



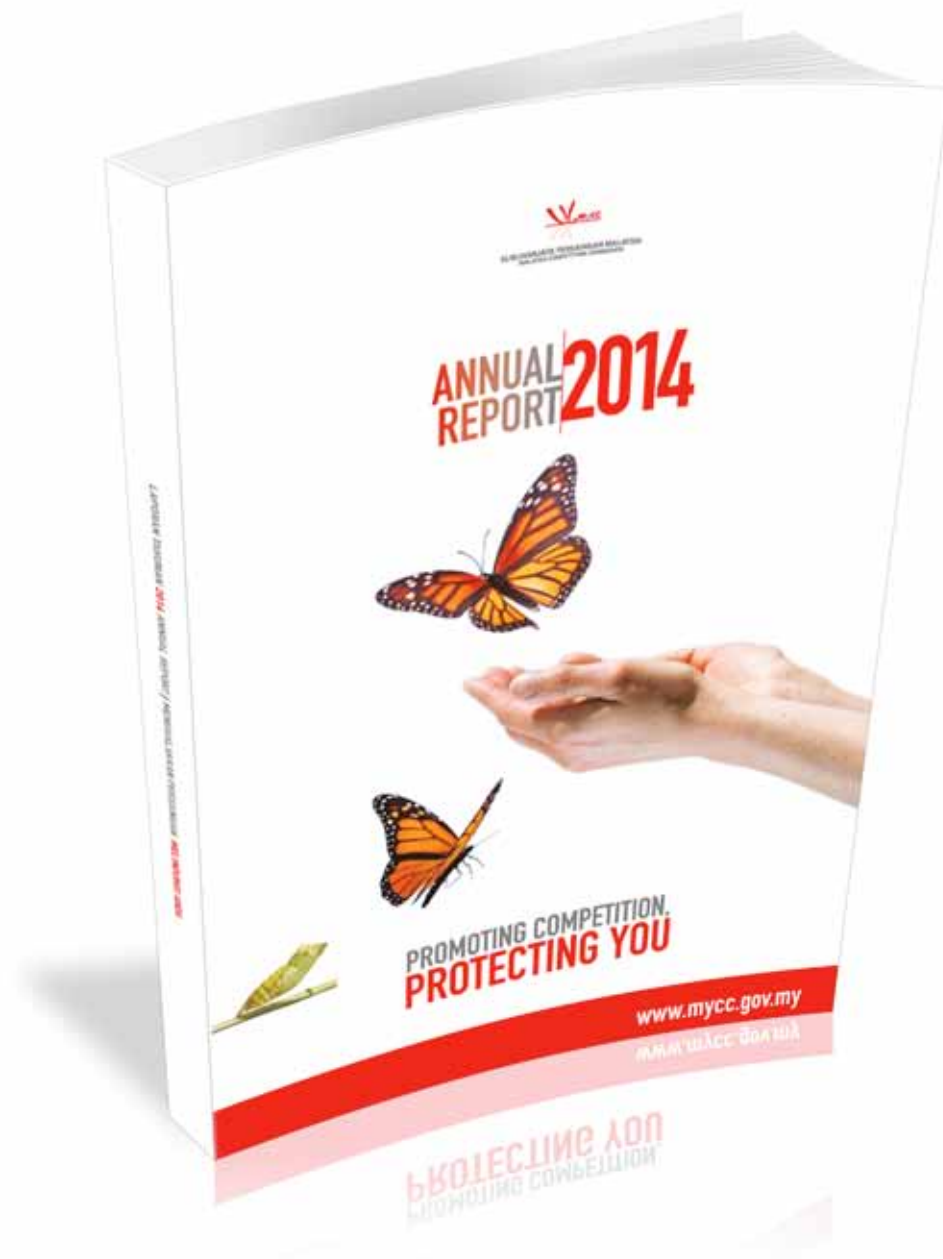
SURUHANJAYA PERSAINGAN MALAYSIA  
MALAYSIA COMPETITION COMMISSION

# ANNUAL REPORT 2014



PROMOTING COMPETITION,  
**PROTECTING YOU**

[www.mycc.gov.my](http://www.mycc.gov.my)



## COVER RATIONALE

The design of the MyCC's Annual Report 2014 draws upon the steps of metamorphosis from a cocoon into an adult butterfly. This symbolizes the transformation of the MyCC that brings it closer to its goal. By enforcing competition law, the MyCC plays a fundamental role in propelling the transformation of the competitive landscape.



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# DRIVING A HEALTHY CONSUMER ECONOMY



Competition law ultimately benefits consumer. Healthy competition leads to healthy markets with competitive prices, in which a greater number of goods and services reach more consumers.



# MINISTER'S FOREWORD

YB DATO' SRI HASAN BIN MALEK  
Minister of Domestic Trade,  
Co-operatives and Consumerism



Since its establishment, amongst the achievements for the MyCC in 2014 is the increase in the number of cases solved along with continuous advocacy efforts. The MyCC has made significant achievements considering the Competition Act 2010 (CA2010) had only begun to be enforced in 2012.

The MyCC was formed to ensure compliance to the CA2010 which represents one component of competition, standards and liberalisation strategic reform initiatives under the Economic Transformation Programme. The Commission therefore, plays an integral role in encouraging and strengthening the culture of competition in Malaysia.

Through competition, it is envisioned that Malaysian companies will improve their efficiencies and embrace innovations thereby keeping abreast with consumer needs. This, in turn will promote healthier markets and provide further impetus for economic growth, while ensuring the economy remains responsive and competitive in the global market.

The MyCC's activities throughout the year should therefore signal to Malaysian businesses that the Commission will not hesitate to take swift action against

infringing companies, and that there is no room to flout the law. Companies must therefore place emphasis on innovation if they are to keep up with the increasingly sophisticated consumer demands.

Competition law, an important strand of competition policy allows for action against anti-competitive practices such as cartels and the misuse of market power, which are some of the causes of market failure. As Joseph Stiglitz, an American economist and the Nobel Prize Winner in 2001 said "Strong competition policy is not just a luxury to be enjoyed by rich countries but a real necessity for those striving to create democratic market economy"

It is well established that competition is good for consumers for the simple reason that it impels producers to offer better deals when a market works competitively. The law is new to Malaysia, and a young competition authority like MyCC will face many hurdles. The biggest challenge is I suppose persuading and convincing the general public and various stakeholders like consumers, business and the judiciary of the benefits of competition policy in general and the harm cartels do to the economy.

My heartfelt thanks to the Commission's ceaseless efforts to advocate and build awareness on relevant national policies. Competition has become an increasingly familiar topic in Malaysia. The MyCC has also taken steps to assist companies in assuming greater responsibilities over compliance, producing conducive and effective materials which help identify potentially troublesome business areas and mitigate the risk of contravention.

However the responsibility to bring about a healthier and competitive business environment cannot rest with MyCC alone. Each and every citizen of the country has a responsibility. The investigation, termination and sanctioning of cartel activities depend essentially from parties involved or associated with cartel members.

**Overall, the MyCC in 2014 demonstrated strong momentum in the education, advocacy and enforcement of the CA2010.**

Overall, the MyCC in 2014 demonstrated a strong momentum in the education, advocacy and enforcement of the CA2010. On behalf of the Government and the MyCC, allow me to reiterate that there is no longer room for anti-competitive practices in the country, and that the adoption of more innovative and efficient business activities can only result in a freer and fairer market for Malaysians. I believe that MyCC's mission will continue to be a success in the years to come.

DATO' SRI HASAN BIN MALEK

Minister of Domestic Trade, Co-operatives and Consumerism



# CHAIRMAN'S MESSAGE

TAN SRI DATO' SERI SITI NORMA YAAKOB  
Chairman



I am pleased that in 2014, the MyCC's reputation and authority have been enhanced both locally and abroad, through advocacy, outreach activities and enforcement of the law. The MyCC has recorded numerous successes in its ongoing drive to institutionalise competition in Malaysia, and establish a fairer and more open business landscape. We continue to actively participate in various bilateral and multilateral programmes which focus on the development of competition law and policy, and I personally have attended a number of such conferences and fora in both South Korea and Japan.

As we began to investigate more cases, interpretations of the law and approaches to dealings with stakeholders, were the key issues of discussion at the Commission meetings. Additionally working visits by the Commission are an important mode of networking and knowledge exchange and this year we have conducted one such visit, which was to the Rekabet Kurumu (Turkish Competition Authority). We have also received visiting competition experts, namely Hassan Qaqaya from the United Nations Conference of Trade and Development (UNCTAD), Prof. Patrick Krauskopf, Antonio Capobianco from the Organisation for Economic Co-operation and Development (OECD) and Ahmad Junaedi from the Commission for the Supervision of Business Competition (KPPU), Indonesia.

Many organisations both local and international had extended invitations to the MyCC to participate in their deliberations, seminars and conferences. The MyCC's CEO, Shila Dorai Raj, moderated a session on competition issues in the distribution of pharmaceuticals at the OECD's 13th Global Forum for Competition in Paris.

Domestically, the MyCC remains focused on promoting initiatives on awareness of bid rigging and its threat to the economy as well as those which facilitate the enforcement of the relevant legal provisions. In line with these efforts, I have also officiated at several nationwide outreach programmes, which are aimed to raise awareness on the topic, especially amongst officers involved in public procurement.

More generally, the importance of compliance is also becoming increasingly evident for the private sector practitioners in Malaysia. As the MyCC forges ahead with the investigation of cases and clarification of legal interpretations, it should also be noted that companies are expected to play a lead role in ensuring that they comply with the Competition Act 2010 (CA2010).

To help the public better understand how enforcement decisions relating to financial penalties and legal leniency are made, the Commission has also introduced relevant guidelines available on its website. These documents are respectively based on Section 17 of the Competition Commission Act 2010 and Sections 40 (1) and 41 of the CA 2010 but they do not serve to substitute or supersede any provision in the CA 2010 or any subsequent regulation.

At the same time, the Commission continues to embrace its role as the nation's sole statutory body concerned with competition advocacy. Following last year's launch of "The Competition Act 2010: Compliance Guidelines" handbook, we jointly launched a Compliance Checklist with the Federation of Malaysian Manufacturers (FMM). While the checklist was aimed for FMM's members, it is also available for other businesses as a reference on how to create their own compliance checklists in order to independently verify the legality of their operations, as well as the adequacy of their internal compliance and prevention measures. It is heartening to note that FMM has taken the initiative in being an advocacy partner and I hope more associations will follow suit.

With regards to the MyCC's direction in 2015, the Commission will focus on small to medium enterprises (SMEs), pharmaceutical, professional bodies and bid rigging issues. Additionally for 2015, the MyCC will work towards forging a strategic alliance with the Ministry of Finance (MOF), Malaysia Anti-Corruption Commission (MACC) and National Audit Department (NAD) to gain better understanding and collaboration in combating bid rigging issues on a national level.

We had additionally received tremendous support and guidance from the Government, in particular the Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK), for which we are extremely thankful. I would also like to express my appreciation to the stakeholders and members of the public for their feedback and support.

