes and excludes

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<sup>1</sup> Yayasan Bursa Malaysia is a charitable foundation and an associate company of Bursa Malaysia.

sponsorships for business-related purposes such as marketing or sales.

## **6.0 POLITICAL CONTRIBUTIONS**

Bursa Malaysia does not make or offer monetary or in-kind political contributions to political parties, political officials or candidates for political office. Employees are prohibited from using any of the organisation's funds or resources to make any direct or indirect political contributions on the organisation's behalf. Employees must avoid even having the appearance of making such contributions to any political party, candidate or campaign.

## **7.0 FACILITATION PAYMENTS**

Bursa Malaysia does not allow facilitation payments, namely payments to government officials or authorised agents to illegally secure or expedite the performance of a routine function or duty, which they are in any event obliged to perform.

Employees are prohibited from directly or indirectly, requesting, accepting or giving facilitation payments for the benefit of the employees themselves or in connection with the organisation's operations and business.

## **8.0 MONEY LAUNDERING**

Bursa Malaysia is committed to ensuring that the organisation's funds and services are used for legal and proper business purposes only and prohibit employees from any involvement, directly or indirectly, in money laundering<sup>2</sup> activities.

To avoid violating anti-money laundering laws, Bursa Malaysia expects employees to be attentive to suspicious behavior by stakeholders in their financial dealings with the organisation.

## **9.0 DEALING WITH THIRD PARTIES**

As a market operator and regulator, Bursa Malaysia has dealings with many third parties and stakeholders. These dealings must be carried out in compliance with the relevant laws and in line with Bursa Malaysia's values and principles, which include treating the organisation's stakeholders with integrity and respect. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.

Bursa Malaysia expects all third parties acting for or on behalf of the organisation to share Bursa Malaysia's values and to refrain from all forms of bribery or corruption. They must adhere to this Policy, where applicable, in their interactions and dealings with the organisation or when transacting on behalf of the organisation. Employees are required to undertake due diligence to assess the integrity of prospective business counterparties and avoid knowingly entering into any business dealing with any third party reasonably suspected of engaging in money laundering, bribery or improper business practices unless those suspicions are resolved.

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<sup>2</sup> Money laundering is a process where criminals have the intention to hide the true origin and ownership of illegal funds, so they appear to have originated from a legitimate source.

Employees are expected to exercise caution when dealing with public officials to avoid any perception or suspicion of bribery or corruption.

## **10.0 PROCUREMENT**

Bursa Malaysia selects the organisation's counterparties impartially and based on merit. Bursa Malaysia's procurement process is guided by principles of economy, integrity, transparency, competition, fairness and sustainability.

Employees who are involved in procurement activities are required to adhere to the policies and procedures in the Group Procurement Manual. Due diligence is required to be conducted on the potential counterparties prior to entering into any formalised relationships in the prescribed manner.

Bursa Malaysia adopts a competitive bidding approach for the organisation's procurement practices. Proposals and quotations are required to be solicited from several vendors for goods or services that are beyond a certain prescribed value. Under the Group Procurement Manual, an independent tender committee will be formed to carry out evaluations and selections of the vendors for procurement above the prescribed value.

Bursa Malaysia practises an open tender policy for goods or services beyond a prescribed value, unless there are circumstances to justify a closed tender, which then has to be pre-approved in accordance with the Corporate Authority Manual. All open tenders are published on the organisation's corporate website.

## **11.0 SUPPORT LETTERS**

As a front-line regulator, Bursa Malaysia must remain independent and objective in discharging the organisation's statutory duties of maintaining an orderly and fair market. To avoid conflicts of interests and biasness, Bursa Malaysia generally will not issue a support letter solely for the benefit of a third party where such letter is used to support an application or influence a consideration involving the organisation or individual to whom the support has been given. However, Bursa Malaysia may consider issuing a letter whether in support of an initiative, a matter or an event, if it is for the benefit of the capital market or capital market participants as a whole. Such support must be approved in accordance with the Corporate Authority Manual.

## **12.0 RECRUITMENT OF EMPLOYEES**

Bursa Malaysia provides equal opportunity for any qualified and competent individual to be employed by the organisation. Bursa Malaysia recruits employees based on approved selection criteria to ensure that only the most suitable individuals are employed and to ensure that no element of corruption is involved in the hiring of employees.

In line with this, due diligence shall be undertaken prior to recruitment, that includes background checks, document verification process and conducting interviews. More detailed background checks will be undertaken when hiring employees in key management positions.