

Streamlining overlapping powers of SC and ROC

KUALA LUMPUR, Mon. — Prime Minister Datuk Seri Dr. Mahathir Mohamad said a study would be carried out to look into the overlapping powers of the Securities Commission (SC) and the Registrar of Companies (ROC).

"When we introduce a new regulating body, there is bound to be some overlapping (of powers). We have to look into it and make sure there are no conflicting regulations coming into force," he told reporters after opening the Asian Capital Markets: Growth Frontiers Conference at the Hilton Hotel today.

He was commenting on the overlapping powers of the SC and ROC following the setting up of the Securities Commission.

Asked whether there was a possibility that the SC would only look after public listed companies and the ROC, limited companies, Dr Mahathir said, "that is something we have yet to look into thoroughly."

"We will look at the possibility of ensuring that the powers of both do not overlap."

Dr Mahathir said when a new organisation like the SC was introduced, there was bound to be a problem, "because nobody likes regu-

lations.

"At the same time there is a need for regulations. It may not be possible to do things right the very first time."

The Securities Commission is now the most powerful body overseeing and policing the securities industry in the country.

Functionally, some of its powers overlap that of the ROC, especially that pertaining to investigations.

The Securities Commission Act 1992 which provides for the setting up of the SC was passed by Parliament and came into force on March 1, last year.

Meanwhile, *Bernama* reports Malaysia's capital market agrees with moves to streamline the overlapping powers between the SC and the ROC.

However, the industry's reaction has been mixed on how this streamlining would be done or what it really meant.

Federation of Malaysian Unit Trust Managers executive councillor Steven Soh said investigation and enforcement powers should come under the SC.

"It is better that way rather than having to go back and forth on these issues between the SC and the ROC," he said.

"If we want to develop Malaysia's capital market then it is best to follow the example in the industrialised world where such powers are under one authority."

A stockbroker, who declined to be identified, said streamlining the powers of the SC and ROC would be good "but, nobody wants to give up its powers".

"Maybe, matters that come under the Companies Act can be kept with the ROC and the SC with the Securities Industry Act."

He said what the streamlining meant was not clear yet and in the end either one of the two authorities could end up giving up some of its powers to the other.

The head of an investment research firm, who also requested anonymity, said the issue of one having to give up certain powers was "sensitive".

"Yes, you can streamline but streamlining does not mean having to give up your powers," he said.

He said the issue could possibly be addressed by specialisation and more co-operation between the SC and the ROC.

He was against one authority being given all the powers "as there will then be no division of powers".