Looking ahead, I am confident that there are even greater achievements for 2015. I firmly believe that the MyCC will continue to make breakthroughs in enhancing understanding

**Looking ahead, I am confident that there are even greater achievements for 2015.**

of competition law and create a conducive environment for competition in Malaysia. Through the MyCC's awareness efforts, the corporate sector continues to mature and take strides towards ensuring competition compliance. With a team of responsible and dedicated officers in MyCC, the MyCC will bring about the change that Malaysia needs in achieving a globally competitive status as a nation.

  
TAN SRI DATO' SERI SITI NORMA YAAKOB  
Chairman





# CEO'S MESSAGE

SHILA DORAI RAJ  
Chief Executive Officer



The enforcement of the Competition Act 2010 (CA 2010) entered its third year in 2014. MyCC's two pronged strategic approach to implementing the law i.e. through advocacy and enforcement were meticulously followed through and monitored. Cooperation with key public agencies were inked and consultations as well as briefings with associations and GLCs were successfully carried out.

The culmination of the financial working committee between MyCC and Bank Negara Malaysia saw the signing of a Memorandum of Understanding (MoU) which addresses the issue of cooperation in enforcing the law in the financial sector. This approach of coordination and cooperation with sector regulators is being undertaken so as to ensure consistency and effectiveness in the implementation of the law and at the same time to prevent forum shopping.

A major public consultation with professional bodies was held on 19th May 2014. This was held following the study undertaken by MyCC on the fixing of prices or fees by professional bodies where a total of 131 associations were assessed from 35 sectors. The public consultation was an eye opener for some in the professional sectors as this was the first time that they had heard about the CA 2010 and its implications on businesses especially the fixing of fees or scale fees by professional bodies. There was much anxiety and worry for some as the professionals were of the view that this practice of fixing of scale fees especially by trade associations would be dismantled by the MyCC. Consultations were actually held in order to get feedback and opinions and suggestions from various stakeholders. Two invited speakers from the UK and Singapore shared their views on this subject matter from an economist's point of view as well as from an enforcer's perspective. As a follow up, the MyCC will conduct a one-to-one consultation with key professional associations and further discussions will be held before any major policy decision is taken on this issue.

While advocacy continued to be a main agenda for MyCC, investigations were also actively carried out. The year 2014 saw 80 complaints being filed whilst active investigations on cases numbered 40. A number of approaches as adopted by MyCC in enforcing the law. Proposed decisions with fines on some cases were issued while in other cases saw undertakings were offered by MyCC and accepted by infringing parties. Proposed decisions were issued, in two cases, one final decision was reached and undertakings were accepted in three other cases.

As the competition fraternity would attest bid-rigging breeds corruption to some extent while at the same time, it is anti-competitive in nature. As such, in a bid to combat this unhealthy behavior especially in the public sector, two Guidelines were launched, one the Guidelines for Fighting Bid Rigging in Public Procurement and the other Help Us Detect Bid Rigging. These were mainly targeted towards public procurement officers to assist them identify practices of bid rigging and how to curb them or how they could tip off the MyCC when they encounter such practices. The Guidelines were launched in Putrajaya, Kuching and Kota Kinabalu and this was followed by seminars nation wide as part of MyCC's awareness programmes.

The next stage in this process would be to collaborate with the National Audit Department and the Malaysian Anti-Corruption Commission (MACC) as these are the two agencies where unhealthy procurement practices are usually unravel. However, a progressive approach will be adopted as the two agencies have to clearly understand the CA 2010 and the role of MyCC to address this area.

On the international front, MyCC actively participated in several conferences and seminars. Officers at the junior levels were sent to attend workshops and seminars as this was the best way to build capacity and knowledge. In July 2014, an international expert, Mr. Ibrahim Bah from Ireland joined MyCC as a technical advisor. His role was to restructure and strengthen the enforcement division, provide training to the enforcement officers and advise the Commission as a whole. The MyCC is thankful to have him on board as with his vast experience and deep knowledge in competition law issues especially from an economic perspective, a more precise and credible enforcement approach could be adopted.

We hope to continue enforcing our law in a much more aggressive manner as we gain experience and expertise. We have a great team working together, always striving for new experiences and a thirst for knowledge. On behalf of the MyCC's executive

**On the international front, MyCC actively participated in several conferences and seminars. Officers at the junior levels were sent to attend workshops and seminars as this was the best way to build capacity and knowledge.**

team, I would like to reiterate our commitment to the nation in ensuring effective and efficient application of competition law and economics so as to bring about a more competitive and vibrant business environment.

SHILA DORAI RAJ  
Chief Executive Officer



# COMPETING ON EVEN GROUND

A monarch butterfly with orange and black wings is perched on a yellow flower. The background is a soft-focus green and yellow.

Competition law levels the playing field for all businesses, large and small. Small and medium enterprises (SMEs) have as much to gain as large corporations, because they are protected from unfair practices by dominant players in any given market.



# About The Malaysia Competition Commission

The Malaysia Competition Commission (MyCC) is an independent statutory body established under the Competition Commission Act 2010 to enforce the Competition Act 2010. Its main role is to protect the competitive process for the benefit of businesses, consumers and the economy.



## Vision and Mission

### VISION

We shall be the authority nurturing and driving a conducive competition culture. We shall be a credible, reliable and efficient functional authority and partner, acknowledged for our high organisational strength and capability in reforming the business environment from a competition standpoint.

### MISSION

To ensure a conducive competition culture in line with international best practices. We shall nurture and drive such a culture through the education of stakeholders and the effective application of the competition law without fear or favour.



# Competition Act 2010

**The CA 2010 covers all commercial activities – both within and out of Malaysia – that have negative or anticompetitive effects in any market in Malaysia.**

The Competition Act 2010 (CA 2010) and the Competition Commission Act 2010 were gazetted on 10 June 2010 and came into effect on 1 January 2012. The Acts are intended to enhance the economic development of the nation by protecting the competition process in the market and consequently safeguarding consumer interests. MyCC was established under the Competition Commission Act 2010 on 1 April 2011 to enforce the provisions of the CA 2010.

## SCOPE

The CA 2010 covers all commercial activities – both within and out of Malaysia – that have negative or anti-competitive effects in any market in Malaysia. The anti-competitive agreements prohibited by CA 2010 comprise of price-fixing sharing of markets or sources of supply, limiting or controlling production, and bid rigging. In addition to prohibiting anti-competitive agreements, the CA 2010 also covers practices by dominant enterprises deliberately aimed at forcing competitors out of the market. In the case of an enterprise that has gained the largest market share or a monopoly position, the CA 2010 prohibits conduct by that enterprise that amounts to an abuse of its dominant position, such as price discrimination, predatory behaviour, refusal to supply, tied selling, and buying up scarce goods or resources.

The CA 2010 excludes certain activities, including:

- Activities that involve an exercise of governmental authority.
- Activities carried out pursuant to the principle of solidarity.
- Purchase of goods or services not intended for resale or supply.
- Conduct or agreements in compliance with the law.
- Collective bargaining or collective agreements between employers and trade unions.
- Services of general economic interest, which cover public utilities, or having the character of a revenue-producing monopoly.

The CA 2010 does not cover commercial activities regulated by the Communications and Multimedia Act 1998 and the Energy Commission Act 2001.

## INFRINGEMENTS AND PENALTIES

The CA 2010 empowers the MyCC to investigate and take action against enterprises that engage in anticompetitive conduct. An investigation may be initiated by the MyCC under the direction of the Minister, upon suspicion of infringement by an enterprise, or from complaints lodged by the general public. Complaints must be lodged with the MyCC through the formal complaint form available for download from the MyCC's website ([www.mycc.gov.my](http://www.mycc.gov.my)) and can be emailed to [complaints@mycc.gov.my](mailto:complaints@mycc.gov.my). All information received by the MyCC will be afforded strict confidence.

If the MyCC finds that there is an infringement of the CA 2010 at the completion of an investigation, it may require an enterprise to cease the related activities immediately and take any other steps as specified by the MyCC. The enterprise can also be fined up to a maximum of 10% of its worldwide turnover over the period during which the infringement occurred.





# Review of The Year

## 1. DRIVING COMPETITION CULTURE IN 2014

The Competition Act 2010 and the Competition Commission Act 2010 are aimed to encourage national economic development by encouraging and protecting the competition process in the market and consequently protecting consumer interests. To supervise the provisions included in the Competition Act 2010, the Competition Commission was established under the Competition Commission Act 2010 on 1 April 2011.

The individuals designated as members of the Malaysia Competition Commission (MyCC) were also announced by the Minister of Domestic Trade, Co-operatives and Consumerism on 1 April 2011. The Chairman of the Commission is joined by four government representatives from the Ministry of Domestic Trade, Co-operatives and Consumerism, the Economic Planning Unit, Prime Minister's Department, the Attorney-General Chambers and the Ministry of International Trade and Industry, and five representatives from the private sectors. MyCC's members are experts in various areas like law, economy, business, industry, trade, public administration, competition and consumer protection. All efforts were made to ensure the various sectors are represented to enable MyCC to achieve its aspirations.

The official opening of the MyCC's headquarters at Menara SSM@Sentral, KL Sentral on 17 January 2013 marked the start of a new era in the agency's operations and was the first of many milestones in a remarkable year. In addition to starting operations at its new headquarters, MyCC continued to expand its team in 2013 to meet the requirements of its expansion plans. MyCC remain committed in providing a safe, supportive, and conducive working environment for its employees.

The MyCC office has been operational since 1 June 2011. Since then MyCC has established seven working committees to aid in implementing its major functions. A MyCC member heads each working committee with representatives from the relevant private and public sectors. The working committees are as follows:

- Working Committee on Finance and Procurement;
- Working Committee on Human Resources Training and Competency;
- Working Committee on Advocacy and Communication;
- Working Committee on Guidelines;
- Working Committee on Audit Committee;
- Working Committee on Economic; and
- Working Committee on Enforcement.

## 1. MyCC's Website and Social Media Platforms

The MyCC's website, [www.mycc.gov.my](http://www.mycc.gov.my), acts as a source of information, which links MyCC with other parties interested in disseminating and sharing information related to MyCC's activities, especially in the aspects of the law, enforcement and support. First launched in September 2011, the website continues to be a source of reference on national competition matters. The MyCC has also taken another step in leveraging the engagement with the public through social media platforms such as the MyCC's Facebook page and MyCC's YouTube. These platforms are supporting channels of communication, advocacy and brand exposure, in addition to the MyCC's website. The MyCC official Facebook page and YouTube channel are available at the following URLs, [www.facebook.com/theMyCC](http://www.facebook.com/theMyCC) and [www.youtube.com/MyCompetitionNews](http://www.youtube.com/MyCompetitionNews)

## 2. Advocacy and Compliance

i) In 2014, MyCC undertook 31 advocacy programmes, involving both private and public sectors, nationwide. Generally, advocacy programmes are defined as non-enforcement mechanism in promoting the Act and encouraging compliance. Advocacy programmes have been successfully conducted with Government sectors to numerous business chambers, consumers associations, industry players, universities and many others as follows.

