

Our Ref: RPA/ISS/IS/TAC/RO(RJ)/015/20 [LEAP Anti-Corruption]

29 May 2020

Industry Associations

Via email

Dear Sir/Madam,

**AMENDMENTS TO THE LEAP MARKET LISTING REQUIREMENTS IN RELATION TO ANTI-CORRUPTION AND WHISTLE-BLOWING MEASURES**

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**(A) INTRODUCTION**

1. Pursuant to section 9(1) of the Capital Markets and Services Act 2007, Bursa Malaysia Securities Berhad (“the Exchange”) has made amendments to the LEAP Market Listing Requirements (“LEAP LR”) in relation to anti-corruption and whistle-blowing measures (“Anti-Corruption and Whistle-Blowing Amendments”).

**(B) BACKGROUND**

2. Come 1 June 2020, a commercial organisation (including a LEAP Market listed corporation) may be found liable for acts of corruption committed by any persons associated with the organisation (such as its directors or employees) under section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”).
3. The defence available to the organisation is that there are adequate procedures in place to prevent persons associated with the organisation from undertaking the corrupt conduct<sup>1</sup>.
4. In light of the above and given the serious threat that corruption poses to corporates, the Exchange has amended the LEAP LR to encapsulate anti-corruption and whistle-blowing measures which are complementary to the statutory provisions under the law. This will provide greater accountability and transparency to securities holders, as well as a measure of assurance and defence to the listed corporations against the legal liability under section 17A of the MACC Act.
5. In finalising the Anti-Corruption and Whistle-Blowing Amendments, the Exchange has considered various feedback and comments received in response to the public consultation paper issued on 6 March 2020.

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<sup>1</sup> See section 17A(4) of the MACC Act.

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### (C) ANTI-CORRUPTION AND WHISTLE-BLOWING AMENDMENTS

6. The Anti-Corruption and Whistle-Blowing Amendments require a listed corporation and its board of directors to ensure the establishment and maintenance of the following for the listed corporation and its group of companies:
- (a) policies and procedures on anti-corruption that are, at a minimum, guided by the Guidelines on Adequate Procedures (“GAP”)<sup>2</sup> issued pursuant to section 17A(5) of the MACC Act; and
  - (b) policies and procedures on whistle-blowing.
7. Through the Anti-Corruption and Whistle-Blowing Amendments, we seek to achieve the following:
- (a) promote better governance culture and ethical behaviour within the listed corporation group by ensuring that policies and procedures on anti-corruption and whistle-blowing are put in place; and
  - (b) provide listed corporations with a measure of assurance and defence against the legal liability under section 17A of the MACC Act, by ensuring that they establish and implement adequate procedures to prevent the occurrence of corrupt practices.

### (D) FULL TEXT OF THE ANTI-CORRUPTION AND WHISTLE-BLOWING AMENDMENTS

8. The full text of the Anti-Corruption and Whistle-Blowing Amendments is attached in Appendix 1. For ease of reference, the amendments are reflected as underlined text newly inserted onto the existing rules.

### (E) IMPLEMENTATION

9. In line with the effective date of section 17A of the MACC Act, the Anti-Corruption and Whistle-Blowing Amendments set out in Appendix 1 take effect from **1 June 2020** onwards.

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<sup>2</sup> The GAP was issued to assist commercial organisations in understanding what are the adequate procedures that should be implemented to prevent the occurrence of corrupt practices in relation to their business activities. It sets out 5 guiding principles that may be used as reference points for any anti-corruption policies, controls and procedures which the organisation may choose to implement. The GAP will take effect from 1 June 2020.

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(F) ADDITIONAL INFORMATION

10. In addition, we have also provided "Questions and Answers" as set out in Appendix 2 to facilitate a listed corporation's better understanding of, and compliance with the Anti-Corruption and Whistle-Blowing Amendments.
11. This letter and the above-mentioned document are also available at Bursa Malaysia Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

The above is for your information only.

Thank you.

Yours faithfully,

  
REGULATION

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