



ANTI-BRIBERY & CORRUPTION

TRAINING MATERIAL FOR STX PRECISION (JB) SDN. BHD.

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01 | ANTI-BRIBERY & CORRUPTION

REGULATIONS IN MALAYSIA

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01 | REGULATIONS IN MALAYSIA



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In Malaysia, the main legislation is Malaysian Anti-Corruption Commission Act (MACC Act) 2009

MACC Act 2009 **came into effect on 1 January 2009**

It led to the official establishment of the Malaysian Anti-Corruption Commission (MACC) as an independent, transparent and professional body



MACC (Amendment) Act 2018 **came into effect on 1 October 2018** except Section 4 (Provision on Corporate Liability)

1 June 2020 - Effective date for the implementation of Section 17A of MACC (Amendment) Act 2018 on Corporate Liability

AMENDMENT OF MACC ACT 2009

- In 2018, MACC Act 2009 was amended
- To include Corporate Liability Provision (Section 17A)
- Enforcement of Corporate Liability Provision take effect from **1 Jun 2020**



CORPORATE LIABILITY PROVISION (SECTION 17A)

- **Section 17A** of the MACC (Amendment) Act 2018 establishes a new statutory corporate liability offence of corruption by a commercial organization.
- A commercial organisation can be held liable for their failure to prevent corrupted practices by employees / associated persons done in the interest of the organization, **whether or not** the top level management had actual knowledge of the corrupt acts
- Commercial organisations may be acquitted of a charge if they are able to show **adequate measures** are set up to prevent employees/ associated persons from undertaking corrupt practices

T Top level commitment

R Risk assessment

U Undertaking of control measures

S Systematic review, monitoring & enforcement

T Training & communication

CORPORATE LIABILITY: GUIDELINES ON ADEQUATE PROCEDURES

1. The guidelines are issued pursuant to subsection (5) of section 17A of the MACC Act 2009, as stated in the MACC Amendment Act 2018
2. The guidelines are designed to be **principle-based (T.R.U.S.T)** and for general application by any commercial organisation of any size and industry

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** Refer to,
https://f.datasvr.com/fr1/119/75252/Prime_Ministers_Department_-_Guidelines_on_Adequate_Procedures.pdf



CORRUPTION OFFENCES

Main offences stipulated in MACC Act 2009

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02 | WHAT IS BRIBERY & CORRUPTION?

