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**ACCA MALAYSIA & MSWG MOU SIGNING CEREMONY
CONFERENCE ROOM, BURSA MALAYSIA
1 JULY 2010, 9:00 AM**

Tan Sri-Tan Sri, Dato'-Dato',
Esteemed Directors of Listed Companies,
Ladies and gentlemen,

Good morning to you all.

May I begin by welcoming you to Bursa Malaysia. We are encouraged by your presence and enthusiastic response to the SC-Bursa Malaysia Corporate Governance Week.

As evidenced by the theme of the CG Week this year and much of the discussions these past few days, corporate Malaysia can and must move up the corporate governance trajectory in order to move forward. As Henry Ford once said "If everyone is moving forward together, then success takes care of itself".

The capital markets evolve continuously and the regulatory challenges for us move along with this evolution. Therefore, at different points in time we are focusing our efforts on different areas depending on where we see the need for strengthening. In this respect, we place strong emphasis on high standards of corporate governance and quality of disclosure.

The global financial crisis has shown us that even in the developed markets and in global companies, corporate governance practices continuously need strengthening. Through my involvement in the OECD Asian Roundtable on corporate governance, I find that the corporate governance challenges faced by regulators in this region and globally are largely the same. What varies is the degree. What I see in our market is the need to move towards greater performance in corporate governance. We have high levels of adherence to the form of

corporate governance but what we need to see more is embracement of corporate governance in substance.

I want to acknowledge the many companies we have which exhibit high standards of corporate governance. But at the same time, we also have others which need to work harder at embracing the substance of corporate governance. Here, directors play a key role. Regulators set the expectations through the rules and best practices but the execution lies with directors. Here, once again, there are directors who understand their roles and obligations and do the right thing, but at the same time, there are many who don't fully understand their role and responsibilities. Lack of appreciation and understanding of role and responsibilities is dangerous as it is likely to result in a lack of effective discharge of one's duties.

Our message to directors is this: "Please understand your duties and give the office that you have accepted all that is required. Make an assessment of your performance and take steps to address issues of performance that you see. As directors of listed companies, you are custodian of public funds and owe a fiduciary obligation to the company. Corporate governance is not about complying with rules but practice that leads to both sustainability and enhancement of shareholder value. This realisation must dawn on directors as corporate governance is often looked at as "compliance".

Therefore, in the area of CG, our current focus is on board quality and performance of directors.

On the part of Bursa Malaysia, we continue with our commitment to establish and maintain high standards of corporate governance through our five pronged approach of development, monitoring, engagement, enforcement and education.

Other than our supervision, monitoring and enforcement activities, Bursa Malaysia has also worked with many organisations, business leaders and shareholder groups to strengthen governance of our public listed companies. Bursa Malaysia has collaborated with professional and industry organisations including ACCA and MSWG, which are instrumental in fostering best practices towards improving corporate governance and integrity.

In this respect, this initiative by ACCA and MSWG bodes well with our focus on board quality and performance. Therefore, we are both encouraged and pleased with the Memorandum of

Understanding between ACCA and MSWG which centers among others, on Continuing Professional Education for Independent Directors in the area of financial management, increasing the pool of independent directors by encouraging ACCA members to join MSWG's Independent Directors Pool and grooming young leaders to be independent directors of tomorrow.

The effectiveness of an Independent Director relies on the independence of mind as well as possession of appropriate skills, knowledge and expertise. Whilst the focus is often on independence when we speak of independent directors, equally important is the possession of skills, knowledge, expertise, caliber and commitment. In selecting Independent Directors, equal emphasis should be given to both aspects of independence and expertise. Candidates selected must go through the assessment process to ensure both independence and possession of appropriate skill, knowledge and experience to effectively discharge one's role as an independent director.

Independent directors are a key cornerstone for shareholder protection as they bring dispassionate objectivity and can make significant contribution to a company's decision making process by bringing in the quality of detached impartiality. Our assessment show that there is lack of effective process in practice for evaluation of independence and caliber of Independent Director candidates. There are instances where nomination comes from the CEO or major shareholders with formalities adhered to without proper assessment of independence, skill, knowledge and expertise. This form of appointment raises questions as to whether the appointment is in form or substance. The Corporate Governance Code prescribes that the Nominating Committee should amongst others evaluate candidates' ability to discharge such responsibilities as expected from independent non-executive directors. Candidates being selected from the pool must also go through this internal assessment process by the nomination committee and the board.

It is hoped that this pool of independent directors will in part, address some of the issues relating to the nomination process.

With this enhanced pool of independent directors, it is hoped that boards will be able to find suitably qualified independent directors without difficulty. We do hope that boards will make use of this source. This pool is a good idea as it not only provides companies with a source to tap

on suitable directors it also provides an opportunity to those individuals aspiring to be directors to avail themselves via this pool.

One cannot underestimate the importance of continuing education given the challenging environment and investors expectations. Therefore, the efforts taken by ACCA and MSWG on Continuing Professional Education for Independent Directors in the area of financial literacy so that directors are able to understand financial statements will certainly be beneficial in enhancing corporate governance and directors are encouraged to take advantage of this programme.

I want to applaud ACCA and MSWG for their efforts in working together to enhance the quality and pool of independent directors.

I also would like to add that this collaborative effort by MSWG and ACCA is a clear manifestation of their commitment to maintain and enhance the standard of CG in the Malaysian market. Their contributions are greatly appreciated and Bursa Malaysia looks forward to support their efforts towards building excellence in corporate governance.

Both MSWG and ACCA have put in a lot of effort to make this pool of independent directors available and it is hoped that boards will access this pool when nominating candidates to the board.

Thank you.