

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Company No. 524989-M)

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Doing more to assure investors

Wider scope to corporate governance

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KUALA LUMPUR: Corporate governance should be integrated into the investment decision-making process, said Employees Provident Fund (EPF) chief executive officer Tan Sri Azlan Zainol.

He said the focus on corporate governance issues had rightly been on boards with emphasis on directors' competence and independence. However, he said other issues such as related party transactions and the voting system were also of importance to investors.

"Good corporate governance enables firms to raise capital and at the same time reward investors. It will make investors less fearful. Investors will also feel more secured knowing that accountability, transparency and enforceability are present," he said at the International Corporate Governance Network (ICGN) summit here yesterday.

He said countries and corporations were rapidly recognising the virtues of good corporate governance practices especially in the wake of the Asian financial crisis of 1997.

Meanwhile, Securities Commission chairman Tan Sri Zarinah Anwar said the Asian corporate governance



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agenda had come a long way and had advanced significantly since the Asian financial crisis.

"Given the major corporate governance failures which had exacerbated the crisis, corporate governance reforms became an important

driver of change in the Asian economies," she said.

She pointed out that Asian economies, including Malaysia, had made efforts to continuously improve corporate governance standards and practices.

"We continue to focus our regulatory resources on matters that are important to the market and enforce firmly and fairly against those who harm investors or damage the integrity of the market," she said.

However, she said the strengthening of laws, effective gate-keeping and swift enforcement were only one aspect of enhancing corporate governance.

Zarinah also said the five-year corporate governance blue print and a second 10-year Capital Market Masterplan were in the final stages of development.

"Both these documents are expected to be launched in the first half of the year," she said.

The ICGN 2011 mid-year conference themed "Asian Corporate Governance - The Future Steps" gathered institutional investors managing assets worth more than US\$12 trillion.

The event was hosted by the EPF with Minority Shareholder Watchdog Group as the premier partner.