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SEA-PAC Members To Stand United
In Fighting Corruption

MACC To Share Transformation
Experience With **SEA-PAC** Members

SEA-PAC Members Agree To Join Hands
To Combat Corruption In The Private Sector

Promoting Regional Cooperation
In Combating Corruption

REPORT CORRUPTION

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SEA-PAC Members To Stand United In Fighting Corruption



Minister in the Prime Minister's Department, Datuk Paul Low Seng Kuan delivering his opening address at the 10th SEA-PAC Annual Meeting. *Bemama Images*

Minister in the Prime Minister's Department, Datuk Paul Low Seng Kuan officiated the tenth annual meeting of the South East Asia Parties Against Corruption (SEA-PAC) in Kuala Lumpur recently.

The meeting serves to promote and enhance regional cooperation among anti-corruption authorities in member states in order to fight cross-border criminal activities, which include corruption, more effectively.

In his official address, Low said that graft offenders are getting more and more emboldened and sophisticated. They take advantage of the loopholes in trans-boundary legal and enforcement procedures to stash away their filthy lucre to elude arrest.

In many instances encumbered with

bureaucratic red tape, the state apparatus from both sides of the border were unable to pursue cross-border investigation, said Low.

Combating corruption effectively in a comprehensive and holistic manner requires a comprehensive and synergistic cooperation amongst anti-corruption authorities across the South-East Asia region.

In this regard, the SEA-PAC grouping is an important platform for the anti-corruption authorities in member states to sort out boundary-related issues, promote a seamless regional cooperation, and share best practices in dealing with cross-border criminal activities such as corruption, money laundering, and human as well as drug trafficking, he added.

Low, who was appointed by the Prime

Minister to enhance integrity, good governance and human rights issues in Malaysia, feels that fighting corruption is a collective responsibility, which requires the concerted effort from all levels of government and society.

Fighting corruption is a global imperative. Today, it is more important than ever that the international community demonstrate its collective commitment to preventing and fighting corruption.

"We must amicably resolve issues amongst us," Low said.

He urged the SEC-PAC member countries to establish a ministerial portfolio for promoting governance, integrity and human rights.

"It is vital to get the ministers in on the act and share experience, good practices, and capacity building to effectively deal with corruption at the regional level. We need to bring integrity and good governance to the forefront of government administration as the issue of corruption affects every parameter of our life," Low added.

SEA-PAC has an important role to play in promoting a seamless cooperation among countries in the region in addressing the issue of integration, trans-border criminal activities and corruption. This collaboration is vital if we want to avoid the conditions that lay behind many a failed nation.

Datuk Paul Low Seng Kuan

MACC To Share Transformation Experience With SEA-PAC Members

The Malaysian Anti-Corruption Commission (MACC) Chief Commissioner, Tan Sri Abu Kassim Mohamed said the MACC will share with the members of the South-East Asia Parties Against Corruption (SEA-PAC), its transformation initiatives and experience in the effort to be an independent, transparent and professional anti-corruption agency.



challenges democratic principles, Abu Kassim said.

“In today’s economic environment, managing the risk of fraud and misconduct has become more challenging and has taken centre stage in corporate boardrooms all across the globe. Implementing and maintaining an effective anti-

officials work hand-in-glove with the private sector to commit graft, is especially rampant in today’s business environment, particularly in procurement, construction and development projects, Abu Kassim said.

The 2013 KPMG Fraud, Bribery and Corruption Survey revealed that bribery and corruption accounted for ninety percent of the major problems faced by businesses, he added.

In addition to that, the Transparency International’s Global Corruption Barometer 2013 revealed that the top three institutions perceived by respondents as the most affected by corruption are political parties, the police, and the judiciary.

There is therefore an urgent need for anti-corruption authorities to draw up comprehensive and systemic measures to address corruption and enhance ethics and integrity in both the public and private sectors. Anti-corruption initiatives should focus on both sectors, said Abu Kassim.

