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Rebates on brokerage commissions extended

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THE Kuala Lumpur Stock Exchange (KLSE) recently extended the categories of institutions eligible for rebates on brokerage commission, a move recommended by the National Economic Action Council (NEAC).

In its 8th Progress Report on the National Economic Recovery Plan (NERP) released yesterday, the NEAC said the NERP had recommended that the regulated rates be liberalised to enable KLSE to better compete with other bourses.

Prior to this, KLSE's Rule 6 (7) of the Rules for Trading by Member Companies only allowed a financial institution and its wholly-owned subsidiary to enjoy rebates on brokerage commissions.

The NERP had also urged regulatory authorities, such as the KLSE and the Securities Commission (SC), to exercise and enforce regulations under their responsibility without fear or favour.

"No impression should be given that their ability to enforce is being compromised," it said.

Prime Minister and First Finance Minister Datuk Seri Dr Mahathir Mohamad and Second Finance Minister Datuk Mustapa Mohamed have agreed that the report of the Finance Committee on Corporate Governance be distributed to entities identified by the Ministry of Finance and SC, the committee's secretariat.

This is in response to the NERP's recommendation that an institution such as the Financial Reporting Foundation should be entrusted to prepare a new framework for corporate governance within six months, for submission to the Minister of Finance.

Meanwhile, a special fund for small- and medium-sized industries was set up on November 19 with an allocation of RM750 million. At least 75 per cent of the loans are for Bumiputra-owned companies.

Bank Negara Malaysia has also reduced its intervention rate from 7.5 per cent to 7 per cent effective November 9.

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