

MALAYSIAN GOVERNMENT LAUNCHES THE NATIONAL ANTI-CORRUPTION STRATEGY 2024-2028

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The [National Anti-Corruption Strategy 2024-2028](#) (“**NACS**”) was launched by the Prime Minister of Malaysia, Dato’ Seri Anwar Ibrahim, on 7 May 2024.

The headlines that grabbed the most attention in media coverage of the launch was a statement by Tan Sri Dato’ Sri Haji Azam bin Baki, the Chief Commissioner of the Malaysian Anti-Corruption Commission (“**MACC**”) that the country had lost a staggering RM277 billion due to corruption for the five-year period from 2018 to 2023.¹

In this article we will provide a summary of the key points of the NACS.

The Vision and Mission

The NACS is a continuation of the National Anti-Corruption Plan 2019-2023 (“**NACP**”).

The vision of the NACS is to propel the country towards being a corrupt-free and prosperous nation. The three-fold mission of the NACS is as follows:

1. Upholding the rule of law
2. Creating a culture of transparency and accountability
3. Encouraging participation among communities in anti-corruption efforts

In addition, the Prime Minister has said that “A clear target has been set – for Malaysia to rank among the top-25 countries in Transparency International’s Corruption Perception Index within the next 10 years.”²

¹ *M’sia lost at least RM277bil to graft over the last five years, says MACC head*; The Star Online; 7 May 2024.

² Page i of the NACS booklet.

The Five Strategies

To achieve the vision and mission, the NACS sets out five strategies and 60 sub-strategies to be carried out over its five-year duration.

The five strategies are as follows:

1. Education
2. Public Accountability
3. Voice
4. Enforcement
5. Incentives

The 60 sub-strategies are outlined in the NACS. A lead agency and supporting agencies have been identified and charged with the responsibility for implementing each sub-strategy. The NACS also prescribes a broad time frame, namely short term (1-2 years), medium term (2-3 years) and long term (4-5 years), within which each sub-strategy is to be implemented.

Strategy 1: Education

Strategy 1 is made up of 13 sub-strategies that comprise programmes to educate various segments of Malaysian society, such as students from pre-schoolers to vocational trainees and undergraduates, on the virtues of ethics, good values and anti-corruption.

This Strategy includes collaboration with civil society organisations (“CSOs”) to develop various programmes aimed at raising awareness on corruption and to promote ethical behaviour.

Strategy 2: Public Accountability

Nineteen sub-strategies are housed under Strategy 2. Among them are the following:

1. Introducing new laws, including a Public Procurement Act and Freedom of Information Act.
2. Relooking at the legal requirements relating to the appointment and dismissal of the Chief Commissioner of the MACC and the establishment of a MACC Service Commission.
3. Enhancing the screening system in the hiring of public servants.
4. Introducing a mechanism for declaration of interest and gift by members of the administration and lawmakers.





5. Introducing a “cooling-off” period for public officials and senior civil servants moving to executive positions in corporate entities.
6. Improving governance effectiveness by implementing the recommendations in the Auditor General’s Report through continuous monitoring.
7. Strengthening governance and function of internal audit in public services.
8. Requiring companies to declare beneficial ownership when participating in public procurement.
9. Requiring the public sector to develop organisational anti-corruption measures based on corruption risk assessments with the MACC’s assistance.
10. Reviewing the provisions relating to the use of the government’s machinery for political campaigns in elections, including the abuse of such machinery as election offences.

Strategy 3: Voice

The 12 sub-strategies under Strategy 3 include the establishment of anti-corruption caucuses for members with common interests, e.g. business chambers, CSOs and indigenous communities. This strategy also contemplates engagements with various stakeholders, conducting surveys, organising conferences and undertaking research relating to integrity and corruption.

Probably the most noteworthy sub-strategy under Strategy 3 is to enhance the MACC’s reporting procedure to update complainants on the status of their complaints.

Strategy 4: Enforcement

Nine sub-strategies make up Strategy 4, five of which are worthy of mention:

1. Amending the Whistleblower Protection Act.
2. Introducing the Political Financing Act.
3. Reviewing the spending limits of election candidates.
4. Reviewing Part III (Corrupt Practices) of the Election Offences Act 1954.
5. Studying the feasibility of implementing Deferred Prosecution Agreements within the Malaysian legal framework.

