

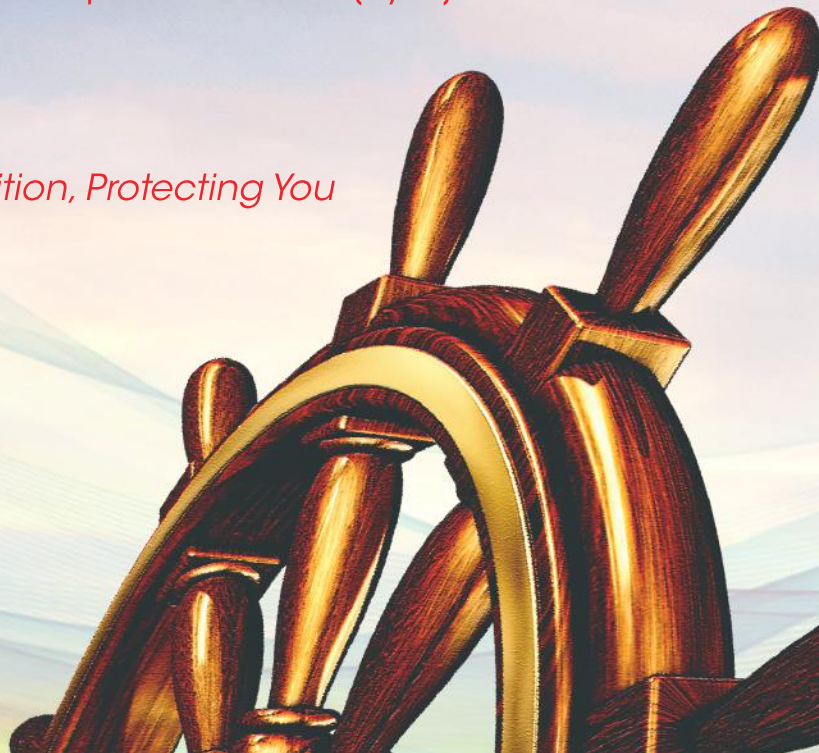


SURUHANJAYA PERSAINGAN MALAYSIA
MALAYSIA COMPETITION COMMISSION

ANNUAL REPORT 2017

Malaysia Competition Commission (MyCC)

Promoting Competition, Protecting You



COVER RATIONALE



The Malaysia Competition Commission (MyCC) was established in 2011 with the purpose of enforcing the Competition Act 2010 and to safeguard the process of competition.

The helm represent how the enterprises' navigate their business journey towards healthy and fair competition while the compass represent the Competition Commission as the navigator to the enterprises towards practising free and fair trade competition in the commercial market for the benefit of the consumers.



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| MINISTER MESSAGE



YB DATO' SERI HAMZAH ZAINUDIN
Minister of Domestic Trade,
Co-operatives and Consumerism



As the globalisation shifted in uncertainty and become more challenging, Malaysia remains competitive and economically sustainable country. This has shown the effectiveness of the Government Transformation Program (GTP) and the Economic Transformation Program (ETP) in raising the level of efficiency and competitiveness of the country.

The World Economic Forum's Global Competitiveness Report 2017 has listed Malaysia at 23rd place out of 137 countries in the Global Competitiveness Index list at the 2017-2018 evaluation period. Malaysia has also been ranked 23rd in the World

Bank's Doing Business Report for 2017. This achievement is a result of the government's transformation of the economy, such as focusing on the role of the private sector in the economy and promoting trade liberalisation programs and service.

The Competition Act 2010 was enacted in 2010 and enforced in early 2012. The Competition Act 2010 is part of the transformation and economic reforms undertaken by the government to strengthen competitive economies and to achieve developed nation status. In line with that, the Competition Commission Act was also enacted in 2010 to establish



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a Commission capable of monitoring competition issues in Malaysia.

The main objective of the Competition Act is to promote and protect the process of competition among enterprises in the market. Competition can facilitate efficiency and innovation. It encourages enterprises to take the initiative to increase efficiency and innovation to produce a wide range of products and services with high quality at low cost. This competition law is one of the measures taken by the government to ensure that the country's economy remains competitive and free of anti-competitive practices that can undermine the country's economic development.

If viewed from one aspect, awareness is still lacking in society, especially industry players and users about the existence of this law. It is because the implementation of competition law is a complex process and requires careful judgment to ensure the effectiveness of this law. However, the Malaysia Competition Commission has implemented a series of high impact

advocacy programs to educate the public especially enterprises to comply with this competition law.

On a separate note, the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC) is responsible for ensuring consumers are protected while at the same time ensuring that enterprises can operate efficiently, innovatively and competitively. This process will be complete with the implementation of competition law which ensure a conducive business environment.