- 10 January 2014** - Competition Act 2010 Introductory and Compliance - State Assemblyman for Stulang, Johor Bahru;
- 28 January 2014** - "Seminar Dasar dan Polisi Kerajaan Kepada Gerakan Koperasi di Malaysia Peringkat Zon Selatan – Suruhanjaya Koperasi Malaysia";
- 25 February 2014** - "Pengenalan dan Pematuhan kepada Akta Persaingan 2010 - FAMA";
- 27 February 2014** - Meeting the Challenges of Global Competition – Petronas Chemicals Group Berhad (PCGB);
- 6 March 2014** - Pengenalan Mengenai Penguatkuasaan Akta Persaingan 2010 - Perbadanan Putrajaya;



"Majlis Pelancaran Buku Garis Panduan Menentang Tipuan Bida dalam Perolehan Awam & Help Us Detect Bid Rigging bersama Agensi Kerajaan", 23 June 2014.

- 8 March 2014** - "Competition Act 2010"- Malaysia Paper Merchants Association (MaPMA);
- 19 March 2014** - "Market Conduct Supervision Course", Modul 3: Introduction to Legal and Regulatory Requirements - Bank Negara Malaysia;
- 20 March 2014** - Pembentangan Kertas Kerja Sempena Sidang Meja Bulat Akta Persaingan 2010 - Ekonomi Melayu Bersatu (MTEM);
- 27 March 2014** - "Competition Act 2010"- Malaysian Institute of Management (MIM);
- 8 May 2014** - MyCC - SSM Training on CA 2010;
- 19 May 2014** - Sesi Rundingan Awam Dan Seminar Mengenai Penetapan Harga dan Skala Yuran oleh Badan-Badan Profesional Di Malaysia Di Bawah Akta Persaingan 2010;
- 3 June 2014** - Association of Private Hospitals of Malaysia (APHM) International Healthcare Conference & Exhibition 2014 – Smart Partnership in Managing Hospitals – Building Bridges to Win;
- 9 June 2014** - Talk on Competition Policy - GLC Explorace 2014 Programme - MITI & TNB;
- 23 June 2014** - Majlis Pelancaran Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam & "Help Us Detect Bid Rigging bersama Agensi Kerajaan";
- 7 August 2014** - MyCC-SSM Training on CA2010 (SSM);
- 11 August 2014** - Talk on "Competition Policy in Malaysia"- Universiti Putra Malaysia;
- 28 August 2014** - Seminar Mengenai Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam & "Help Us Detect Bid Rigging bersama Agensi Kerajaan Negeri Sarawak (Sibu);
- 9 September 2014** - "Challenges of the Changing Corporate and Regulatory Landscape" – Chartered Secretaries Malaysia (MAICSA);
- 11 September 2014** - Seminar Mengenai Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam & Help Us Detect Bid Rigging bersama Agensi Kerajaan Negeri (Zon Utara);
- 19 September 2014** - Briefing on the "Fixing Of Fees By Professional Bodies In Malaysia Under The Competition Act 2010 with The Institution of Engineers (IEM);
- 23 September 2014** - Seminar Mengenai Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam & Help Us Detect Bid Rigging bersama Agensi Kerajaan Negeri Sabah (Sandakan);
- 25 September 2014** - Majlis Pelancaran Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam & Help Us Detect Bid Rigging bersama Agensi Kerajaan Negeri Sabah (Kota Kinabalu);
- 1 October 2014** - Annual Asean Corporate Governance Summit 2014 "Competition Compliance Programs? The Do's and Don'ts" – Malaysia Institute of Corporate Governance (MICG);
- 2 October 2014** - Seminar Mengenai Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam & Help Us Detect Bid Rigging bersama Agensi Kerajaan Negeri (Zon Timur);
- 15 October 2014** - Tipuan Bida Dalam Perolehan Awam di Bawah Akta Persaingan 2010 bersama Jabatan Audit Negara (JAN);







"Majlis Pelancaran Garis Panduan Menentang Tipuan Bida dalam Perolehan Awam & Help Us Detect Bid Rigging bersama Agensi Kerajaan Negeri Sarawak", 4 November 2014.

- **27-29 October 2014** - "Taklimat Mengenai Pengenalan dan Pematuhan kepada Akta Persaingan 2010 berasama Institut Latihan Kehakiman dan Perundangan (ILKAP)";
- **28 October 2014** - "Seminar Mengenai Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam & Help Us Detect Bid Rigging bersama Agensi Kerajaan Negeri (Zon Selatan)";
- **4 November 2014** - "Majlis Pelancaran Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam & "Help Us Detect Bid Rigging" bersama Agensi Kerajaan Negeri Sarawak";
- **10 November 2014** - "Taklimat Sempena Minggu Bertemu Pelanggan, "Bantu Kami Kenal Pasti Tipuan Bida"—Universiti Malaysia Sabah (UMS)";
- **24 November 2014** - "SSM Enforcement Conference 2014, "Effective Enforcement" and
- **25 November 2014** - MyCC - FMM Joint Briefing / Launch - "Better Business With Competition Compliance".

## ii) ASEAN Experts Group on Competition (AEGC) Workshop on Investigation and Case-Handling

The inaugural ASEAN Experts Group on Competition (AEGC) Workshop on Investigation and Case-Handling was jointly held by the Malaysia Competition Commission (MyCC), ASEAN Secretariat and the Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) on 17-18 June 2014. Sixteen delegates from ten ASEAN countries attended the two-day workshop in addition to the MyCC's investigation and enforcement personnel. Also present at the workshop launch were MDTCC Secretary-General Dato' Sri Alias Ahmad, MyCC's Chairman Tan Sri Dato' Seri Siti Norma Yaakob, Member of Commission Prof. Dato. Dr Sothi Rachagan, and MyCC Chief Executive Officer, Shila Dorai Raj. Competition enforcement agencies face several challenges such as increasing investigative capacity to detect cartels, initiating robust investigations, and prioritising multiple enforcement

## iii) Visits to the MyCC

In 2013, MyCC welcomed numerous distinguished local and foreign guests. Mr Hassan Qaqaya (UNCTAD) and Prof. Patrick Krauskopf (Zurich University of Applied Science) paid courtesy visits to the MyCC March 11th and June 2014, on 24th June 2014, MyCC welcomed Mr Antonio Capobianco, Senior Competition Law Expert from the Organization for Economic Co-operation and Development (OECD) and Mr Ahmad Junaidi from the Competition Indonesia (KPPU). It was their first working visit to MyCC's office in Menara SSM@Sentral. The MyCC has also received a working visit from the Northport Bhd (Malaysia) Bhd delegation headed by Tuan Haji Abi Sofian, the Group Managing Director on 30th October.

## iv) MyCC's Working Visits

On 6th and 7th February 2014, a delegation from the MyCC – comprising of the Chairman, Tan Sri Dato' Seri Siti Norma Yaakob, Member of the Commission, Tan Sri Dato' Dr Michael Yeoh, Head of Corporate Communication Unit, Rowena Wong, and Legal Unit Executive, Zairan Ishak – paid a working visit to the Rekabet Kurumu (Turkish Competition Authority) in Ankara. This was part of the MyCC's efforts to enhance itself through learning and adopting international best practices.

## v) Training & Workshop Activities

MyCC also took part either as workshop participants or guest speakers at the following events:

- **11-12 March 2014** - Promoting Competition in ASEAN Economies – Kick-off Workshop on Regional Sector Studies, in Manila, Philippines;
- **22-25 April 2014** - Pre-Conference-International Competition Network (ICN) and 13th International Competition Network Annual Conference in Marrakech, Morocco;
- **3-5 June 2014** - OECD/KOREA Policy Centre Competition Programme-Workshop in Evidentiary Issues in Establishing Abuse of Dominance in Jeju Island, Korea;
- **9-13 June 2014** - The 2nd Training Course On Competition Law & Policy For Asian Countries in Tokyo, Japan;
- **7-11 July 2014** - Basic Investigation Skills by Australian Competition & Consumer Commission (ACCC) in Sydney, Australia;
- **16-17 July 2014** - 4th ASEAN Competition Conference: "Building Blocks for Effective Enforcement of Competition Policy & Law" in Manila, Philippines;
- **1-22 August 2014** - Competition Commission Of Singapore (CCS)-Singapore Academy of Law (SAL) Conference 2014 in Singapore;
- **20 August 2014** - AEGC Workshop on Promoting Competition Compliance in ASEAN in Singapore;
- **1-3 September 2014** - OECD/Korea Policy Centre Competition Programme - "Workshop on Cartel Fundamentals" in Bangkok, Thailand;
- **4-5 September 2014** - 18th International Workshop On Competition Policy & 8th Seoul International Competition Forum (KFTC) in Seoul, Korea;
- **1-3 October 2014** - The 2014 International Competition Network (ICN) Cartel Workshop – Enhancing International Cooperation In Fight Against Cartel in Taipei, Taiwan;



Working visit to the Rekabet Kurumu (Turkish Competition Authority) in Ankara, 6 & 7 February 2014.







- **29-31 October 2014** - Workshop on Experience Sharing on In-House Tools and Programmes for Members Of The ASEAN Experts Group On Competition (AEGC) in Nha Trang, Vietnam;
- **3-7 November 2014** - CIRC-CRESSE Winter School On Role Of Economics In Competition Law in New Delhi, India;
- **7-8 November 2014** - Advocacy Workshop: Foundations, Strategies and Assessments in Mauritius;
- **3-5 December 2014** - Workshop on Competition Issues in the Retail Sector organized by OECD in Busan, Korea; and
- **8-9 December 2014** - 10th Asian Competition Forum (ACF) Annual Conference in Hong Kong.

#### vi) International Meetings

- **21-22 February 2014** : Ningbo, China - APEC 2014 First Senior Officials' Meeting (SOM1);
- **18-21 March 2014** : Bangkok, Thailand - 13th AEGC Meeting, 4th Project Steering Committee (PSC) Meeting & 1st Meeting of the website Committee;
- **2-4 April 2014** : Nanning, China - Meeting of Regional Comprehensive Economic Partnership Working Group on Competition (RCEPWGC);
- **19-21 May 2014** : Auckland, New Zealand - ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) 2nd Competition Committee Meeting on Competition;
- **21-27 June 2014** : Singapore Expo Convention & Exhibition Centre, Singapore - Regional Comprehensive Economic Partnership Working Group on Competition (RCEP-WGC Meeting), 21-27 June 2014;
- **7-10 July 2014** : Geneva, Switzerland - 'Ad-hoc Expert Meeting on the Role of Competition Law and Policy in Fostering Sustainable Development' and '14th Session of Intergovernmental Group of Experts on Competition Law and Policy';

- **9-10 September 2014** : Jakarta, Indonesia - Brainstorming Meeting on The Asean Post – 2015 Competition Action Plan;
- **19-22 October 2014** : Tokyo, Japan - The Asian Enforcers Roundtable of the Annual Conference of the International Bar Association (IBA) and The 10th East Asia Top Level Officials' Meeting on Competition Policy (EATOP);
- **17-21 November 2014** : Bangkok, Thailand - The Fourteenth Meeting of The Asean Experts Group on Competition (14th AEGC Meeting) and Related Meetings;
- **24-28 November 2014** : Geneva, Switzerland - Third Meeting on Malaysian Economic Partnership Negotiations - European Free Trade Association (EFTA); and
- **1-5 December 2014** : Greater Noida, India - 6th Regional Comprehensive Economic Partnership Trade Negotiating Committee (RCEP-TNC).

