

# Bark as **important** as bite, says MSWG

> Organisation adheres to strict criterias when championing issues

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**P**ETALING JAYA: While the Minority Shareholder Watchdog Group (MSWG) has come under fire in the past for perceived selectiveness in championing causes, its CEO Rita Benoy Bushon (pix)

explains that the organisation adheres to strict criterias of complaint and portfolio based coverage when championing issues.

"That is why you don't see me talking about everything, only when we think something is very important for the capital market, for regulatory changes, reforms or for a specific investor community we bring up, but only if we really think its important. If its high profile but (there is) nothing to champion we won't champion. I'm very firm on that," she told *SunBiz* in an interview last month. MSWG currently covers about 300 companies, made up of top 100 companies on the Kuala Lumpur stock exchange, institutional subscribers' requests, companies it has shares in and complaints made to the organisation.



Bushon said the organisation is based on a professional regime which operates on standard operating procedures put in place, upon her arrival some four years ago. "We are very research based, while we can't go into every detail of an issue because of time constraints we at least ensure we know enough in order to come up with a view," she said. Complaints received by MSWG are discussed in management meetings held twice a week to decide on whether there is merit for the organisation to champion the issue. For example Bushon

said while the organisation had received complaints on the Country Heights Growers' Scheme, none were received on the Genneva Malaysia Sdn Bhd case, which saw a reported 35,000 investors caught when the authorities raided the company for wrong-doing and froze its assets.

"Also in the case of Genneva, besides it being run by a private limited company, this was a case that had already been taken up by the authorities," she said.

Bushon pointed out the MSWG is not an enforcement agency, it is a voice of influence which has a role to alert the authorities of minority investors issues.

"I always envisage MSWG as a voice of influence. We bring up the issues but

finally its for the betterment of the investors community and company. Its for the whole ecosystem. Like a barking dog you don't go and bite, we don't have the enforcement powers, so we don't bite but we can bark, we alert and I think that is very important," she said.

This role to alert the public was part of the organisation's idea to start circulating newsletters to corporations, investors and other organisations. Currently some 2,000 newsletters go out weekly to relevant parties.

"I think in the four years (I have been here) whatever I had wanted to achieve, I have managed to come up to that level," she said. Bushon said a step further for the corporate governance scene in Malaysia would be having in place a stewardship code for institutional investors.

The UK Stewardship Code for example set out good practice on engagement with investee companies in which institutional investors should aspire and operate on a 'comply or explain' basis.

"Its a model mandate for managers to abide by because you are a steward and as stewards you yourself are transparent because you are looking after your beneficiaries," she said.

Such a code, Bushon said, would upgraded the corporate governance landscape to one which is more robust and internationalised.