Strategy 5: Incentives

Five of the six sub-strategies comprised in Strategy 5 are as follows:

1. Granting tax rebates for individuals and companies that participate in and contribute to anti-corruption programmes by CSOs recognised by the MACC.
2. Offering incentives to whistleblowers who expose improper misconduct leading to case detection.
3. Reviewing the tax reduction mechanism to encourage participation by entities organising anti-corruption programmes.
4. Introducing tax incentives for companies that obtain Anti-Bribery Management System (ABMS) ISO 37001 accreditation.
5. Providing additional financial incentives from the Filmed in Malaysia Incentive (FIMI) to local producers for producing anti-corruption creative content.

Unfinished business

As mentioned earlier, the NACS is a continuation of the NACP. Fourteen of the initiatives under the NACP were not completed by end-2023.³ Seven of these have been incorporated into the sub-strategies under the NACS.

As for the uncompleted initiatives under the NACP that are not subsumed into the NACS sub-strategies, promoting the separation of powers of the Attorney General and the Public Prosecutor and strengthening the independence and widening the autonomy of the National Audit Department by placing them under the Parliament are the most noteworthy.

The NACS Evaluation Mechanism

To ensure the realisation of the strategies of the NACS, a monitoring and evaluation mechanism will be established along the following lines:

1. The MACC will serve as the central entity for monitoring, evaluating, facilitating discussions and reporting on the implementation of the strategies and sub-strategies comprised in the NACS. It will also conduct bi-annual Strategy Performance Review Meetings with the relevant stakeholders to review progress and challenges encountered during implementation.
2. Lead agencies will be required to submit quarterly reports to update the NACS Secretariat on the implementation progress of the sub-strategies under the respective lead agencies.



³ Appendix 1 of the NACS booklet.

3. The MACC, as the NACS Secretariat, will prepare a Performance Report to be submitted to the Special Cabinet Committee on National Governance (“JKKTN”). The NACS Secretariat will also be responsible for preparing the NACS Analysis Report and the Monitoring and Evaluation Report on the NACS.
4. The JKKTN will be responsible for ensuring the effective implementation of the NACS and for certifying the Monitoring and Evaluation Report on the NACS to be presented to the Cabinet.
5. The Cabinet will evaluate the Monitoring and Evaluation Report on the NACS before the report is presented to Parliament.

Noteworthy points in the NACS

Some noteworthy points highlighted in the NACS are set out in this section of our article.

The MACC observed the following to be some of the challenges that affected the efficacy of anti-corruption measures under NACP:

1. Hidden influence – decisions are often susceptible to interference from influential figures who manipulate the decision-making processes and outcomes;
2. Declining ethical standards and integrity – the erosion of ethical norms and integrity standards within institutions and society at large poses a significant obstacle, fostering an environment where corruption thrives unchecked; and
3. Political will – the lack of consistent political commitment among politicians in implementing anti-corruption strategies, or their contradictory actions and statements.⁴

The NACS also acknowledged that governance within statutory bodies, state owned enterprises (SOEs) in Malaysia is marred by favouritism and nepotism, with top appointments often being influenced by political and personal connections.⁵

The NACS also identified administrative failure, deficient internal controls, non-compliance with regulations, conflict of interest, inadequacies within law enforcement agencies, and insufficient anti-corruption measures as the key underlying factors leading to the manifestation of corrupt practices.⁶



⁴ Page 8 of the NACS booklet.

⁵ Page 13 of the NACS booklet.

⁶ Page 16 of the NACS booklet.

Comments

Certain sub-strategies, such as the introduction of a Public Procurement Act, strengthening the internal audit function and improving governance effectiveness by ensuring the recommendations in the Auditor General's Report are implemented, will have significant and immediate impact in combating the scourge of corruption and improving accountability in the public sector. The sub-strategies relating to education under Strategy 1 will take a longer time to bear fruit. However, if these sub-strategies are successfully implemented, they will create a society where ethical conduct and good values are embedded as cultural norms and be a natural antidote against corrupt practices.

The extent to which the NACS will succeed in achieving its vision and mission and in eradicating the shortcomings highlighted in the NACS remains to be seen.

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