#### 3. Providing Policy Advice

MyCC supports government bodies through its advisory role. In 2014, MyCC provided policy advice to the Ministry of Health (MOH), Bank Negara Malaysia (BNM), Ministry of Education (MOE), Prime Minister's Office, Ministry of Plantation Industries and Commodities (MPIC), and Ministry of Tourism and Culture (MOTAC). MyCC welcomes the move by the Ministry of Education (MOE) to facilitate wider competition in the provision of health insurance coverage for foreign students for the benefit of the consumers. The MOE stated in its published Guideline on Health Examinations and Insurance Coverage, that as part of its new policy, private learning institutions are free to appoint any insurance firm, and or agent of their choice to provide insurance coverage for their foreign students so long as the firms and or agents are registered with the MOE and the insurance packages provided are in line with the

MOE's criteria. MyCC has previously received a complaint in relation to an alleged foreclosure of the market for the selling of health insurance coverage to foreign students by Education Malaysia Global Services (EMGS). EMGS is a wholly owned subsidiary of the MOE authorized to process Student Pass Applications for international students who wish to study at private higher education institutions in Peninsular Malaysia. Market foreclosure is an exclusion that results when a downstream buyer is denied access to an upstream supplier (caused from an upstream foreclosure) or when an upstream supplier is denied access to a downstream buyer. In this situation, the students are the "downstream buyers" denied access to other suppliers of health insurance by EMGS as the "upstream supplier."

#### 4. Supporting Competition through Academic Research

MyCC recognises that research is an essential component in nurturing a competition culture. To encourage academic inquiry in the area of competition law and policy, MyCC invited researchers from universities, research institutes, think tanks and civil society organisations to participate in the MyCC's Research Grant Programme (RGP). The RGP provided grants for research activities in the MyCC Strategic Research Areas, covering priority sectors and stakeholders such as the food, transport, healthcare, finance, housing and professional services industries. MyCC has received two grant applications in 2014.

These academic studies will add to a growing body of knowledge on competition while at the same time provide a clearer picture of the competition environment in the Malaysian economy. The findings of the research will also supply solid evidence to help MyCC develop better competition policies, laws, strategies and advocacy activities.

#### 5. Memorandum of Understanding (MoU)

Bank Negara Malaysia (BNM) and the Malaysia Competition Commission (MyCC) signed a Memorandum of Understanding (MoU) on 5th June 2014.

The signing of the MoU formalises the intent of the BNM and the MyCC to collaborate and cooperate in areas of common regulatory objectives. This is to facilitate the efficient implementation of the Competition Act 2010, and its

intended objectives, to promote and protect the process of competition, while ensuring that the overall stability of the financial sector is preserved. The MoU clarifies the areas of collaboration and cooperation between the Bank and the Commission. It sets out the framework for consultation and resolution of issues on the development of and proposed amendments to laws, guidelines, regulations and other instruments issued by the Bank and the Commission in common regulatory areas, such as anti-competitive business conduct prohibited in the Financial Services Act 2013 and the Islamic Financial Services Act 2013, as well as the Competition Act 2010. The MoU also further details the investigation and enforcement actions applicable to the above mentioned common regulatory areas. Both Parties will notify each other when any infringement is detected and will endeavour to reach a prompt mutual agreement on the course of action. The principles of competition and the implications on financial stability will be taken into account in deciding on the appropriate course of action.

#### 2. GUIDING THE WAY TO COMPLIANCE

##### i) Competition Act 2010 : Help Us Detect Bid Rigging

Bid rigging is an offence under Section 4(2)(d) of the CA 2010 enforced by MyCC and if found guilty, enterprises can be fined up to a maximum of 10 percent of its worldwide turnover. Bid rigging practices by tenderers during public procurement procedures pose a threat to public institutions, especially when cost-intensive and technologically advanced investments and projects are involved. A proactive approach by procurement bodies to detect and deter bid rigging generates savings, encourages better quality services and enhances the reputation of public authorities.

##### ii) Guideline on Fighting Bid Rigging in Public Procurement (OECD's publication translated to Bahasa Malaysia)

Public procurement is crucial not only to meet day-to-day functional needs, but also to fulfil socio-economic objectives and promote economic growth. Malaysian economic reports have indicated that, for the past ten years, public expenditure amounted to approximately 24 to 33 percent of the country's Gross Domestic Product (GDP). Hence having stringent procurement processes are imperative to ensure optimal procurement.





All information on both Guidelines is also available from the MyCC's website. These Guidelines, however, are not a substitute for the Act or any Regulations made under thereto. These Guidelines may also be revised from time to time should the need arises. In applying these Guidelines, the facts and circumstances of each case will be considered. Any one in doubt about how they and their commercial activities may be affected by the Act are advised to seek legal advice.

### 3. ENFORCEMENT ACTIVITIES

In the year under review, MyCC strengthened its role in enforcing fair and healthy competition in the Malaysian business environment. MyCC issued two Proposed and three Undertakings during this period. In carrying out its enforcement duties, MyCC continues to value the concerns of the rakyat, utilising public consultations and submissions from stakeholders to ensure that its decisions were informed by a wide range of aspects. These consultations also demonstrated the Government's commitment to public interest throughout the investigation process.

#### Proposed Decision on Ice Manufacturers

On 20th Feb 2014, MyCC issued a Proposed Decision to 26 ice manufacturers. The ice manufacturers were found to have infringed Section 4(2)(a) of the CA 2010 by entering into an agreement that has as its object to fix, directly or indirectly, the selling price of edible tube ice and the price of block ice in Kuala Lumpur, Selangor and Putrajaya. The Proposed Decision set out the assessments MyCC had made on the case and the proposed financial penalties to be imposed on the ice manufacturers under Section 40 (1) of the Act.

#### Proposed Decision on Sibü Confectionery and Bakery Association (SCBA)

On 30th Sept 2014, MyCC issued a Proposed Decision in relation to a price fixing agreement between 24 enterprises who are members of the Sibü Confectionery and Bakery Association (SCBA). The 24 enterprises were found infringing Section 4(2) of the CA 2010 after they were discovered agreeing to increase the prices of confectionery and bakery products by 10 to 15 percent in the Sibü area effective 1 December 2013. To remedy this infringement, MyCC proposed to impose a total financial penalty of RM 439,000.00 on the enterprises. MyCC has also

directed the enterprises to take steps to ensure that they stop the infringement and comply with the CA 2010.

#### Undertaking by Pan-Malaysia Lorry Owner Association (PMLOA)

On 21st May 2014, MyCC accepted an Undertaking from the Central Committee Members of the Pan-Malaysia Lorry Owners Association ('PMLOA') concerning its pricing practices on transportation charges. MyCC found that the Central Committee Members of the PMLOA had infringed section 4(2)(a) of the Act by engaging in a price fixing agreement by imposing a transport charge of up to 15%, which has the object or effect of significantly preventing, restricting or distorting competition in any market for lorry transport services. Price-fixing occurs when enterprises from different sizes collude to increase prices across the board to maximize profitability without any competition.

#### Undertakings by Giga Shipping Sdn Bhd and Nexus Mega Carriers Sdn Bhd

MyCC had also accepted Undertakings in accordance with Section 43 of the Competition Act 2010 (the 'Act') from Giga Shipping Sdn Bhd and Nexus Mega Carriers Sdn Bhd. The Undertakings are in relation to exclusive agreements between the two enterprises with vehicle manufacturers, distributors and retailers. Both enterprises are major providers of logistic and shipment services (the 'services') by sea for motor vehicles from ports in Peninsular Malaysia to ports in Sabah, Sarawak and Labuan.

Following a complaint from a competitor, MyCC had investigated suspected infringements of Sections 4(1) and 10(1) of the Act regarding the said exclusive agreements. MyCC was concerned that these agreements may have had the effect of foreclosing customers to competitors of the enterprises, which if established, would have the effect of significantly preventing, restricting or distorting competition in the provision of the services. Both enterprises denied that their agreements with customers infringe the Act. To address the MyCC's competition concerns, the enterprises undertook to stop including any exclusivity clauses in their agreements which may distort, restrict or prevent the provision of services to their customers or potential customers.



ASEAN Experts Group on Competition (AEGC) Workshop on Investigation and Case-Handling, 17 June 2014





# STRENGTHENING BUSINESSES



An effective competition law compliance programme is a key component of good corporate governance, which in turn will raise the profile of the business on the international stage.





# MyCC's MEMBERS



Standing from left to right:

Dato' Dr. Gan Khuan Poh

Tan Sri Dato' Seri Siti Norma Yaakob  
Chairman

Prof. Dato' Dr. Sothi Rachagan

Ragunath Kesavan



Standing from left to right:

Dato' Azmi Lateh

Datuk Dr. Rebecca Fatima Sta Maria

Datuk Dr. Rahamat Bivi Yusoff

Professor Emeritus Dr. Zakariah  
Abdul Rashid

Dato' Ahmad Hisham Kamaruddin





# MyCC's MEMBERS

## Tan Sri Dato' Seri Siti Norma Yaakob

Tan Sri Dato' Seri Siti Norma Yaakob is presently the Chairman of the Malaysia Competition Commission (MyCC). She is also the Chairman of RAM Holdings Berhad, RAM Rating Service Berhad, Financial Mediation Bureau and sits on the Boards of Bank Negara Malaysia as well as Tenaga Nasional Berhad. She is also the Pro-Chancellor of University of Malaya since 16th May, 2015. Tan Sri Siti Norma's career achievements marked many firsts for women in the Judicial and Legal Service of Malaysia. After being called to the English Bar in 1962, Tan Sri Siti Norma began her career as a Senior Assistant Registrar at the High Court, Kuala Lumpur in 1963. Subsequently, she rose through the ranks to become Malaysia's first woman High Court Judge, Court of Appeal Judge and Federal Court Judge upon her elevation to the corresponding courts in 1983, 1994, and 2001, respectively. Sworn in as Malaysia's first female Chief Judge of Malaya on 8 February 2015, Tan Sri Siti Norma retired on 5 January 2007 after 43 ½ years of exemplary service.

In January 2008, the United Arab Emirates appointed Tan Sri Siti Norma as one of the six new judges of the Dubai International Financial Center (DIFC) Courts for a period of three years. Through this appointment, she became the first female judge to join the DIFC Courts. Her contract with the DIFC courts was renewed until 2013.