Towards this end, the MACC will bring to the table its experience in establishing the Committee on Integrity and Governance (CIG) mechanism at the federal, state and local government levels, including setting up Integrity Units to root out corrupt practices in government agencies and government linked companies (GLCs).

The SEA-PAC Tenth Annual Meeting also saw the launching of the SEA-PAC portal by the MACC Chief Commissioner. During the previous annual meeting in Vientiane, Laos, members agreed to set up a SEA-PAC portal, which will be administered by the MACC.

MACC is looking at the feasibility of setting up a Leadership Centre for anti-corruption agencies in the South-East Asia region, which would run along similar lines with the MACC Leadership Excellence Centre.

MACC Chief Commissioner, Tan Sri Abu Kassim Mohamed

The MACC Chief Commissioner was delivering his opening address at the SEA-PAC Tenth Annual Meeting, which carried the theme ‘Investigation and Prevention of Corruption in the Private Sector’, held in Kuala Lumpur recently.

The SEA-PAC annual meetings served as the platform for member countries to share important strategies, policies, best practices and experiences in dealing with corruption issues.

Corruption is one of the most potent hindrances to the economic development of a country as it undermines the rule of law, weakens trust in public institutions and

corruption program has never been more important,” he added.

The private sector is no more a victim of corruption. Collusive corruption, where public sector officials join hands with the private sector to commit graft is increasingly present in today’s business environment, particularly in the procurement, construction and development.

Recent corporate scandals strongly suggest there is a strong correlation between fraud, bribery and corruption, and weak corporate governance. The Transparency International Report 2012 has highlighted collusive corruption in which public sector

SEA-PAC Members Agree To Join Hands To Combat Corruption In The Private Sector



Minister in the Prime Minister's Department, Datuk Paul Low Seng Kuan (fifth, right) and MACC Chief Commissioner, Tan Sri Abu Kassim Mohamed (sixth, right), joining hands with SEA-PAC members. *Bernama Images*

SEA-PAC members have unanimously agreed to give equal priority to fighting corruption in both the public and private sectors, the Malaysian Anti-Corruption Commission (MACC) Chief Commissioner Tan Sri Abu Kassim Mohamed, said.

All the ten SEA-PAC members call for a stronger legal framework to prop up the anti-corruption initiatives targeted at the private sector in their respective countries.

According to the Chief Commissioner, SEA-PAC members have agreed to form a working group to study and discuss the possibility of bringing the anti-corruption agenda to the ministerial level by incorporating SEA-PAC as an entity under the Association of South East Asian Nations (ASEAN).

"During the meeting, we have agreed to take SEA-PAC to a higher platform as a body registered under ASEAN since there are issues that require political will and policy decisions at higher

level," Abu Kassim said. According to the Organisation for Economic Co-operation and Development (OECD) first Foreign Bribery Report released on 12th December 2014, in forty-one percent of bribery cases reported, management-level staff knew that bribes were being paid, and company chief executives were involved in twelve percent of the cases. Most of the time, the bribes were made with the tacit knowledge and approval of senior management.

The MACC has successfully championed the establishment of Integrity Units in all government ministries and government-linked companies. These Integrity Units, which are headed by a Certified Integrity Officer (CIOs) who has been thoroughly trained by the Malaysia Anti-Corruption Academy (MACA), are tasked to implement in-house integrity programmes tailored to enculturate a culture of zero-tolerance to corruption in the organisation.

On top of that, the Commission has proposed for the insertion of a corporate

liability provision in the MACC Act, which makes a company liable when it allows its employees to commit corruption in the course of promoting their business. SEA-PAC members also agreed to make the MACA as the anti-corruption training hub for the region.

The MACC has successfully tapped into some of the talents in the private sector to bring financial expertise into its investigations. This is a best practice that can be shared with other anti-corruption agencies in the region.

