

Institutional investors form lobby group

OOI TEE CHING

KUALA LUMPUR: Sovereign wealth, pension, pilgrimage and trusts funds, such as Khazanah Nasional Bhd, the Employees Provident Fund (EPF), Kumpulan Wang Persaraan (KWAP), Permodalan Nasional Bhd (PNB), Lembaga Tabung Angkatan Tentera (LTAT) and Lembaga Tabung Haji, have teamed up to champion corporate governance and shareholder activism.

These “big boys”, which are usually substantial shareholders in companies listed on Bursa Malaysia, established the Institutional Investor Council Malaysia (IICM), with RM100,000 start-up administrative fund extended by the Securities Commission.

This is a follow up of the Malaysian Code for Institutional Investors requiring institutional investors to promote good governance in the companies they place their trust in.

The code encourages the institutional investors to disclose their stewardship responsibilities, monitor their investee companies, regularly engage with decision makers of investee companies, adopt a robust policy on

managing conflicts of interests, incorporate good governance and sustained investment considerations and publish their voting policy.

KWAP chief executive officer (CEO) Wan Kamaruzaman Wan Ahmad has been appointed chairman of the IICM.

Minority Shareholder Watchdog Group CEO Rita Benoy Bushon, who is also council member of IICM, is the secretariat head.

Wan Kamaruzaman noted that IICM is made up of 15 committee members and decisions are voted by the majority.

“We are all equal in this council, there is no veto power entrusted to any committee member. The quorum is set at five committee members.”

Meanwhile, Deputy Finance Minister Ahmad Maslan announced in Parliament yesterday Bank Negara Malaysia’s representative is no longer part of the KWAP investment panel as proposed in the amendment of the KWAP Act 2007.

Wan Kamaruzaman confirmed that the Bank Negara’s representative is part of KWAP’s board of directors, but just not in the investment panel.