In addition to her distinguished career on the Bench, Tan Sri Siti Norma has held a number of prominent positions in law associations and centers. These include President of both the Federation of Women Lawyers and the Judicial and Legal Service Officers Association, Regional Vice-President of the Commonwealth Magistrates' and Judges' Association, member of the Judicial and Legal Service Commission and designated member of the Panel of Conciliators and of Arbitrators maintained by the International Center for Settlement of Investment Disputes (ICSID).

In recognition of her stellar accomplishments, Tan Sri Siti Norma has received a number of prestigious awards. They include fellowships by the Women Development Institute Malaysia and the Einsenhower Exchange Fellowships, an Award of Recognition at the ASEAN Law Association and the BrandLaureate Brand Icons Leadership Award.

## Dato' Azmi Lateh

Dato' Azmi Lateh is the Deputy Secretary General, Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC). Dato' Azmi Lateh brings his substantial experience of 31 years in various roles in numerous government departments to his role as a Commissioner for the MyCC. The Deputy-Secretary General of the MDTCC's strong understanding of the inner workings of the government sector gives him a unique insight and the wherewithal to ensure that the Commission carries out its duties responsibly.

## Datuk Dr. Rahamat Bivi Yusoff

Datuk Dr. Rahamat is the Director-General of the Economic Planning Unit (EPU). She had previously served as the Deputy Secretary-General of the Finance Ministry, Project Officer in the National Institute of Public Administration, Assistant Director and subsequently Deputy Director in the Macroeconomics Section of the Economic Planning Unit in the Prime Minister's Department, and Director of the Industrial Development Department of the Energy Commission.

Datuk Dr. Rahamat graduated with a Bachelor of Social Science (Economics) (Hons) from University of Malaya and holds a Master's Degree (Economics) from Western Michigan University. She began her career in the public service as an Assistant Secretary (Tax Division) in the Ministry of Finance. She also holds a Doctorate from the Australian National University and a Diploma in Public Administration from the National Institute of Public Administration.

She also currently sits on the boards of other various government agencies including Felda, Johor Corporation and the Malaysia Thailand Joint Authority.

## Datuk Dr. Rebecca Fatima Sta Maria

Datuk Dr. Rebecca is the Secretary-General of the Ministry of International Trade and Industry (MITI). Prior to this appointment, she had served as the Deputy Secretary-General (Trade) of MITI. She began her career in the Administrative and Diplomatic Service in 1981 and served in various capacities in the then Ministry of Trade and Industry. In 1988, she was seconded to the ASEAN Plant Quarantine and Training Centre as its Chief Administration and Procurement Officer. In 2006, she chaired the ASEAN Senior Economic Officials Meeting (SEOM). Currently, she is the Chair of the ASEAN High Level Task Force for Economic

Integration. She is also the Vice Chair of the World Economic Forum, Global Agenda Council, South East Asia.

Datuk Dr. Rebecca is a graduate of the University of Malaya with a B.A. (Hons) in English Literature. She received the Diploma in Public Administration by the National Institute of Public Administration (INTAN), Malaysia in 1981. She also has an M.S. (Counselling) from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia). Having received her Ph.D from the University of Georgia in Athens, U.S.A., Datuk Dr. Rebecca was awarded the Malcolm Knowles Award for the best Ph.D dissertation in the field of Human Resource Development by the American Academy of Human Resource Development in 2000. She is a trustee for the MyKasih Foundation; and a member of the Board of Directors of the Emmaus Counselling Centre.

## Prof. Dato' Dr. Sothi Rachagan

Prof. Dato' Dr. Sothi is the Vice-Chancellor of Nilai University. He was previously Vice-Chancellor of Perdana, and dean of the Faculty of Law at Universiti Malaya (UM).

Prof. Dato' Dr. Sothi holds an undergraduate degree from UM, a post-graduate Diploma in Arts and a Master's in Arts from the University of Otago in New Zealand, a Master's in Law from the University of Bristol, United Kingdom (UK), and PhD from the School of Oriental and African Studies, University of London, UK. He is a Barrister (Lincoln's Inn) and an Advocate and Solicitor (Malaya).

He serves on the International Advisory Panel of the United Nations Conference on Trade and Development and the Advisory Panels of Consumer and Competition Law Centres of several foreign universities. He is a past-president of the International Association of Consumer Law and has served in numerous other bodies such as the Insurance Mediation Bureau, the Disciplinary Panel of the Legal Profession and the Task Force for the formulation of the National Consumer Policy.

## Dato' Dr Gan Khuan Poh

Dato' Dr Gan Khuan Poh is an economist and Corporate Consultant with more than three decades of experience in both the public and private sectors. He served in the Economic Planning Unit in the Prime Minister's Department and in academia at Universiti Kebangsaan Malaysia as Professor of Economics. Dato' Dr Gan Khuan Poh's extensive knowledge in the areas of economics, finance and regulation of the ICT sector, is highly beneficial to the MyCC's role in competition regulation. In particular, his research into the Economics of Regulation and Competition, Distribution Economics and Economic Development in Emerging Economies can contribute to the Competition Commission.

## Dato' Ahmad Hisham bin Kamaruddin

Dato' Ahmad Hisham bin Kamaruddin is the Founding partner of Hisham & Associates and he is also a Corporate Legal Consultant which brings with him over thirty years of legal experience. A Council member of the Malaysian Heritage Council, he is also actively involved in the conservation and preservation of heritage in Malaysia. His extensive legal knowledge spanning areas such as petrochemical, oil and gas, and intellectual property, airlines, corporate banking, and labour practices, will be highly beneficial to the MyCC.

Being the registered Trademark and Industrial Design Agent, Dato' Hisham is well versed with the relevant laws, the practical and procedural aspects relating to intellectual property matters including copyrights, counterfeiting, and injunctions.

Dato' Ahmad Hisham is a Tribunal President for the Consumer Court in Malaysia appointed by the Minister of Domestic Trade, Co-Operatives and Consumerism. He presides over hearings from consumers at various places throughout the country against traders and business persons.

## Professor Emeritus Dr. Zakariah Abdul Rashid

Professor Emeritus Dr. Zakariah Abdul Rashid is the Executive Director, Malaysian Institute of Economic Research (MIER). He was also a former Deputy Dean and Head of Economics Department at Universiti Putra Malaysia's (UPM) School of Postgraduate Studies. Professor Emeritus Dr. Zakariah Abdul Rashid has published many articles and edited academic journals as well as lectured at seminars and conferences on development, international, Islamic and regional economics, among others. In addition, he has been a consultant to many research institutes and has played a key role on many economics-based projects.

## Ragunath Kesavan

Ragunath has been a legal practitioner for more than 20 years and has previously served as the President of the Malaysian Bar Council from 2009 to 2011. He qualified as a Barrister-at-Law at Gray's Inn, London and was called to the Bar of England & Wales in 1990.

He graduated with a Bachelor's Degree (Genetics) from the University of Malaya in 1985, LLB from the University of Wales Aberystwyth in 1989 and LLM from the University of Malaya in 1995. He was awarded the Calcott Pryce Award in Public International Law in his LLB finals and graduated with a 2.1 degree.



# ORGANISATIONAL STRUCTURE



**MALAYSIA COMPETITION COMMISSION**

**CHAIRMAN & MEMBERS OF  
THE COMMISSION**

**CHIEF EXECUTIVE OFFICER**

Strategic Planning and  
International Affairs Division

Management Service  
Division

Business and Economic  
Division

Enforcement Division

Legal Division

Corporate  
Affairs Division





# ENSURING EFFICIENT MARKETS



When prices are fixed or otherwise artificially maintained, consumers ultimately suffer. Competition law ensures that prices will be determined by supply and demand in an efficient competitive market.





# 2010 MILESTONES

- 2 April : Cabinet approves new policy and bill.
- 12 April : The new policy and bill are tabled and read in the Lower House of Parliament.
- 2 June: The Competition Act 2010 (CA 2010) receives Royal Assent.
- 10 June : The CA 2010 is gazetted. An 18-month grace period is established for companies to comply with the new law and for the Ministry to establish the Malaysia Competition Commission (MyCC).
- September : The Ministry establishes an interim competition unit to prepare for the set-up of the MyCC. Additionally, an implementation competition committee is established to assist the interim competition unit's initial programmes, which included the formation of the MyCC and conducting advocacy programmes.

## 2012

- January : The CA 2010 comes into force.
- 2 May : Release of guidelines on Complaints Procedures, Market Definition and Anti-competitive Agreements.
- 16 July : Launch of the MyCC's Handbook for General Public.
- 16 July : The MyCC conducts a market review of the domestic broiler market.
- 23 July : Investigation commences into Cameron Highlands Floriculturist Association (CHFA) for price-fixing.
- 26 July : Release of guidelines on Abuse of Dominant Position.
- 24 October : Issuance of proposed decision against CHFA for contravening Section 4(2) of the CA 2010.
- 6 December: Issuance of final decision against CHFA.



## 2014

- 15 January - MyCC conducts Public Consultation on Guidelines on Leniency and Financial Penalties
- 21 January - MyCC Issues Interim Measures to Icecreamers
- 20 February - MyCC Issues Proposed Decision to Icecreamers
- 21 May - MyCC accepts Pan Malaysia Lorry Owners Associations (PMLOA) undertaking
- 5 June - Memorandum of Understanding between Bank Negara Malaysia and The Malaysia Competition Commission
- 17 June - AEGC Workshop on Investigation and Case Handling
- 23 June - MyCC launches two Handbooks on Bid Rigging "Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam" and "Help Us Detect Bid Rigging" in Putrajaya
- 7 July - Conditional Block Exemption for Liner Shipping Agreements by MyCC was published in the Gazette
- 27 August - MyCC receives four (4) new Members of the Commission
- 25 September - MyCC launches two Handbooks on Bid Rigging: "Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam" and "Help Us Detect Bid Rigging" in Kota Kinabalu, Sabah
- 30 September - MyCC issues Proposed Decision to Sibuh Confectionery and Bakery Association
- 7 October - MyCC accepts undertaking from logistics service providers
- 16 October - MyCC publishes Guidelines on Financial Penalty and Leniency Regime
- 4 November - MyCC launches two Handbooks on Bid Rigging "Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam" and "Help Us Detect Bid Rigging" in Kuching, Sarawak
- 25 November - Compliance Collaboration Between MyCC and Federation of Malaysia Manufacturers (FMM)



## 2011

- February-April : A Competition Lab is formed to assess issues that could expedite a firm implementation of the CA 2010. The Lab is comprised of members from the public and private sectors.
- 1 April : Tan Sri Dato' Seri Siti Norma Yaakob is appointed Chairman of the MyCC.
- 1 May : Nine other members are appointed to the MyCC.
- Jun : Shila Dorai Raj is appointed the first Chief Executive Officer of the MyCC. Other MyCC officers are also appointed.
- December : The MyCC drafts three guidelines and conducts six public consultations to evaluate feedback from stakeholders.