Based on the significance, the Malaysia Competition Commission will continue to be mandated by the Government to ensure compliance with these competition law. The Government through the Malaysia Competition Commission will continue to ensure that the national economy remains strong, fair and safe for the benefit of businesses and consumers as well as the economy as a whole.

| CHAIRMAN MESSAGE




YB DATUK CHE MOHAMAD ZULKIFLY JUSOH
Chairman



The Malaysia Competition Commission (MyCC) has come a long way since it was established on 1 April 2011. Various efforts and initiatives have been implemented to raise awareness of the various parties on the roles of the Commission under the Competition Act 2010 (CA 2010) in maintaining a fair market. The Commission has consistently implemented the Strategic Plan 2017 encompasses some of the high-impact Key Performance Indicators (KPIs) which involving international programs and co-operation, market review,

advocacy programs and E-Learning System Competition Compliance Program for Small and Medium Enterprises (SMEs).

In general, Small and Medium Enterprises have formed about 90 percent of the total business entities in Malaysia. Looking at these developments, most of the advocacy activities conducted in 2017 focused on improving the understanding of SMEs' on CA 2010. The Commission also recognizes that voluntary compliance with the Competition Act 2010 by enterprises is the main factors that contribute to a conducive economic



environment. Hence, the E-Learning System on Competition Compliance Program for SMEs has been developed with the aim of promoting compliance with CA 2010 on a continuous and voluntary basis by enterprises in Malaysia. Two market reviews on pharmaceuticals and building materials in the construction industry in Malaysia were completed. The objective of the study is to understand the industry's market structure, identify any anti-competitive activities that occur in the industry and to evaluate existing industry practices that may limit fair competition.

The Commission also focuses on producing more experts in the field of competition law in Malaysia. This goal is supported by the accomplishment of the 2nd Moot Court Competition for 2017 involving University students in Malaysia.

In 2017, the Commission's Strategic Plan for Advocacy and Communication was successfully completed. This initiative is designed with the objective of raising awareness on the Competition Act 2010 among stakeholders, expanding networks and collaborating with relevant authorities as well as holistic corporate branding for the Commission on domestic and international levels.

Significant success has also been achieved by the Commission through enforcement activities. Under the provisions under CA 2010, several companies have been investigated for allegedly engaging in anti-competitive activities and abuse of dominant positions in Malaysia. Among the investigative activities carried out in 2017 are the price fixing agreements by a group of sand operators in four territories of Kelantan, abuse of dominant positions by My E.G. Services Bhd and price fixing activities by Prompt Dynamics Sdn Bhd. The Commission is constantly striving enthusiastically to ensure that companies in Malaysia are free from anti-competitive elements.

Hence, in 2017 the Commission has focused on combating bid rigging activities and other types of cartels as one of the efforts to ensure equality and fairness in the commercial market in Malaysia.

I am very confident and believe that the Commission will achieve greater success in 2018. Through the various initiatives and programs undertaken by the Commission, it is hoped that all stakeholders in Malaysia will understand and comply with competition laws for the benefit and convenience of businesses and consumers.

| MESSAGE FROM THE CEO



DATO' ABU SAMAH SHABUDIN
Chief Executive Officer



The Competition Act 2010 which came into force on 1 January 2012 aims to facilitate economic development through the promotion and protection of the process of competition. Competition plays a vital role in enhancing efficiency, innovation and entrepreneurship which in turn brings about competitive prices, enhances product and service quality and creates more choices for consumers.

The Commission advocacy programmes involve a broad spectrum of activities with the aim to increase the understanding of competition and its benefits within the wider society, that is, consumers,

civil society, academia and the business community. Advocacy serves as an important component of the Commission functions considering that business may not fully understand the benefits of competition law and policy or may have a negative perception toward competition enforcement. The Commission therefore views advocacy programmes as investments for the prevention of anti-competitive behaviour. The Commission Strategic Plan for Advocacy and Communication 2015 – 2017 was drawn up based on this aspiration. In 2017, significant achievements were made by the Commission in its pursuit of this objective.

In 2017, the Commission organised 27 advocacy programmes for stakeholders in the public and private sector as well as organising and hosting the Malaysia Competition Conference 2017 and the 7th ASEAN Competition Conference. It also collaborated with other government agencies and institutions like the Prime Minister's Department, Companies Commission of Malaysia, Intellectual Property Corporation of Malaysia and Franchise Development Division of the Ministry of Domestic Trade, Co-operatives and Consumerism, in organising programmes aimed at promoting greater awareness of competition.

Other advocacy programmes included holding of forums, seminars and conferences on competition-related issues, discussions and engagement sessions with the Judiciary Service, various government ministries and agencies, Bank Negara, the Bar Council, institutions of higher learning and businesses in various states.

In March 2017, an important step forward in the Commission advocacy mission was the launching of the e-Learning System on Competition Compliance for SMEs. The system serves as a one-stop portal for SMEs to access information on the Competition Act, particularly on competition compliance. It was subsequently made available to the public in June of the same year and also introduced to other stakeholders during the Commission various advocacy, engagement and workshop programmes.

Where enforcement actions were concerned, the Commission has resolved 362 out of 403 complaints received from the public since 2012. In 2017, an application by the Malaysia Shipowners Association and the Shipping Association of Malaysia for a block exemption for liner shipping agreements in respect of Vessel Sharing Agreements

and Voluntary Discussion Agreements was approved for a two-year period. Other cases undertaken by MyCC involved the investigation of the General Insurance Association of Malaysia for infringement of the provisions of the Competition Act and price-fixing by some manufacturers and a group of sand suppliers.

