

**Corporate fraud cases not serious: Bursa  
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Corporate fraud cases in Malaysia is not so high or serious as perceived by many and Bursa Malaysia will continue to take stern action against corporate transgressors, said Bursa Malaysia chairperson Mohamed Dzaidin Abdullah.

He said recent corporate scandals have provoked greater interest in corporate governance.

"Bursa Malaysia has worked with many organisations, business leaders and shareholder groups to strengthen governance of our public-listed companies," he said at the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) annual conference in Kuala Lumpur today.

He said Bursa Malaysia has collaborated with professional and industry organisations including MAICSA and Minority Shareholder Watchdog Group (MSWG) that are instrumental in fostering best practices towards improving corporate governance and integrity.

He said Bursa Malaysia has also received encouraging comments for its two consultation papers issued on July 15 aimed at seeking public feedback on proposals to promote transparency, quality and efficiency of the Malaysian capital market.

The first paper called for feedback on various proposed amendments to Listing Requirements (LR) on listed companies disclosure obligations, corporate governance practices and other obligations.

The second paper is on the proposed Corporate Disclosure Guide which aims to provide clarification and guidance on listed companies disclosure obligations under the LR.

Meanwhile, MAICSA president Janet Ang said the regulators swift and strong response to market events are commendable.

She stressed that there is a danger of "tick-box" governance.

She cited as an example a recent government-linked-company case, where corporate governance was in place as far as board composition was concerned where the board has 12 non-executive directors, half of whom are independent directors.

"Together, they form a team whose experience is deep and varied. Big and important names sit on the board," she said in her opening address.

"However, the directors missed the extent of project woes until the external auditor intervened by reporting to the chairman. The debacle dragged the conglomerate into the Red for the first time in 20 years," she said.

Ang proposed making training for directors mandatory again as directors must seriously undergo training to ensure they are more acutely aware of their roles, their fiduciary responsibilities and the penalties they will face for breach of the law even before accepting appointments to positions.

She said a review of the directors' remuneration system was also necessary to better reflect their onerous duties and responsibilities.

"The system now pays directors, in some cases, less than RM20,000 a year. In other cases, a little bit more if the director is also the chair of the audit committee," said Ang.

MAICSA inked a memorandum of understanding (MoU) with MSWG on independent directors training programme, governance and ethical practices at the official opening of the conference.

The MOU allows both parties to collaborate in developing programme modules aimed specifically at corporate professionals who have a keen interest in being appointed as independent directors of listed companies.

Ang also announced the opening of nominations for the MAICSA AmBank Leadership in Governance Award, an initiative launched by MAICSA in partnership with the AmBank Group to award individuals who have demonstrated untiring efforts to help improve corporate governance in his or her organisation.

"Employers are invited to nominate candidates for the two categories of the awards, i.e. Leadership in Governance for Public-Listed Companies and Leadership in Governance for non-listed companies," she said.

Closing date for nominations is December 2010.

- Bernama

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