## 2013

- 17 January : Official opening of the MyCC headquarters in KL Sentral.
- July : The MyCC conducts and completes a Market Review on the fixing of prices by professional bodies in Malaysia. The MyCC conducts a Baseline Study on the awareness level of the CA 2010.
- 2 September : Launch of Competition Act 2010: A Guide for Business.
- 6 September : Proposed Decision against Malaysia Airlines Berhad and AirAsia for market sharing.
- 20 September : Issuance of Interim Measures against the Pan Malaysia Lorry Owners Association (PMLOA) for price-fixing.
- 25 September: Launch of Competition Act 2010: Compliance Guidelines.
- 25-26 September : 1st MyCC Competition Law Conference.
- 1 November : Proposed Decision against Megasteel Sdn Bhd for abuse of dominant position.







# INNOVATION FLOURISHES; CONSUMERS WIN

Businesses in the competitive markets must constantly improve their products and services to win market share. A market driven by innovation will offer more benefits to consumers through greater selection and better products.





## 42





**RM106,000**  
Penalti tertinggi

**RM1,500**  
Penalti terendah

**Kartel ais kena denda**

Suruhanjaya Persaingan Malaysia kerahkan penalti berjumlah RM238,600

26 syarikat melanggar Akta Persaingan 2010 larang penetapan harga an kait, blok

**26 pengeluar ais didenda RM238,600**

Penalti dikenakan MyCC kerana kartel tetap harga jualan ais, blok

Suruhanjaya Persaingan Malaysia kerahkan penalti berjumlah RM238,600

26 syarikat melanggar Akta Persaingan 2010 larang penetapan harga an kait, blok

**MyCC to tighten watch over anti-competition practices**

MyCC discusses competitive issues in telco, banking

SMEs should not fear Competition Act

MyCC discusses competitive issues in telco, banking

MyCC discusses competitive issues in telco, banking

**Protection should not be forever**

Agreement permits can be a barrier to trade that discourages competition

MyCC discusses competitive issues in telco, banking

MyCC discusses competitive issues in telco, banking

**Pengusaha bas tidak endah larangan MyCC**

Suruhanjaya Persaingan Malaysia kerahkan penalti berjumlah RM238,600

26 syarikat melanggar Akta Persaingan 2010 larang penetapan harga an kait, blok

Suruhanjaya Persaingan Malaysia kerahkan penalti berjumlah RM238,600

26 syarikat melanggar Akta Persaingan 2010 larang penetapan harga an kait, blok

## Jawatankuasa Khas bincang isu persaingan

KUALA LUMPUR 24 Mac - Jawatankuasa Khas mengenai isu persaingan yang diketuai Suruhanjaya Persaingan Malaysia (MyCC) dalam mesyuaratnya baru-baru ini membincangkan beberapa perkara utama merangkumi pengangkutan darat, kewangan dan sektor telekomunikasi.

Mesyuarat tersebut merupakan rentetan daripada beberapa siri perbincangan yang dihadiri oleh wakil-wakil Suruhanjaya Komunikasi dan Multimedia (MCMC), Suruhanjaya Tenaga, Suruhanjaya Perkhidmatan Air Negara (SPAN), Suruhanjaya Pengangkutan Awam Darat (SPAD), Bank Negara Malaysia (BNM) dan Suruhanjaya Sekuriti (SC).

Pengerusi MYCC, Tan Sri Siti Norma Yaakob berkata, SPAD mengesahkan bahawa kadar pengangkutan perkhidmatan lori yang telah diliberalisasikan secara tidak langsung membuka persaingan dalam pasaran tersebut.

"Malah, wakil dari SPAD juga akan memastikan segala usaha bagi menggiatkan proses persaingan teksi awam yang beroperasi di Lapangan Terbang Antarabangsa Kuala Lumpur (KLIA) dan kawasan-kawasan lain," katanya dalam kenyataan di sini hari ini.

Ahli Suruhanjaya MYCC yang turut hadir terdiri daripada Datuk Dr. Rebecca Fatima Sta Maria, Tan Sri Dr. Michael Yeoh dan Ragnath Kesavan. Hadir sama, Ketua Pegawai Eksekutif MYCC, Shila Dorai Raj.

Selain itu, ujar Siti Norma, antara perkara lain yang dibincangkan pada mesyuarat itu termasuk penjelasan BNM berkaitan dengan bank atau syarikat-insurans yang melanggar garis panduan BNM.

"Bagi menjelaskan perkara ini, BNM mengesahkan tiada penalti kewangan akan dikenakan dalam kes-kes seperti itu, namun bagi pihak bank atau syarikat-insurans yang didapati bersalah, perlu membayar balik wang kepada pengguna atau menggantikan produk tersebut.

"Menurut BNM, ia bertanggungjawab ke atas bank dan syarikat-syarikat insurans bagi tindakan ejen-ejen mereka. Pihak MyCC telah menerima banyak aduan yang berkaitan dengan kepenggunaan dan dengan itu kami menyatakan bahawa ia mungkin merupakan isu-isu sistemik yang perlu diambil serius oleh pihak BNM," katanya.

## MyCC terima banyak aduan

ISU berkaitan bank atau syarikat insurans yang melanggar garis panduan Bank Negara Malaysia (BNM) dan kualiti sektor komunikasi antara perkara yang dibincangkan dalam mesyuarat Jawatankuasa Khas mengenai Persaingan yang diketuai Suruhanjaya Persaingan Malaysia (MyCC), baru-baru ini.

MyCC dalam satu kenyataan semalam berkata, suruhanjaya itu menerima banyak aduan berkaitan kepenggunaan.

Menurut Pengerusi MyCC, Tan Sri Siti Norma Yaakob, mengenai sektor penyiaran, terdapat beberapa aduan diajukan kepada MyCC mengenai kualiti perkhidmatan dan syarat tidak adil dikenakan oleh syarikat telekomunikasi serta syarikat rangkaian.

Tambahnya, sektor itu di luar bidang kuasa MyCC dan beliau berharap Suruhanjaya Komunikasi dan Multimedia Malaysia mengambil langkah sewajarnya bagi memastikan aduan itu diberi perhatian serta mengadakan perbincangan bersama syarikat terlibat bagi memastikan aduan tidak akan berulang lagi.

"Mesyuarat Jawatankuasa Khas ini merupakan rentetan dari beberapa perbincangan berkaitan dengan isu persaingan terutamanya pengangkutan darat, kewangan dan sektor telekomunikasi," katanya dalam kenyataan itu.

Perkara lain yang dibincangkan dalam mesyuarat itu termasuk isu pengangkutan darat seperti bas awam, bas sekolah, teksi dan kadar pengangkutan bagi perkhidmatan lori.

Jawatankuasa Khas mengenai Persaingan dibentuk pada 2011 untuk mengkaji isu-isu lazim undang-undang persaingan serta memastikan terdapat konsistensi dalam penggunaan undang-undang tersebut.

## 學巴業者須各自定價 競爭委會：禁集體協議

（吉隆坡13日讯）马来西亚竞争委员会（MyCC）主席丹斯里西蒂诺玛雅古警告学生巴士业者，必须各自定价，业者被禁止集体制定车资收费，这将违反2010年竞争法令。

她说，在该法令第4条文下，所有企业包括公会，从固定、直接或间接购买或卖出，或对商品和服务进行任何定价交易，属触犯法令。一旦罪成，可被判罚款或需跟从当局认为适合的指示。

她今日发文告指出，如果有关价格是不合理，而是公会、销售商、供应商或制造商集体定下的价格，也是触犯法令。

她呼吁民众，若有任何有情报或投诉，可致电该委员会，热线电话是03-22732277，或电邮至complaints@mycc.gov.my。

在这之前，陆路公共交通委员会主席丹斯里赛哈密本月宣布，该委员会将于2015年1月起，取消学巴收费管制及车费上限，并交由家长及学巴业者洽商达成双方能接受的车资收费，该委员会将扮演监督角色。

## MyCC finds MAS, AirAsia guilty, airlines to appeal against decision

PETALING JAYA: The Malaysia Competition Commission (MyCC) has found both Malaysian Airline System Bhd (MAS) and AirAsia Bhd guilty of anti-competition practices, in a final decision on the case which will see each party fined RM50 million.

Both parties in separate filings said they are planning to file appeals with the Competition Appeal Tribunal, chaired by a High Court judge.

The appointment of the members of the tribunal is upon the recommendation of the minister and their appointments are made by the prime minister. Notable personalities on the panel include Westports Malaysia chairman Tan Sri G. Ganesalingam and former Bank Negara deputy governor Tan Sri Lim Siew Yee.

The tribunal will have exclusive jurisdiction to hear appeals in respect of decisions made by the commission relating to interim measures, infringements and non-infringements.

Both companies yesterday said they had received the notice of finding of infringement from the MyCC, as well as the commission's final decision.

"MAS has instructed its solicitors to lodge an appeal to the Competition Appeal Tribunal," MAS told the local stock exchange. It added that it is committed to comply with all applicable laws, including competition laws, in their countries of operation.

Meanwhile, AirAsia said in a press statement that the group has reviewed MyCC's decision with its external counsel and the low-cost carrier will appeal against the decision to the Competition Appeal Tribunal, as well as apply for a stay of the decision.

"The appeal shall be filed within the 30 days as prescribed by the Competition (Appeal Tribunal) Regulations 2014," said AirAsia.

In its proposed decision issued on Sept 6, 2013, MyCC announced that the companies would be fined up to RM50 million each for infringing section 4(2)(b) of the Competition Act 2010 by entering into an agreement which saw the two airlines sharing markets in the air transport sector within Malaysia.

The penalty is less than the maximum fine of 10% of the companies' respective worldwide turnover between January and April 2012, the time of the infringement.

MAS shares closed unchanged at 21 sen yesterday, with 22.26 million units traded.

AirAsia shares were up 2 sen or 0.9% to RM2.30, with 1.45 million units done. - By LIEW JA TENG

## MYCC：違競爭法維持罰千萬 馬航亞航決定上訴

（吉隆坡10日讯）大马竞争委员会（MYCC）今日维持马航（MAS）和亚洲航空（AIRASIA）违反2010年竞争法令的决定，分别向这两家航空公司处以1千万令吉罚款。

不过，马航和亚航双双决定提出上诉。

马航发表文告指出，该集团和旗下子公司在国内业务营运都符合所有法律要求，包括竞争法令，因此已指示律师就上述决定向竞争仲裁庭提出上诉。

同时，亚航也发表文告，已经和外部法律团队商讨此决定，将提出上诉和申请暂缓执行决定。

该公司将根据2014年竞争法令的上诉条文，于30天内提出上诉。

大马竞争委员会是在去年9月指马航和亚航的“综合性合作框架”，已违反了2010年竞争法令4（2）（b）条款，因此委员会将分别向马航及亚航施予1千万令吉的罚款。

该委员会发现，两家公司的协议带有共享航空运输服务领域市场的目的，抵触了竞争法令。

有关罚款是根据马航和亚航在2012年1月1日和2012年4月30日在各自的国内航线下所取得营业额来计算。4条航线包括吉隆坡飞往古晋、亚庇、山打根和诗巫。有关罚款占2家航空公司在2012年1月和4月全球营业额的不到10%。

## MyCC imposes financial penalty on 24 SCBA members

THE Malaysia Competition Commission (MyCC) yesterday issued a proposed decision in relation to a price fixing agreement between 24 enterprises which are members of the Siba Confectionery and Bakery Association (SCBA).

