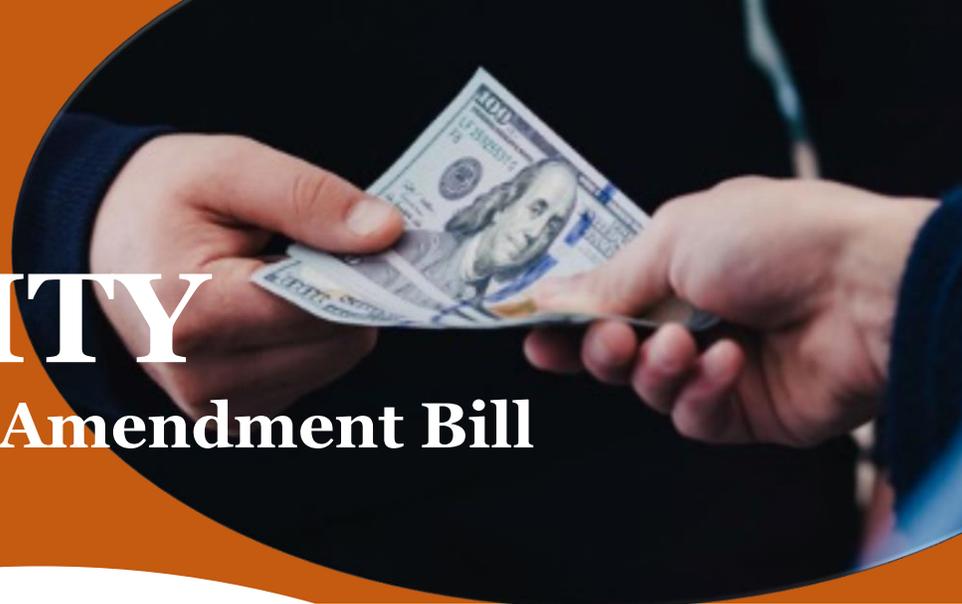


# Corporate

# LIABILITY

# Amendment Bill



**Good corporate governance is critical for the continued success of an organisation. Culture, tone and walk the walk must start from the top.**

## CHANGES IN LAW

The Malaysian Anti-Corruption Amendment Bill was passed by the Malaysian Parliament in April 2018. In essence the amendment now holds corporations accountable for graft as opposed to previous legislation which only held individuals accountable.

This amendment has far reaching consequences as directors can now be held responsible for the corrupt practices of their employees when done in furtherance of the interests of the organisation. Directors cannot plead ignorance.

## FRAMEWORK

The landscape has changed for directors in that they have to ensure that a framework is in place to combat the elements of corruption. Proper safeguards have to be emplaced to ensure that such unlawful activities are not practised both in form and substance.

The message of anti-corruption has to be adequately and formally cascaded to all levels of staff so that employees are aware of the zero tolerance stance against corruption and the severe penalties for non-adherence.

## DIRECTORS' RESPONSIBILITIES

Directors have to upskilled and be well informed on the following:

- i) key issues pursuant to this Act and prevailing anti-bribery/corruption laws in other jurisdictions
- ii) need for a comprehensive framework to combat elements of corrupt practices
- iii) efforts to be undertaken to promote a culture within the organisation based on high levels of ethics and integrity as contained in the Malaysian Code of Corporate Governance 2017 Principle A
- iv) legal implications and penalties under the Act for non-compliance and the penalties for these corporate offences.

Notwithstanding that there is a two year grace period accorded, organisations should use this period to fully understand the expectations and set in motion the action plans so that good governance practices are not compromised. **Get the ball rolling!**

## WHAT CG BOARD CAN DO

CG Board with its vast experience in providing consulting and thought leadership learning services to major corporations on corporate governance initiatives is well positioned to share their experiences on these recent amendments with directors and C-suite