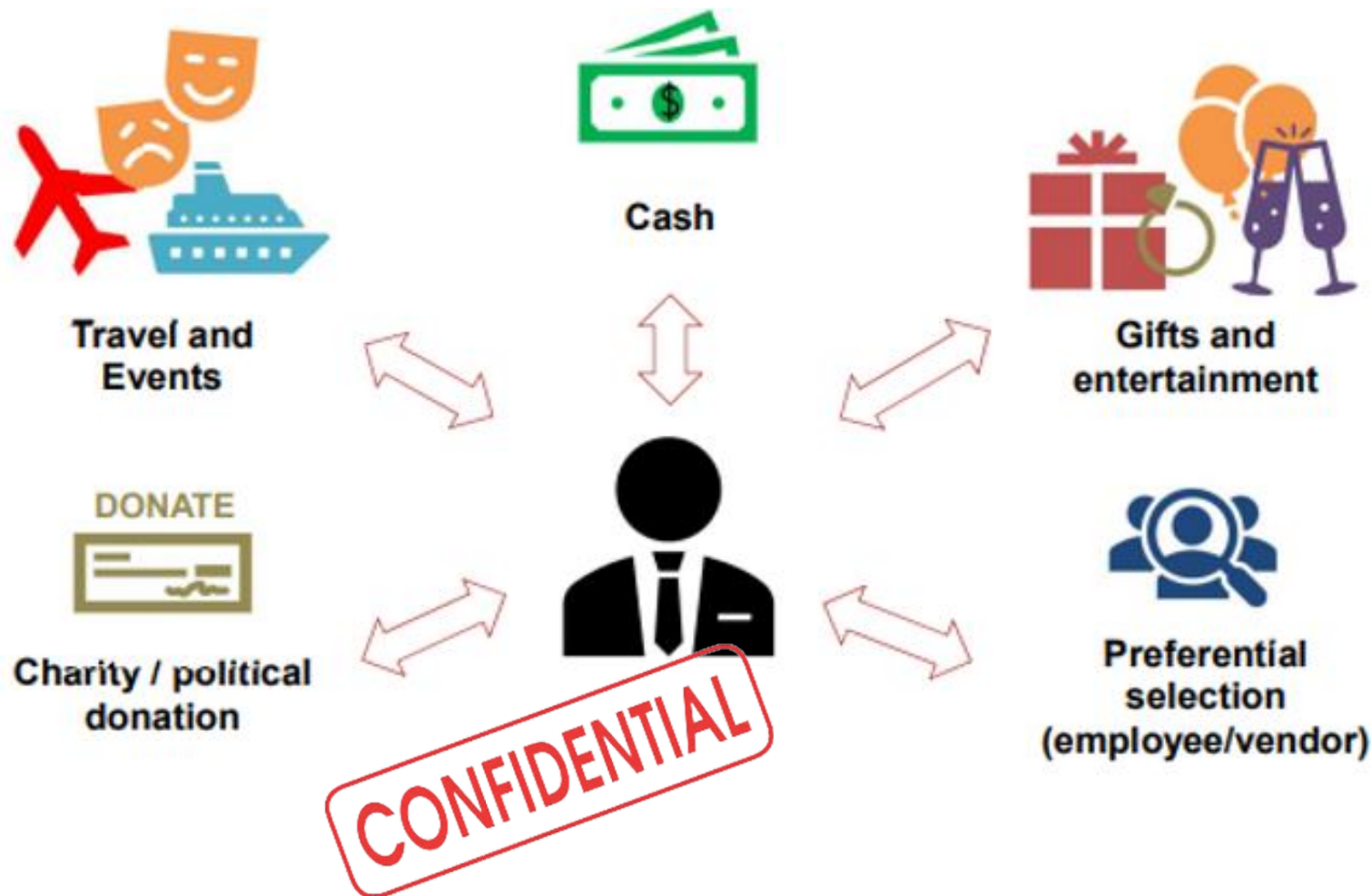
TERMS & DEFINITION

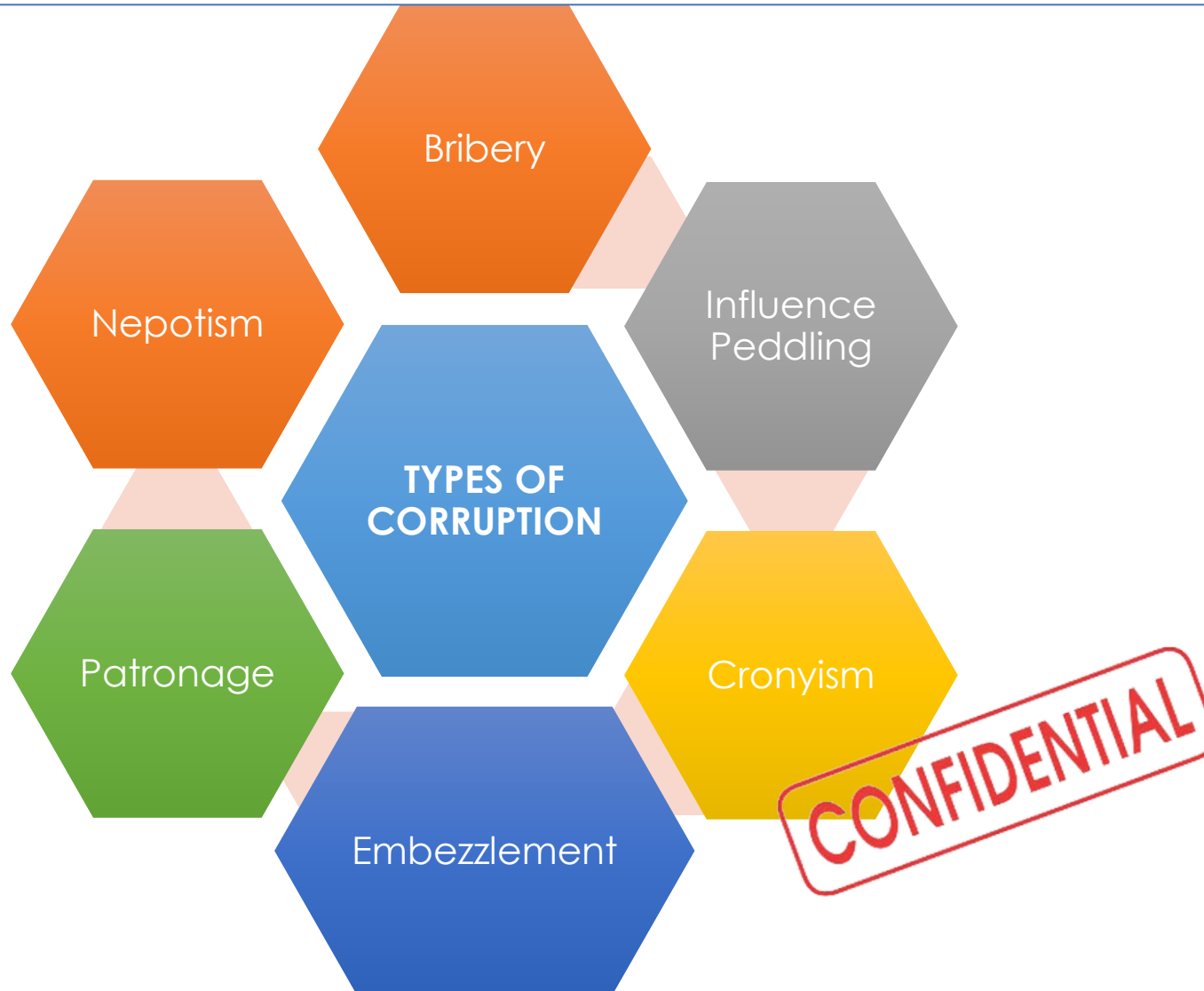
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BRIBERY