The 24 enterprises were found infringing Section 4(2) of the Competition Act after they were discovered agreeing to increase the prices of confectionery and bakery products by between 10% and 15% in Siba.

To remedy this infringement, MyCC proposed to impose a total financial penalty of RM439,000 on the enterprises and directed them to take steps to ensure that they stop the infringement and comply with the Act.

"Such an agreement, conducted by these enterprises of different sizes, provides the parties the opportunity to impose higher prices to maximise profitability without any competition," MyCC CEO Shila Dorai Raj said in a statement yesterday.

She said the proposed decision should serve as a deterrent to other associations of enterprises and groups of enterprises which engage in price fixing agreements.

She noted that this practice should be stopped in order to ensure that the Malaysian economy works well for the taxpayers.

MyCC will continue to monitor and investigate such practices and take enforcement actions, however, enterprises are free to set their own prices independently without discussing with their competitors. - Bernama







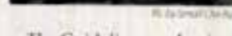
The committee was formed in 2011 essentially to share common issues on competition law as well as to ensure that there is consistency in the application of the law. It is

process for public taxis operating at Kuala Lumpur International Airport (KLIA) and other areas are underway," it said in a statement yesterday.

complaints have been directed to MyCC on the quality of services and unfair conditions imposed by the telecommunication companies as well as network providers.

MyCC CEO Shi (picture) said these offered a framework for companies to understand the MyCC would in relevant sections.

The documents are available for viewing and download from the MyCC website, [www.mycc.gov.nu](http://www.mycc.gov.nu) from yesterday.



under the Act and a specific power to impose a financial penalty for any infringement of the Act, the statement noted — *Bernama*

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The MyOC's lenient regime is to help enterprise that are involved in cartel activities to come forward. MyOC with evidence of no activities. It is a framework enables either immunity to or a reduction in financial

way the MyCC will interpret the relevant sections pertaining to leniency and penalty, the MyCC strongly advises enterprises to conduct self-assessments of their businesses in respect of their conduct, procedures, management and

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menjadi salah satu permasalahan yang dihadapi pemerintah pada masa akan datang," kata Menteri Dalam Negeri, Setiawan.

enterprises  
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introduction

or association of enterprises or enterprises found to be using the use of GST to fix prices," said Shila.

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Manufacturers, distributors and

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customers or potential customers.

the Federation of Malaysian School Operators' secretary general, Md Mohamad, regarding the federation fare structure, which appears to be a contravention of the Competition

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A vibrant photograph of several monarch butterflies with orange and black wings perched on bright yellow tulip flowers. The background is a soft-focus green, suggesting a garden setting. The butterflies are positioned at various heights and angles, some facing the camera and others in profile.

# FINANCIAL STATEMENTS

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**LAPORAN KETUA AUDIT NEGARA  
MENGENAI PENYATA KEWANGAN  
SURUHANJAYA PERSAINGAN MALAYSIA  
BAGI TAHUN BERAKHIR 31 DISEMBER 2014**

**Laporan Mengenai Penyata Kewangan**

Penyata Kewangan Suruhanjaya Persaingan Malaysia bagi tahun berakhir 31 Disember 2014 telah diaudit oleh wakil saya yang merangkumi Lembaran Imbangan Pada 31 Disember 2014 dan Penyata Pendapatan, Penyata Perubahan Ekuiti serta Penyata Aliran Tunai bagi tahun berakhir pada tarikh tersebut, ringkasan polisi perakaunan yang signifikan dan nota penjelasan lain.

*Tanggungjawab Lembaga Pengarah Terhadap Penyata Kewangan*

Lembaga Pengarah bertanggungjawab terhadap penyediaan dan persembahan penyata kewangan tersebut yang saksama selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia dan Akta Suruhanjaya Persaingan 2010 (Akta 713). Lembaga Pengarah juga bertanggungjawab terhadap kawalan dalaman yang ditetapkan perlu oleh pengurusan bagi membolehkan penyediaan penyata kewangan yang bebas daripada salah nyata yang ketara sama ada disebabkan oleh fraud atau kesilapan.

*Tanggungjawab Juruaudit*

Tanggungjawab saya adalah memberi pendapat terhadap penyata kewangan tersebut berdasarkan pengauditan yang dijalankan. Pengauditan telah dilaksanakan mengikut Akta Audit 1957 dan piawaian pengauditan yang diluluskan di Malaysia. Piawaian tersebut menghendaki saya mematuhi keperluan etika serta merancang dan melaksanakan pengauditan untuk memperoleh jaminan yang munasabah sama ada penyata kewangan tersebut bebas daripada salah nyata yang ketara.

Pengauditan meliputi pelaksanaan prosedur untuk memperoleh bukti audit mengenai amaun dan pendedahan dalam penyata kewangan. Prosedur yang dipilih bergantung kepada pertimbangan juruaudit, termasuk penilaian risiko salah nyata yang ketara pada penyata kewangan sama ada disebabkan oleh fraud atau kesilapan. Dalam membuat penilaian risiko tersebut, juruaudit mempertimbangkan kawalan dalaman yang bersesuaian dengan entiti dalam penyediaan dan persembahan penyata kewangan yang memberi gambaran yang benar dan saksama bagi tujuan merangka prosedur pengauditan yang bersesuaian tetapi

bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman entiti tersebut. Pengauditan juga termasuk menilai kesesuaian polisi perakaunan yang diguna pakai dan kemunasabahan anggaran perakaunan yang dibuat oleh pengurusan serta persembahan penyata kewangan secara menyeluruh.

Saya percaya bahawa bukti audit yang saya peroleh adalah mencukupi dan bersesuaian untuk dijadikan asas bagi pendapat audit saya.

*Pendapat*

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Suruhanjaya Persaingan Malaysia pada 31 Disember 2014 dan prestasi kewangan serta aliran tunainya bagi tahun berakhir pada tarikh tersebut selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia.

(SWAIBATUL ASLAMIAH BINTI HAJI HUSAIN)  
b.p. KETUA AUDIT NEGARA  
MALAYSIA

PUTRAJAYA  
19 OGOS 2015



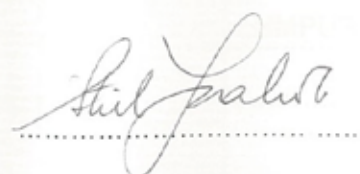


## STATEMENTS BY THE MEMBERS

### PENYATA Pengerusi dan Seorang Ahli Lembaga Pengarah Suruhanjaya Persaingan

Saya **TAN SRI DATO' SERI SITI NORMA YAAKOB dan PROF. DATO' DR. S. SOTHI RACHAGAN** yang merupakan Pengerusi dan salah seorang Ahli Lembaga Pengarah **Suruhanjaya Persaingan** dengan ini menyatakan bahawa, pada pendapat Lembaga Pengarah, Penyata Kewangan yang mengandungi Lembaran Imbangan, Penyata Pendapatan dan Penyata Aliran Tunai yang berikut ini berserta dengan nota-nota kepada Penyata Kewangan di dalamnya, adalah disediakan untuk menunjukkan pandangan yang benar dan saksama berkenaan kedudukan **Suruhanjaya Persaingan** pada **31 Disember 2014** dan hasil kendaliannya serta perubahan kedudukan kewangannya bagi tahun berakhir pada tarikh tersebut.

Bagi pihak Lembaga,



**TAN SRI DATO' SERI SITI NORMA YAAKOB**  
Pengerusi  
Suruhanjaya Persaingan

TARIKH: 13 OGOS 2015  
TEMPAT: KUALA LUMPUR

Bagi pihak Lembaga,



**PROF. DATO' DR. S. SOTHI RACHAGAN**  
Anggota  
Suruhanjaya Persaingan

TARIKH: 13 OGOS 2015  
TEMPAT: KUALA LUMPUR

**Suruhanjaya Persaingan Malaysia**  
**Malaysia Competition Commission (MyCC)**  
Level 15, Menara SSM @ Sentral,  
No.7, Jalan Stesen Sentral 5,  
Kuala Lumpur Sentral,  
50623 Kuala Lumpur.  
Tel : +603 2273 2277  
Faks : +603 2272 1692  
www.myc.gov.my

## STATUTORY DECLARATION

### PENGAKUAN OLEH PEGAWAI UTAMA YANG BERTANGGUNGJAWAB KE ATAS PENGURUSAN KEWANGAN Suruhanjaya Persaingan Malaysia

Saya, **DR. MOHD KHALID BIN ABDUL SAMAD**, pegawai utama yang bertanggungjawab ke atas pengurusan kewangan dan rekod-rekod perakaunan **Suruhanjaya Persaingan Malaysia** dengan ikhlasnya mengakui bahawa Lembaran Imbangan, Penyata Pendapatan, Penyata Perubahan Ekuiti dan Penyata Aliran Tunai dalam kedudukan kewangan yang berikut ini berserta dengan nota-nota kepada Penyata Kewangan di dalamnya mengikut sebaik-baik pengetahuan dan kepercayaan saya, adalah betul dan saya membuat ikrar ini dengan sebenarnya mempercayai bahawa ia adalah benar dan atas kehendak-kehendak Akta Akuan Berkanun, 1960.