Shervin Majlessi,
Regional Anti-Corruption
Adviser, UNODC

The Kuala Lumpur Declaration 10th South East Asia Parties Against Corruption (SEA-PAC) 3rd December 2014

We, the leaders of the anti-corruption agencies in the South East Asia region gathered in Kuala Lumpur, Malaysia for the 10th South East Asia Parties Against Corruption (SEA-PAC) Annual Meeting under the theme **‘Investigation and Prevention of Corruption in the Private Sector’**, concur the importance of public-private sector partnership in promoting integrity and transparency among the business sector. As concrete measures of co-operation to enhance the capacity of member agencies, we have agreed on the following:

1 That SEA-PAC member countries, in line with the Article 48 & 49 of the UNCAC, have established a strong co-operation tie in facilitating each other’s anti-corruption investigation and prevention efforts;

That SEA-PAC member countries have taken a significant effort to build a strong public and private sector co-operation in order to enhance anti-corruption compliance in both sectors;

2

3 Corruption does not only transpire between the public and private sectors, but also between one private entity to another. As such, the private sectors’ roles to ensure transparency and integrity in doing business is indeed very important to create a level playing fields at the domestic and international levels;

That it is important for member countries to have a strong legal framework to support the national anti-corruption work in the private sector, for instance having a legal provision on corporate liabilities is equally important to ensure that the private sectors play their role in ensuring proportionate anti-corruption measures in the organizations;

4

5 That SEA-PAC member countries have agreed to form a working group to study and discuss the possibility to include SEA-PAC as an entity under ASEAN; and

To establish the Malaysia Anti-Corruption Academy (MACA) as an anti-corruption training hub for the South East Asia region.

6

Promoting Regional Cooperation In Combating Corruption



Established in Kuala Lumpur in 2004, the South-East Asia Parties Against Corruption (SEA-PAC) serves as the platform to promote cooperation to prevent and combat corruption in a comprehensive manner for countries in the South-East Asia region.

The SEA-PAC annual meetings progressively lay the groundwork for an institutional framework to facilitate knowledge-sharing, capacity building, and the free flow of information for mutual support, assistance and cooperation among Member States in fighting corruption both at the home front and at cross-border.

Participated by high-level anti-graft officials and representatives on a rotational basis, the annual SEA-PAC meetings aimed to increase capacity and institutional building among member countries in preventing and combating corruption.

Brunei, Indonesia, Singapore and Malaysia made up the pioneer batch of

SEA-PAC members. Cambodia, Vietnam, Thailand and the Philippines joined the grouping three years later in 2007, followed by Laos in 2010. The grouping welcomed Myanmar as its tenth member during its ninth annual meeting in Vientiane, Laos in 2013.

The SEA-PAC's formation is in line with Article 48 on Law Enforcement Cooperation of the United Nations Convention Against Corruption (UNCAC), which requires countries within a region to cooperate closely with one another to enhance the effectiveness of law enforcement action to combat corruption.

Apart from the MACC, other SEA-PAC member countries include Brunei's Anti-Corruption Bureau (ACB); the Corruption Eradication Commission of Indonesia (PKP); Singapore Corrupt Practices Investigation Bureau (CPIB); Cambodia's Anti-Corruption Unit (ACU); Office of the Ombudsman Philippines; the National Anti-Corruption Commission (NACC) of Thailand; the Government Inspection

and Anti-Corruption Authority of Lao (PDR); and the Government Inspectorate of Vietnam.

Such a grouping would help bring to fruition the objectives of the ASEAN Political Security Community (APSC) Blueprint expected to be established in 2015, which is to provide a comprehensive approach to security, which acknowledges the interwoven relationships of political, economic, social-cultural and environmental dimensions of development.

Efforts are underway in laying the groundwork for an institutional framework to facilitate free flow of information based on each country's national laws and regulations; preventing and combating corruption; and cooperation to strengthen the rule of law, judiciary systems and legal infrastructure, and good governance.

The Brunei Anti-Corruption Bureau (ACB) will host the SEA-PAC eleventh annual meeting in Brunei Darussalam in 2015.

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