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BUDGET-KLSE

LAWS ENFORCED TO BRING ORDER TO KLSE

KUALA LUMPUR, Oct 23 (Bernama) -- The laws and regulations being enforced on trading of shares are meant to bring order to the Kuala Lumpur Stock Exchange (KLSE), said Prime Minister Datuk Seri Dr Mahathir Mohamad.

"This will make the KLSE stronger even though the share indices are not likely to reach the high levels it did before, when share prices did not reflect asset values or the performance of companies," he explained when unveiling the 1999 Budget at Dewan Rakyat here.

Dr Mahathir said Malaysia's stock market would remain open to foreign investors, only with a condition that the trading of shares must be more transparent to the public and the government.

"There is no reason why the sale and purchase of shares should be kept a secret," he added.

The Prime Minister pointed out that the lack of transparency in the trading of shares had resulted in several rules being broken, in particular by foreign traders in the KLSE.

He said rightly, any party that owns more than five percent of shares in any one company should inform the KLSE as required by the rules on disclosure, but because trading was kept confidential, disclosure did not take place.

"Even when ownership reached 33 percent, they did not make a public offer. They also ignored the principles of the New Economic Policy," he said, adding that many abuses took place because KLSE rules were not enforced or enforcement was not possible. -- BERNAMA

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