Bribery is the offering, promising, giving, accepting or soliciting of anything that could be perceived as having value, to induce an action which is illegal, unethical or a breach of trust.

Promise or offer to give or receive a bribe is against the law and strictly prohibited in STX.





CORRUPTION

Corruption is the abuse of entrusted power for private gain

TYPES OF CORRUPTION

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BRIBERY: The giving or offering of a bribe

INFLUENCE PEDDLING: The use of position or political influence on someone's behalf in exchange for money or favours

CRONYISM: The appointment of friends and associates to positions of authority, without proper regard to their qualifications

EMBEZZLEMENT: Theft or misappropriation of funds placed in one's trust or belonging to one's employer

PATRONAGE: The support given by a patron; the power to control appointments to office or the right to privileges

NEPOTISM: The practice among those with power or influence of favouring relatives or friends, especially by giving them jobs

COMMON EXCUSES FOR BRIBERY AND CORRUPTION

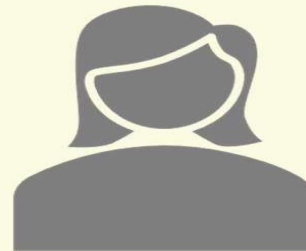
People find various excuses for justifying bribes or corruption. None of these represent good business practice or provide any defence under the law

"That's the way things work here..."

"We've always done it..."

"But my boss also does it..."

"It was only a small hamper and a lunch treat for him and his partner..."



"If only we'd known that it would be regarded as a bribe..."

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WHO CAN BE LIABLE UNDER CORPORATE LIABILITY?

Director

Managers

Service Providers

Human Resource

Suppliers

Vendors

Procurement & Vendor Development

Sr. Managers

Consultants

Employees

In short, STX and everyone of us, i.e., anyone that is performing work or services for or on behalf of STX





03 | ANTI-BRIBERY & CORRUPTION

CONTROL MEASURES

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STX'S POLICY ON ANTI-BRIBERY & CORRUPTION

- STX has an established Anti-Bribery & Corruption Policy ("ABC Policy") with reference to the MACC Act, which originally issued in May 2020 that sets against all corrupt practices, includes the framework for implementation, and the responsibilities of all, i.e., directors, employees (temporary, fixed-term or permanent), interns, vendors, consultants and third-party representatives, and others performing work or services for or on behalf of STX ("Associated Person") in regards to observing and upholding **STX's zero-tolerance position on bribery and corruption.**
- STX's ABC Policy takes a zero-tolerance approach to all forms of bribery and corruption that applies to and expect everyone, including all directors, employees (temporary, fixed-term or permanent), interns, vendors, consultants and third-party representatives and associated person to do the same.

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- We believe good corporate governance is the key driver that contributes to the growth of STX. We are determined to support the creation of a fair, equal and competitive business environment in Johor Bahru, and beyond.
- Violation of STX's ABC Policy will be taken seriously and STX will undertake necessary actions, including the review of employment or appointment, disciplinary actions, dismissal, stop service providers from further business dealings etc. and report to the relevant authorities, consistent with the requirements of the relevant laws and regulations.
- STX's ABC Policy can be found at <https://www.stx.com.my> for your reference.



