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KL bourse takes over KLoffe to cut costs: Anwar

DEPUTY Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim yesterday said the Kuala Lumpur Stock Exchange (KLSE) has taken over the management and operation of the Kuala Lumpur Options and Financial Futures Exchange (KLoffe).

Speaking at a news conference in Kuala Lumpur, Anwar said, the change in KLoffe's management was made to ensure the smooth running of its management and administration.

"It is also to reduce cost and ensure that KLoffe will be able to play a more aggressive and effective role. The change in management is also based on commercial development and decision by the KLSE as well as KLoffe's existing shareholders," he added.

On whether this change in management was decided by Anwar as Finance Minister, he said: "I did not decide. Let me clarify that it is not my decision."

Reiterating that the decision is purely by the KLoffe and KLSE, Anwar said he supported the move because both have agreed to do so.

"They have made recommendations and this will allow KLoffe to be more efficient and effective as well as aggressive in its promotion," he added.

At the press conference, Anwar was also asked on talks that Bank Negara Malaysia (BNM) Governor Tan Sri Ahmad Mohd Don has resigned, to which he urged the media not to listen to such unfounded suggestions.

"This is the umpteenth time I have heard (about BNM Governor resigning). Why should you entertain this?," he asked in jest.

Anwar was also asked whether Tun Daim Zainuddin, Minister of Special Functions in the Prime Minister's Department has any influence in determining the direction of the country's interest rates.

On this, Anwar said: "The decision on interest rates remains with BNM as stipulated under the Banking and Financial Institutions Act."

However, he maintained that the Government, including Daim has regular consultations with the BNM Governor.

"This was also discussed in the Cabinet. We do air our views in the Cabinet from time to time and in the National Economic Action Council's forum.

"All these were decided by Prime Minister Datuk Seri Dr Mahathir Mohamad, in the presence of Daim.

"These issues are all deliberated because they are of concern to the country's economy. I don't think we should be too sensitive as to who can bring up or influence (interest rates).

"It should be open to all views but finally it is BNM which is entrusted to manage and determine the monetary policy. That is what the law says," he added.

Meanwhile, the KLSE, in a late statement yesterday, said it will acquire KLoffe Capital Sdn Bhd, the holding company of KLoffe Bhd which is the operator of KLoffe, for RM35 million.

The KLSE said the vendors of KLoffe Capital are Renong Bhd, Rashid Hussain Bhd, the New Straits Times Press (Malaysia) Bhd and HLG Capital Bhd.

The acquisition is subject to KLSE entering into a formal agreement with the shareholders of KLoffe Capital and subject to the conduct of a satisfactory due diligence exercise.

The KLSE said the integration of KLoffe and KLSE is a significant move,

in line with the long-term global trend of consolidation between exchanges. The integration will enhance efficiency and optimal use of resources for both exchanges.

In contributing to the national move for systemic reform to hasten economic recovery, the integration is an important step in strengthening the industry to better prepare for the international progress towards capital market liberalisation and globalisation, it added.

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