

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Company No. 524989-M)

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Code to boost corporate governance

KUALA LUMPUR: The newly-launched Malaysian Code for Institutional Investors by the Securities Commission (SC) and the Minority Shareholder Watchdog (MSWG) aims to promote greater corporate governance and best practices.

The code is essentially a set of best practices collectively developed by Malaysia's largest institutional investors, namely the Employees Provident Fund, Permodalan Nasional Bhd, Kumpulan Wang Persaraan, Social Security Organisation, Lembaga Tabung Angkatan Tentera and Lembaga Tabung Haji.

SC chairman Datuk Ranjit Ajit Singh said the code would put Malaysia alongside the UK and Japan in terms of transparency and other best practices. In addition, he said, an institutional investor council would also be established as a platform to discuss stewardship matters undertaking the oversight role of monitoring the take-up and application of the code.

"The release of this code puts Malaysia alongside several advanced economies including United Kingdom and Japan – all of which have recognised the need to inculcate sound stewardship practices in listed companies by leveraging on the ability of institutional investors to effect meaning change in their invest-



(From left) KWAP CEO Wan Kamaruzaman Wan Ahmad, PNB chief strategy officer Datin Paduka Kartini Abdul Manaf, EPF CEO Datuk Shahril Ridza Ridzuan, LTAT chief executive Tan Sri Lodin Wok Kamaruddin, Ranjit, Sulaiman, SC deputy chief executive Datuk Dr Nik Ramlah Mahmood and MSWG CEO Rita Benoy Bushon at the launch.

ees through active engagement, as well as setting a benchmark for other investors," Ranjit said in his speech at the launch yesterday.

Aspirational in nature and voluntary in implementation, Ranjit said the code served as a frame of reference for institutional investors in areas such as monitoring and engagement

of investee companies, voting activities and managing conflicts of interest.

"By providing this framework for collective action, this code enables institutional investors to have a cohesive voice in engaging companies on issues such as board governance and accountability as well as transparency and

sustainability," he added.

Starting from 2016, signatories to the code are expected to report annually on their application of the principles of the code in their website, annual report or in other publicly accessible documents.

MSWG chairman Tan Sri Dr Sulaiman Mahbob said: "Despite the code being voluntary, institutional investors should apply the code in the interest of their beneficiaries. A good take-up and application of the code by institutional investors will encourage good governance and long-term sustainability of their investee companies."