ASSOCIATED PERSON

Means directors, employees, (temporary, fixed-term or permanent), interns, and others incl. third-party representatives that performing work or services for or on behalf of STX

THIRD-PARTY REPRESENTATIVES

Means any agent, consultant, supplier, vendor, independent contractor/ subcontractor etc., that engaged by STX to render services to STX

STAKEHOLDERS

Means every director, employee, vendor and third-party that is associated with STX

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STX'S POLICY ON BRIBERY AND CORRUPTION

The policy documents highlights the following principles on anti-bribery and anti-corruption:

01 | DEFINITION OF BRIBERY & CORRUPTION

- This Policy must be read in conjunction with STX's Employee Handbook.

02 | CORRUPTION RISK OWNER

- This policy establishes the role of the Corruption Risk Owner ("CRO").

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03 | ROLES OF STX'S COMPLIANCE

- Roles of Compliance in handling ABC matters.
- Combating corruption is the responsibility of every director, employee, vendor, and all stakeholders.

04 | RISK ASSESSMENT

- Frequency, intent and review of ABC Risk Assessment Report

05 | HOW TO RAISE A CONCERN

- Email to designated authority @stg.whistleblowing@oneasia.legal
- The content of disclosure made shall contain the following information,
 1. Details of the person (s) involved
 2. Details of the allegation
 3. Any supporting evidence (if available)

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06 | IMPLICATIONS & GENERAL PRINCIPLES

- The formal report or complaint made by the employee should be made in good faith, supported by credible or acceptable evidence depending on circumstances of the case.

07 | YOUR PROTECTION

- STX shall not tolerate any form of victimisation of an employee who speaks out and acts in good faith.
- The privilege to be notified on the outcome of the disclosure and a reward may be granted.

08 | CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY

- Non-compliance may be subject to disciplinary action, termination of employment or consulting arrangements without notice.
- STX may refer the matter to the designated authorities for investigation and subsequently disciplinary action.

STX'S GUIDING PRINCIPLES

STX will ensure that appropriate Guiding Principles and controls are implemented to govern the conduct of the procurement activities of STX. These will include;

- 1 Eliminate unnecessary use, remove waste and control usage
- 2 Value for money
- 3 Fair dealing, open and effective competition
- 4 Integrity and ethical behaviour
- 5 Responsible financial management
- 6 Assessment of suppliers

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CONFLICT OF INTEREST

A situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest.

Interest could conflict against another

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STX seeks to ensure that a conflict of interest **does not affect the interests** of STX, its shareholders, clients and other stakeholders through the identification, prevention and management of the conflict of interest. Hence:

1. We must not allow any conflict of interest, bias or undue influence of others to override our business and professional judgment.
2. We must not be influenced by friendship or association in performing our role.
3. Decisions must be made on a strictly arms-length business basis.
4. All Associated Persons shall declare any personal interest he/she or persons connected to the Associated Person may have in any STX's decision or matter he/she is involved in.



CONFLICT OF INTEREST



1. Ensure that no other staff should misuse their position
2. Discourage customers and agents from offering them gifts, favours or services
3. Report misuse of position or such irregularities in confidence to STX

1. Take advantage of an information obtained in the course of duty for personal benefit
2. Make use of your position to solicit or receive favours from customers
3. Use STX's name or facilities for personal advantage in political, investment or retail purchasing transaction, or in similar types of activities

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PROHIBITED GIFTS & ENTERTAINMENT

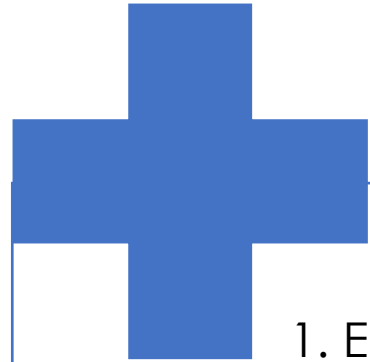
The following gifts and entertainment are prohibited to be accepted or offered by STX's staff:

1. Any amount of cash or cash equivalent as a form of a **monetary gift** (angpows, gift cards, vouchers etc.) – acceptable only on festive seasons with values not more than RM100
2. Any other forms of gifts and/or entertainment, **in exchange for a privilege** by STX or for STX
3. Any other forms of gifts and/or entertainment for **purposes which are prohibited** under the laws of Malaysia, e.g. bribery and corruption

** Gifts or entertainment received that are not approved will be returned or refunded back to the person who provided the said gift or entertainment.