Sebenarnya dan sesungguhnya )  
diakui oleh penama di atas )  
di **KUALA LUMPUR** )  
pada )

**DR. MOHD KHALID BIN ABDUL SAMAD**  
KETUA PEGAWAI EKSEKUTIF,  
Suruhanjaya Persaingan Malaysia

**PESURUHJAYA SUMPAN**  
5B, JALAN RAKYAT  
(JALAN TRAVERS)  
BRICKFIELDS  
50470 KUALA LUMPUR  
Suruhanjaya Persaingan Malaysia  
Malaysia Competition Commission (MyCC)  
Level 15, Menara SSM @ Sentral,  
No.7, Jalan Stesen Sentral 5,  
Kuala Lumpur Sentral,  
50623 Kuala Lumpur.  
Tel : +603 2273 2277  
Faks : +603 2272 1692  
www.myc.gov.my





## BALANCE SHEET

As At 31 December 2014

	NOTE	2014 RM	2013 RM
<b>ASSETS</b>			
Property, Plant and Equipments	4	1,271,014	1,428,515
<b>CURRENT ASSETS</b>			
Deposits and Repayments	5	213,550 #	200,350
Accrued Interest		194,778	135,936
Fixed Deposit	6	24,481,022 #	18,799,372
Cash and Bank Balances	7	1,269,271 #	7,329,589
Other Receivables		27,102	171,491
		26,185,723	26,636,738
<b>CURRENT LIABILITIES</b>			
Other Payables and Accruals		460,442	531,956
<b>NET CURRENT ASSETS</b>			
		25,725,281	26,104,782
		<b>26,996,295</b>	<b>27,533,297</b>
<b>FINANCED BY</b>			
Accumulated Launching Grant		26,996,295	27,533,297
		<b>26,996,295</b>	<b>27,533,297</b>

## INCOME STATEMENTS

As At 31 December 2014

	NOTE	2014 RM	2013 RM
<b>INCOME</b>			
Allocation from the Government of Malaysia		7,017,500	14,000,000
Fixed Deposit Interest	8	740,491	559,080
Exemption Application Fees		20,000	50,000
Bank Interest		44,749	110,636
Conference Fees		10,350	171,490
Penalties		175,050	-
Total Income		8,008,140	14,891,206
<b>EXPENSES</b>			
Emoluments		2,724,298	2,025,920
Travel and Accommodation		175,689	186,801
Utilities and Communication		145,621	143,161
Rental		775,320	772,630
Depreciation	4	226,463	188,444
Administration Expenses	9	253,379	304,121
Service Expenses		1,491,201	1,490,620
Salaries and Allowences for Members of Commission		507,590	610,005
Entertainment, Honorarium dan Contributions		61,435	54,680
Development Expenditure	10	2,184,146	6,775,009
Total Expenses		8,545,142	12,551,391
<b>(NET LOSS)/NET INCOME</b>			
		<b>(537,002)</b>	<b>2,339,815</b>





## STATEMENT OF CHANGES IN EQUITY

For the Financial Year End 31 DECEMBER 2014

	2014 RM
As at 1 January 2013	25,193,482
Net Income	2,339,815
<b>Balance as at 31 December 2013</b>	<b>27,533,297</b>
Nett Loss	(537,002)
<b>Balance as at 31 December 2014</b>	<b>26,996,295</b>
	<b>26,185,723</b>

## CASH FLOW STATEMENTS

For the Financial Year Ended 31 DECEMBER 2014

	2014 RM	2013 RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Net loss)/Net income	(537,002)	2,339,815
Adjustment:		
Depreciation	226,463	188,444
Fixed Deposit Interest and Bank Interest	(740,491)	(669,716)
<b>(Net loss)/Net Income Before Working Capital Changes</b>	<b>(1,051,030)</b>	<b>1,858,543</b>
Increase/(Depletion) Deposits and Prepaid	(13,200)	18,520
(Depletion)/Increase in Other Receivables	144,389	(171,491)
(Depletion)/ Increase in Other Payables	(71,514)	27,467
NETT CASH (USED IN)/ FROM OPERATING ACTIVITY AKTIVITI OPERASI"	<b>(991,355)</b>	<b>1,733,039</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Propoerty, Plant and Equipment	(68,962)	(501,815)
Interest Received from Fixed Deposit and Bank	681,649	695,816
NETT CASH FLOW FROM INVESTING ACTIVITIES	<b>612,687</b>	<b>194,001</b>
(DEPLETION)/INCREASE IN CASH AND CASH EQUIVALENTS	(378,668)	1,927,040
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	26,128,961	24,201,921
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>25,750,293</b>	<b>26,128,961</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR:</b>		
Cash and Bank Balances	1,269,271	7,329,589
Fixed Deposit	24,481,022	18,799,372
	<b>25,750,293</b>	<b>26,128,961</b>





## NOTES TO THE FINANCIAL STATEMENTS

### 1. General Information

- 1.1 Malaysia Competition Commission (MyCC) was established on 1 June 2011 under the Competition Commission Act 2010 (Act 713).
- 1.2 The financial statements of the Malaysia Competition Commission for the Financial Year Ended 31 December 2014 were approved by the Members of the Commission through a resolution on 13 August 2015.

### 2. Primary Objective

The primary objective of the Malaysia Competition Commission is to implement and enforce the provisions of the Competition Act 2010 as well as to educate the public regarding the ways in which competition may benefit to consumers and the economy of Malaysia.

### 3. Significant Accounting Policies

#### 3.1 Basis of Preparation

The financial statements of the Malaysia Competition Commission have been prepared under the historical cost convention and in accordance with and the accounting standards for private entities (Private Entity Reporting Standards – PERS) approved by the Malaysian Accounting Standards Board (MASB).

- 3.2 The Malaysia Competition Commission received a grant for operating allocation of RM7,017,500 (2013: RM7,000,000) to accommodate financial obligation and have not received expenditure allocation for development of commission capital under the Tenth Malaysia Plan (10MP) from the Government of Malaysia (2013: RM7,000,000).

#### 3.3 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation of property, plant and equipment is computed using a straight line method over the estimated useful life as follows:

Motor Vehicles	20%
Office Equipment and Furniture	10%
Books	10%
Computers	10%

#### 3.4 Depreciation of Assets

At each balance sheet date, all assets will be assessed for indication that an asset may be impaired. If such an indication exists, an estimation of the recoverable amount of the assets will be carried out. An impairment loss is recognised only when the carrying amount of an asset exceeds the recoverable amount of the asset.

The recoverable amount of an asset is the higher of an asset's fair value less net selling price, which is measured by reference to the discounted present value of future cash flows.

An impairment loss is charged to the income statement, unless there is a reversal of depreciation in value. An impairment loss of a revalued asset is recognised only when the carrying amount of the asset does not exceed the amount as may be determined if there had been no impairment loss.

#### 3.5 Cash and Cash equivalents

Cash and cash equivalents include cash in hand and at the banks as well as short-term highly liquid investments that can be converted into cash without any short-term risk.

## NOTES TO THE FINANCIAL STATEMENTS

### 3.6 Income Recognition

All income of the Malaysia Competition Commission is considered in the Income Statement in accordance with the accrued basis except for the allocation from the Government of Malaysia. The Malaysia Competition Commission's income consists of Allocation from the Government of Malaysia, Bank and Fixed Deposit Interests, Exemption Application Fees and Conference Fees.

The allocation received from the Government of Malaysia for the purpose of covering the cost of project development and management expenditure is considered as income.

Interest income is recognised on the basis of time apportionment and the effective rate beyond maturity.

Exemption Application Fees received are from business entities that have applied for exemptions from the Competition Act 2010.

Conference Fees received are from the implementation of conference programs relating to the Competition Act 2010.

### 3.7 Financial Risk Management Policies

The Malaysia Competition Commission's financial risk management policies seek to ensure that it has sufficient financial and non-financial resources to carry out its operations smoothly. The Commission will consider and assess the financial management risks that may be raised from time to time.

#### i. Interest Rate Risk

The Commission finances its operations using internal funds, and is therefore not exposed to interest rate risk from bank loans.

#### ii. Credit risk

The Commission does not do material business on credit and is therefore not exposed to credit risk.

#### iii. Foreign Exchange Risk

The Commission does not have transactions in foreign exchange and is therefore not exposed to foreign exchange risk.

#### iv. Liquidity Risk

The Commission practises prudent liquidity risk management to minimise any imbalance of assets and liabilities, and to establish sufficient cash and cash equivalents to meet its working capital requirements.

### 3.8 Employee Benefits

#### i. Short Term Benefits

Salaries, allowances, remunerations incentives and social security contributions are recognised as an expense in the year in which the associated services are rendered by the employees.

#### ii. Defined Contribution Plan

Contribution to the Employees' Provident Fund ("EPF") is required by law in Malaysia. Contributions are recognised as an expense in the Income Statement.

### 3.9 Income Tax

The Malaysia Competition Commission has received an income tax exemption from the Ministry of Finance for a period of 5 years, i.e. from 2011 to 2015.





## NOTES TO THE FINANCIAL STATEMENTS

### 4. Plant, Property and Equipments

	Motor Vehicles RM	Office Equipments and Furniture RM	Books RM	Computers RM	Total RM
<b>Cost</b>					
Balance at 1 January 2014	519,366	207,213	253,662	738,435	1,718,676
Addition in the current year	-	3,900	25,721	39,341	68,962
Balance at 31 December 2014	519,366	211,113	279,383	777,776	1,787,638
<b>Accumulated Depreciation</b>					
Balance at 1 January 2014	194,293	22,042	15,985	57,841	290,161
Depreciation in The Current Year	103,874	20,754	26,096	75,739	226,463
Balance at 31 December 2014	298,167	42,796	42,081	133,580	516,624
<b>Nett Book Value</b>	221,199	168,317	237,302	644,196	1,271,014
	Motor Vehicles RM	Office Equipments and Furniture RM	Books RM	Computers RM	Total RM
<b>Cost</b>					
Balance at 1 January 2013	519,366	166,450	90,373	440,672	1,216,861
Addition in the current year	-	40,763	163,289	297,763	501,815
Balance at 31 December 2013	519,366	207,213	253,662	738,435	1,718,676
<b>Accumulated Depreciation</b>					
Balance at 1 January 2013	90,420	3,781	4,078	3,438	101,717
Depreciation in The Current Year	103,873	18,261	11,907	54,403	188,444
Balance at 31 December 2013	194,293	22,042	15,985	57,841	290,161
<b>Nett Book Value</b>	325,073	185,171	237,677	680,594	1,428,515

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Deposits and Prepayments

	2014 RM	2013 RM
Electricity deposit	71,851	71,851
Office rental deposit	13,200	-
Other deposit and collateral	124,302	124,302
Prepayments	4,197	4,197
	<u>213,550</u>	<u>200,350</u>

### 6. Fixed Deposit

Bank Kerjasama Rakyat Malaysia	4,317,579	3,180,787
Malaysia Building Society Berhad	16,038,660	14,048,585
Affin Hwang Investment Bank Berhad	4,124,783	1,570,000
	<u>24,481,022</u>	<u>18,799,372</u>

Interest rate for fixed deposits is between 3.30% - 3.70% (2013: 3.30% - 3.60%) and with a retention period at the end of the year in between 1 to 6 months (2013: 1 to 12 months).

### 7. Cash and Bank Balances

Cash in hand and at banks	4,481	5,000
CIMB Current Account (Operating)	982,393	6,889,274
CIMB Current Account (Development)	282,397	435,315
	<u>1,269,271</u>	<u>7,329,589</u>

### 8. Fixed Deposit Interest

Bank Kerjasama Rakyat Malaysia	113,348	255,877
Malaysia Building Society Berhad	533,357	292,815
Affin Hwang Investment Bank Berhad	93,786	10,388
	<u>740,491</u>	<u>559,080</u>

### 9. Administration Expenditure

Petrol Fuel	24,105	25,203
Office Expenses	205,180	233,360
Other Taxes	22,368	44,480
Replacement Office Equipments	1,726	1,078
	<u>253,379</u>	<u>304,121</u>

### 10. Development Expenditure

Capacity Development Training	36,590	1,409,505
Advocacy Programs	-	1,478,836
ICT and Website Development	-	187,298
Media and Communication Planning	1,990,548	2,632,879
Research	157,008	1,066,491
	<u>2,184,146</u>	<u>6,775,009</u>





