

Our Ref: IS/TAC(kar)/LD17/19 [Anti-Corruption]

18 December 2019

**The Company Secretary**  
(ACE Market Listed Corporations)

Via email

Dear Sir/Madam,

**AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS (“ACE LR”) IN RELATION TO ANTI-CORRUPTION MEASURES**

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**(A) INTRODUCTION**

1. Pursuant to section 9 of the Capital Markets and Services Act 2007, Bursa Malaysia Securities Berhad (“the Exchange”) has made the amendments to the ACE LR in relation to anti-corruption measures (“Anti-Corruption Amendments”).

**(B) BACKGROUND**

2. On 5 April 2018, the Malaysian Parliament amended the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”) to incorporate, among others, a new Section 17A on corporate liability for corruption. Come 1 June 2020, a commercial organisation (including a listed corporation) may be found liable for acts of corruption committed by any persons associated with the organisation (such as its directors or employees).
3. The defence available to the organisation is that there are adequate procedures in place to prevent persons associated with the organisation from undertaking the corrupt conduct.
4. In light of the above and given the serious threat that corruption poses to corporates, the Exchange has amended the ACE LR to encapsulate anti-corruption measures which are in addition to the statutory provisions under the law. This will provide greater accountability and transparency to securities holders, as well as a measure of assurance to the listed corporations.
5. In finalising the Anti-Corruption Amendments, the Exchange has considered various feedback and comments received in response to the public consultation paper issued on 26 September 2019, and reviewed our proposals accordingly.

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(C) ANTI-CORRUPTION AMENDMENTS

6. The Anti-Corruption Amendments are as follows:

- (a) requiring a listed corporation and its board of directors to ensure that -
  - (i) the following are established and maintained for the listed corporation and its subsidiaries (“group”):
    - (aa) policies and procedures on anti-corruption that are, at a minimum, guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the MACC Act; and
    - (bb) policies and procedures on whistle-blowing;
  - (ii) the policies and procedures in subparagraph (i) above are reviewed periodically to assess their effectiveness, and in any event, at least once every 3 years; and
  - (iii) corruption risk is included in the annual risk assessment of the group.
- (b) requiring the listed corporation to publish on its website -
  - (i) its policy on anti-corruption; and
  - (ii) its policy and procedures on whistle-blowing.

7. Through the Anti-Corruption Amendments, we seek to achieve the following:

- (a) promoting better governance culture and ethical behaviour within the listed corporation group by ensuring that listed corporations put in place structured policies and procedures on anti-corruption and whistle-blowing, and place greater emphasis on corruption as part of their annual risk assessment of the group; and
- (b) providing listed corporations with a defence against the legal liability under section 17A of the MACC Act, by ensuring that they establish and implement adequate procedures to prevent the occurrence of corrupt practices.

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(D) FULL TEXT OF THE LR AMENDMENTS

8. The full text of the Anti-Corruption Amendments is attached in Appendix 1. For ease of reference, the amendments are reflected in the following manner:
- portions underlined are text newly inserted / added onto the existing rules; and
  - portions struck through are text deleted.

(E) IMPLEMENTATION

9. The Anti-Corruption Amendments set out in Appendix 1 are effective from 1 June 2020 onwards.

(F) ADDITIONAL INFORMATION

10. In addition, we have also provided “Questions and Answers” as set out in Appendix 2 to facilitate a listed corporation’s better understanding of, and compliance with the Anti-Corruption Amendments.
11. This letter and the above-mentioned document are also available at Bursa Malaysia Berhad’s website at [www.bursamalaysia.com](http://www.bursamalaysia.com).
12. If you have any queries on the Anti-Corruption Amendments above, please contact Listing Advisory & Development, Listing Division at 03-2034 7766.

Thank you.

Yours faithfully,



REGULATION

Encls. (2)