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DONATION & SPONSORSHIP



1. Ensure recipients are of reputable standing
2. Ensure donations and sponsorships are permitted by law
3. Conduct proper due diligence on the recipients of the donations or sponsorships
4. Ensure necessary internal approval is obtained
5. Ensure it is declared and documented

1. Give or accept political donations and sponsorships
2. Give donations and sponsorships that are not permitted by law
3. Give or accept donations and sponsorships without obtaining internal approval
4. Allow a party connected to the recipient to participate in the approval of donations and sponsorships
5. Give or accept donations and sponsorships without proper due diligence

FACILITATION PAYMENT

Payment made to secure or expedite the performance of an action or a service that STX is entitled to, e.g., a government official is given money or goods to perform (or speed up the performance of) an existing duty

STX WILL NOT MAKE ANY FACILITATION PAYMENT

Fees paid in exchange for a **lawful** express or preferential service, e.g., quick turnaround visa and passport services or police escort services **are not considered as Facilitation Payments**, provided that they fulfil the following conditions:

1. The service is open and available to everyone
2. The fee is in accordance with an official and published price list
3. The fee is not payable to individuals, but to the organisation or entity
4. A legal and official receipt by the organization or entity can be provided.

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04 | ANTI-BRIBERY & CORRUPTION

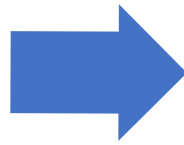
REPORTING & ESCALATION

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TO WHOM YOU SHOULD ESCALATE AND REPORT IF YOU WITNESS A MISCONDUCT OR WRONGFUL ACT?

01 MANAGEMENT

- Escalate the issue to senior management in verbal and writing



02 HUMAN RESOURCE

- Raise & report the misconduct to HR



03 WHISTLEBLOWING CHANNEL

- Email to Designated Authority
[@stg.whistleblowing@oneasia.legal](mailto:stg.whistleblowing@oneasia.legal)

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WHISTLEBLOWING

The act of reporting of suspected wrongdoing, misconduct, unethical activity within public, private or third-parties organizations

1. Who can raise concerns?

- Any employee of STX
- Any (legal or natural) person providing services to, or having a business relationship with STX

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2. What to raise and escalate?

- Any criminal offences, including fraud, corruption, bribery and blackmail.
- Any failure to comply with legal or regulatory obligations.
- Any suspected wrongdoing, misconduct or unethical activity concerns

3. Whom the report may be made to?

- STX Board of Directors
- Designated Authority
@stg.whistleblowing@oneasia.legal

4. Will any action taken against you?

- No! You will be protected from retaliation and from disclosure of your identity, provided your disclosure is made in good faith

05 | ANTI-BRIBERY & CORRUPTION

CONSEQUENCE OF NON-COMPLIANCE

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FAILURE TO COMPLY WITH THIS POLICY MAY RESULT IN SEVERE CONSEQUENCES:

1. STX may refer the matter to Designated Authority (“DA”) for investigation and subsequently disciplinary action
2. Internal disciplinary action, e.g., termination of employment
3. Consulting arrangements without notice

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RECEIVING & GIVING OF CORRUPT GRATIFICATION (BRIBERY)

MACC Act 2009, Section 16 & Section 17

- Fine of not less than 5 times the amount of the bribe or RM10,000 whichever is higher, AND;
- Jail sentence not exceeding 20 years per offense



