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REMARKS

Dear Sir

Country Statement : Malaysia

I wish to submit Malaysia's country statement to the Forum as attached. Thank you.

Yours faithfully,

Fauziah

Dr Fauziah Mohd Taib

**Statement by Dr Fauziah Mohamad Taib, Malaysian delegation
to the "Global Forum on Fighting Corruption: Safeguarding
Integrity Among Justice and Security officials;
Washington DC, 24 - 26 Feb 1999**

1. Corruption is a phenomenon no society can afford to ignore as it is not unique to any political or economic system. No country is immuned from its effects. It is manifest wherever there is advantage to be gained by the few at the expense of the many.

2. Bribes (spontaneous corruption and syndicated corruption), abuse of power/public office and false claims in areas susceptible to corruption such as public procurement, land matters, revenue collection, awarding of contracts, licensing, privatization, party election, foreign investments and law enforcement can cause price escalation, capital flight and social injustice. They distort policies and decision-making and adversely affect investment rate and GDP growth.

3. The sensitivity of the government of Malaysia towards corruption is manifest through the establishment of an independent agency, the Anti-Corruption Agency (ACA), with specific anti-corruption charter and adequate investigation resources and powers providing a fair and credible regime for the investigation of complaints. The ACA is also intensifying efforts in educating and promoting of awareness on the dangers of corruption among the public.

4. The Malaysian laws that provide the legal powers to officers of the ACA are:
 - Anti-Corruption Agency Act 1982
 - Prevention of Corruption Act 1961 (Revised 1971)

- Emergency (Essential Powers) ordinance No. 22 1970
- Penal Code
- Police Act 1967
- Customs Act 1967
- Criminal Procedure Code
- Evidence Act 1950

5. The Anti-Corruption Agency Act 1982 provides the Agency's officers with powers to investigate, arrest and prosecute those engaged in acts of corruption. The inherent difficulties of proving allegations of corruption remain. Both giver and receiver of bribery are normally satisfied parties although they have broken the law. Hence, neither is likely to come forward to report on their illegal activity. Most allegations come from third parties with rarely sufficient evidence that could be proven in courts as beyond a reasonable doubt. Also, with the advance in technology, the level of sophistication on ways to conceal such transactions seems to be increasing.

6. Apart from the establishment of the ACA, Malaysia has also introduced the Rukun Tetangga (the neighbourhood watch), adopt the Public Officers (Conduct and Discipline) Regulations 1993 and the consequent Disciplinary Board for Civil Service. It has created ombudsman functioning agencies such as the Public Complaints Bureau and Audit Department, introduced the Judges Code of Ethics 1994 and the Ethics and Administration of the King 1995, the Code of ethics for members of the Administration and the Development Administration Circulars since 1991.

7. In 1997, the ACA received 10,096 information, arrested 3,298 and prosecuted 1,947 found engaged in corruption. Previous measures to stem corruption were found to be inadequate, as the approach was piece-meal, overemphasis on economic development, organizational structure and political ambivalence. Good governance can exist only if corruption is understood as a

systematic problem that need to be addressed and anti-corruption measures taken in a more concerted and continuous manner and a holistic approach.

8. On 2 April 1997, the Government approved the Policy Paper on the Vision and Mission of the ACA resulting in the enforcement of the new Anti-Corruption Act 1997 and the Prime Minister's Directive No. 1 of 1998 on it. Section 8 of the 1997 Act requires the ACA to use a three-pronged approach to stem out corruption; detection and investigation, communication and education, and monitoring and consultative services.

9. In further curbing corruption in Malaysia, some challenges that need to be addressed include:

- The role of civil society;
- Erosion of moral and ethical values;
- Over materialistic and profit orientation in business;
- The need for proper regulatory mechanisms in the interplay of business and government;
- Problems in procuring evidence of corruption arising from the rapid development of information technology;
- Need for media and public support;
- Need for the judicial institution which, while upholding the rule of law, is sensitive to changes in crime patterns and society's expectation; and
- The need to have a programme to instill strong religious values and a sense of 'god-fearing' in order to sustain integrity within individuals.

10. Success against corruption ultimately lies with the integrity of the leaders and the decision-makers. It is also paramount to maintain effective anti-corruption measures that uphold and sustain integrity and good governance. In

effect, a self-sustaining virtuous circle is achieved in which the principals at risk are all monitored internally and by others.

11. Malaysia recognises the need to scourge of corruption on the political, economic and social fabric of society. We welcome initiatives and possibilities for further cooperation at the international level, particularly in criminalisation of foreign bribery, non-relief of tax for such disbursement and good governance.

12. In light of the global awareness and of the universal problems of corruption, there is now a need for all affected countries to keep abreast with current development, participate actively in international forums and initiatives for exchange of experience and information between countries toward strengthening defence mechanism at the national level against acts of corruption.

13. Malaysia also recognises that international cooperation in stamping out corruption may be challenging due to the different laws between countries, and would like to engage in international efforts to forge an effective and binding treaty as an international mechanism to combat corruption that transcends borders.

14. Malaysia has already fostered and maintained excellent working relations with its counterparts from the other law enforcement establishment in other countries such as the Scotland Yard and the Federal Bureau of Investigation on cross-border investigations, training, attachments, seminars. We look forward to fostering similar relationships with other countries in this area.

15. Given the significance of the subject matter Malaysia would like to urge for sponsorships by developed countries and international organisations on practical workshops focussing on corruption and its related phenomena to upgrade-how and draft strategies to curb corruption internationally.

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