

15/03/2003

SC now well-established: Munir

WHEN Datuk Dr Mohd Munir Majid took on his role as the first chairman of the Securities Commission (SC) 10 years ago, he knew he had his job cut out.

For one, there were turf problems to deal with, as there were already many other intermediary agencies overseeing the capital market prior to the SC's birth on March 1 1993. This made it difficult for the SC to assert its role as the central authority in regulating and developing the Malaysian capital market.

"At the same time, there were great expectations of the SC from the public," Munir said, in a recent interview to commemorate the SC's 10th anniversary.

The capital market was brewing with activity that year, making it an even more challenging task to set up the commission.

Still, Munir - who was executive chairman of Commerce International Merchant Bankers Bhd before - took on his role and performed his duties with relish, recalling how many a time, he had to step on toes.

Today, he says it was both a privilege and honour to have been able to turn into reality what, at that point, was still a concept and idea.

"I think it was great and exciting to have been involved in the process and set-up of an institution which has now become quite well-established and entrenched in our system," said Munir, who is now chairman of Celcom (M) Bhd.

Current SC chairman Datuk Ali Abdul Kadir, in a separate interview, gave Munir credit for having built up a strong team and solid regulatory foundation, saying he had inherited a "blue ribbon" capital market from his predecessor when he took over the SC's helm in 1999.

"It's been a much easier job for me to put the flesh in and move from there. It also enabled me to take a longer and wholistic view (of the market)," remarked Ali.

Munir said one of the most fulfilling things for him today is seeing plans that were put in place during his time, being implemented now.

"For example, the shift towards a disclosure-based regulation (DBR) programme (from a merit-based one) to facilitate the raising of capital and the considering of corporate proposals. That plan was put in place in 1995/1996, and is finally going ahead now," he said.

The SC has progressively implemented DBR since 1996 under a three-phased programme, the final phase of which will be implemented this month. This will work out to shorter regulatory approval time for issuers, shorter exposure periods for investors and a more cost-effective fund-raising process.

Munir spoke of how he had also pushed for greater power and authority of enforcement for the SC, through changes to the Securities Industry Act

1983 and the Securities Commission Act (SCA) 1993.

"For example, under the SCA, if the SC was investigating somebody and he decided to scoot, he could, because we didn't have the power to impound his passport. Now we can, if we make the case," he said.

It was also Munir who was responsible for establishing the SC's modern, distinctive building at Mont Kiara - its current premises - although ironically, by the time it was officially occupied in February 1999, his six-year chairmanship had ended.

"I was directly involved in the building ... set up a committee and (strongly) pushed for it," he said.

He recalls how the SC managed to fund the building entirely by itself, without having to resort to any borrowings:

"One of the things I said at the start to the then Minister of Finance (Tun Daim Zainuddin) was that I would want the SC to be financially independent. We were lucky, in the sense that the levy we imposed and the fees that we charged occurred at a time when the capital market was active. Therefore, we were able to accumulate funds well in excess of our operating needs, which we were able to use to build the building.

"Of course, not all the funds were used ... (but) we were able to do it without borrowing. And we were able to build it in very good time, in just over 2 years".

On the choice of location at Mont Kiara, he said: "I talked with the Prime Minister (Datuk Seri Dr Mahathir Mohamad), and with his support, we were able to get a piece of land there, near the Science Centre. It was government land and we paid a nominal fee for it ... it wasn't free. It was (deliberately) chosen to be away from the city centre".

The building, the work of renowned Malaysian architect Hijjas Kasturi, went on to bag an award in 2001, beating five other contenders to win first prize as the most energy-efficient new building at the Asean Energy Awards for Energy Efficient Buildings.

Munir pointed out that the building was also important to house facilities for the SC's education and training arm, the Securities Industry Development Centre (SIDC).

"I wanted to have facilities in the building where the SIDC could operate," he said.

The SIDC today plays a crucial role in raising the standards of market participants through the enhancement of skills, professionalism and awareness among various market groups. Its facilities for training and education includes the auditorium, conference halls, lecture theatre, dialogue room and computer classrooms.

Munir added: "I had the notion that at some point, the SIDC should come off on its own and become a securities institute of some sort. Make it into a profit centre ... (perhaps) develop it into a regional centre".

On the SC's future, he said the SC had a good road map in the Capital Market Masterplan (CMP) - a 10-year strategic plan to ensure that the

Malaysian capital market is well-positioned to support national economic growth needs and aspirations.

"It's a good road map ... but one must ensure that the plans are implemented within the timeframe," he said.

The CMP includes measures to meet regional competition and increasing globalisation.