

FRAMEWORK FOR YPASM'S ADEQUATE PROCEDURES

PURSUANT TO SECTION 17A OF THE MALAYSIAN ANTI-CORRUPTION COMMISSION (MACC) ACT 2009

Section 17A of the MACC Act 2009 was passed in 2018 and introduced corporate liability on commercial organizations in Malaysia. Pursuant to this section, an organization commits an offence if a person associated with the organization engages in corrupt practices for the organization's benefit. Liability is imposed whether or not top-level management has actual knowledge of the corrupt acts. However, Section 17A(4) provides that if an organization has adequate procedures to prevent the occurrence of corrupt practices, then the organization can raise it as a defence against its corporate liability. This document serves as a framework for YPASM's adequate procedures pursuant to Section 17A of the MACC Act 2009.

1. Top-Level Commitment

- Establishing statement from the top
- Assurance to internal and external stakeholders that organization's operations are in compliance with its policies and applicable regulatory requirements

2. Risk Assessment

- Periodic comprehensive corruption risk assessments
- Intermittent assessment as and when required
- Basis on which processes, systems, and control to be established and approved by top level management
- To mitigate specific corruption risks the business is exposed to

3. Undertake Control Measures

- Due diligence on any relevant parties or personnel prior to formalization of relationship
- Accessible, confidential and trusted reporting channel (whistleblowing channel)

- Policy and procedures for circumstances giving rise to potential corrupt practices, i.e.: gifts, entertainment, travel, donations, sponsorships, conflict of interest, financial control (multiple signatories), separation of duties and approving powers etc.
- Policy and measures to be endorsed by top level management

4. Systematic Review, Monitoring and Enforcement

- Internal/External audit
- Monitoring programme
- Regular evaluations and improvements of anti-corruption controls
- Engagement with personnel on policy and procedures
- Disciplinary proceedings

5. Training and Communication

- Anti-corruption policy to be publicly available and appropriately communicated, i.e.: employee's handbook, intranet, emails, etc.
- Communication strategy, i.e.: language, audience, key points, timeframe, etc.
- Trainings to ensure understanding of organization's anti-corruption policies