CORPORATE LIABILITY ON CORRUPTION

MACC (Amendment) Act 2018, Section 17A

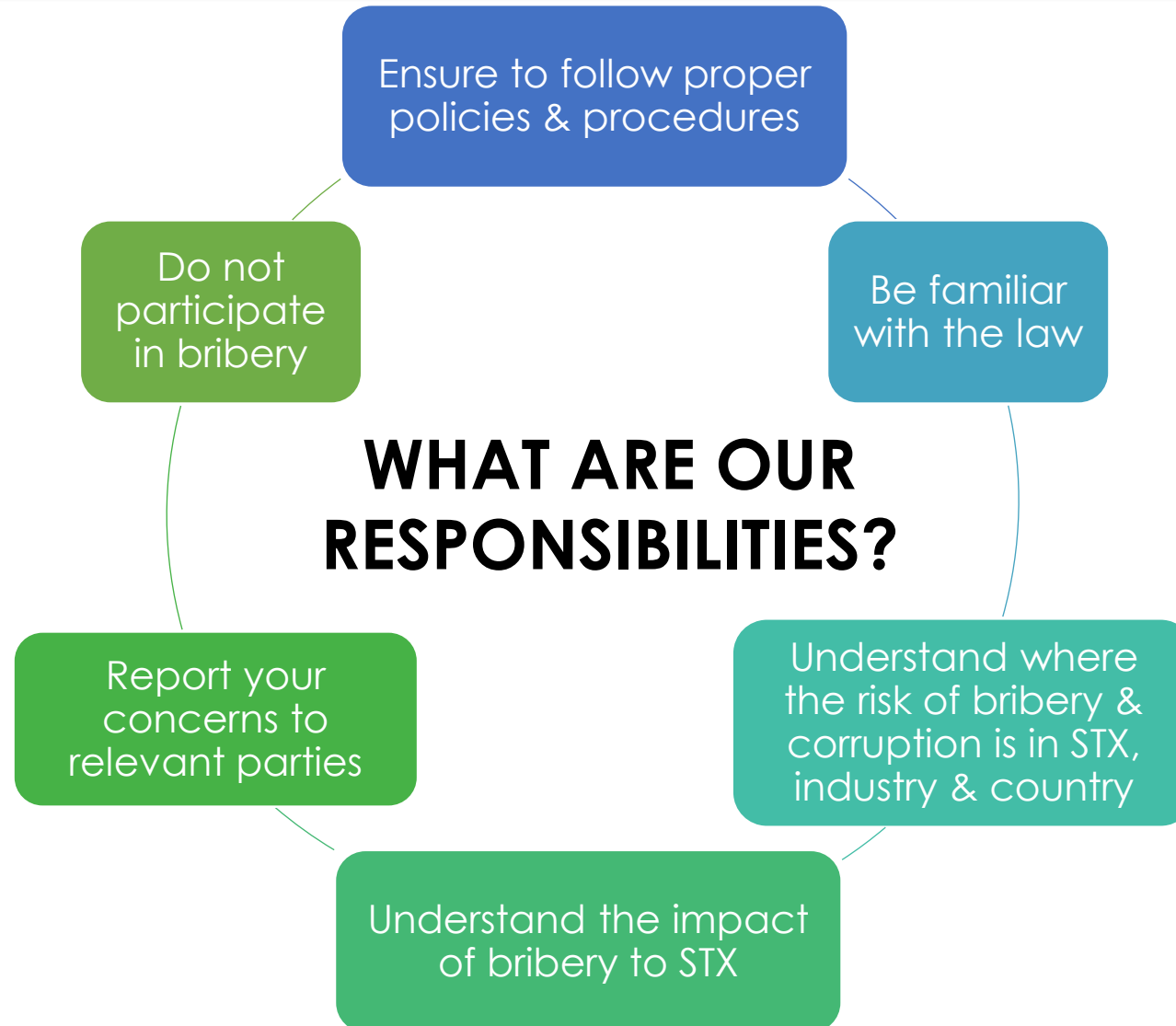
- Fine of not less than 10 times the amount of the bribe or RM1 Million whichever is higher, AND;
- Jail sentence not exceeding 20 years per offense



06 | ANTI-BRIBERY & CORRUPTION

OUR RESPONSIBILITIES

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07 | ANTI-BRIBERY & CORRUPTION

USEFUL LINKS

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1. MALAYSIAN ANTI-CORRUPTION COMMISSION WEBSITE
<https://www.sprm.gov.my/en/enforcement>
2. MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009
https://www.sprm.gov.my/images/Akta-akta/SPRM_act_BI.pdf
3. MALAYSIAN ANTI-CORRUPTION COMMISSION (AMENDMENT) ACT 2018
http://www.federalgazette.agc.gov.my/outputaktap/20180504_A1567_BI_Act%20A1567.pdf
4. NATIONAL ANTI-CORRUPTION PLAN 2019-2023
https://www.pmo.gov.my/wp-content/uploads/2019/07/National-Anti-Corruption-Plan-2019-2023_.pdf
5. WHAT IS CORRUPTION
<https://www.sprm.gov.my/index.php/en/education/what-is-corruption>
6. STX'S ANTI-BRIBERY AND CORRUPTION POLICY
7. STX'S WHISTLEBLOWING POLICY

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END OF SLIDE

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