The Commission has continued to emphasise on capacity-building. In 2017, the Commission participated in international staff exchange programmes with other competition authorities with the objective of giving exposure to our officers in addressing competition issues and cases. The exchange programmes were with the New Zealand Commerce Commission, the Indonesian Commission for the Supervision of Business Competition and Australian Competition and Consumer Commission. The Commission propose to continue these exchange programmes with other competition authorities in 2018.

Internally, MyCC saw the departure of several Commission members towards the end of 2017 subsequent to the appointment of new members by the government. The Commission would like to thank the former Chairman, Tan Sri Dato' Seri Siti Norma Yaakob, and all the commissioners for their commitment and contribution during their term of service. A special word of thanks also to the Minister of Domestic Trade, Co-operatives and Consumerism for his continuous support of the Commission. Last, but certainly not least, thanks to the management team and staff for their dedication and commitment in carrying out their tasks.

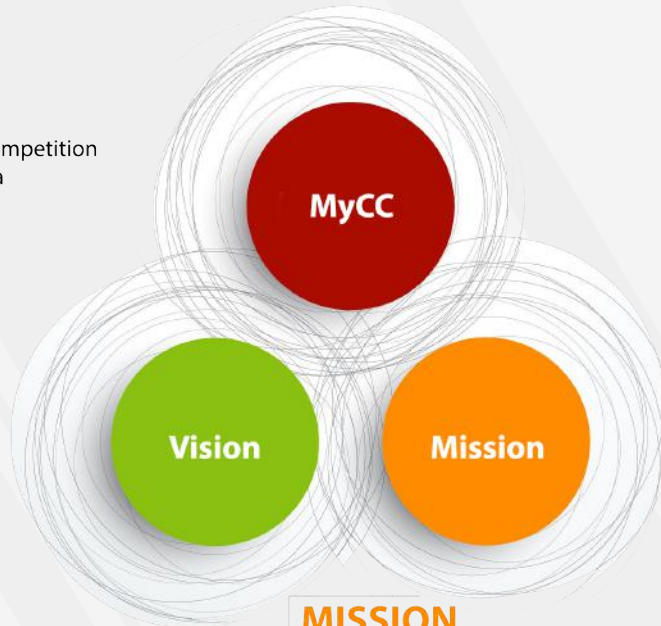
As we move forward to the new year, rest assured that MyCC will remain committed to promoting safe and fair competition in Malaysia for the benefit of all stakeholders.

INTRODUCTION

The Malaysia Competition Commission (MyCC) was established on 1 April 2011 as the enforcement authority for the Competition Act 2010 (Act 713). The Act was designed to foster sustainable economic development through enhancing efficiency, innovation and entrepreneurship as well as the development of competitive enterprises. Ultimately, the objective is to ensure competitive pricing, quality products and wider choices in the market in order to protect the interests of consumers.

VISION

To be the leading competition authority in Malaysia



MISSION

To execute our mandate efficiently and effectively, with a commitment to ensure a conducive competition culture to make markets work well for consumers, businesses and the economy

FUNCTIONS AND POWERS OF THE COMMISSION UNDER THE COMPETITION COMMISSION ACT 2010

FUNCTIONS (SECTION 16)

- To advise the Minister, government or other public authority on matters related to competition;
- To enforce competition laws through investigation and market study and to issue guidelines related to the implementation and enforcement of the competition laws; and
- To educate the public, business and other stakeholders on the benefits of competition to the economy as a whole.

POWERS (SECTION 17)

- To impose penalty for the infringement of the provisions of the competition laws;
- To impose fees or charges for services rendered by the Commission;
- To conduct programmes in the course of performing the functions of the Commission;
- To collaborate with any other organisations or government agencies for the purpose of performing the Commission's functions; and
- Furnishing of information by enterprises to assist the Commission in the performance of its functions

SCOPE OF COMPETITION ACT 2010 (ACT 712)

The Competition Act 2010 covers all commercial activities within and outside Malaysia which have an effect on competition in any market in Malaysia.

Activities that are excluded and not covered by the scope of the Competition Act 2010 are:

- Activities that involve an exercise of governmental authority;
- Activities which are conducted based on the principles of solidarity;
- Purchase of goods or services not for the purposes of re-sale or re-supply;
- Agreements or conducts that is in compliance with any law;
- Collective bargaining activities or collective agreements between employers and trade unions on behalf of employees;
- An enterprise entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly;

The Act does not apply to commercial activities which are regulated under the Communications and Multimedia Act 1998, Energy Commission Act 2001, Petroleum Development Act 1974, Petroleum Regulations 1974 and Malaysian Aviation Commission Act 2015.

MAIN PROHIBITIONS UNDER COMPETITION ACT 2010 (ACT 712)

The Competition Act 2010 (Act 712) prohibits enterprises from engaging in two forms of conduct:

ANTI-COMPETITIVE AGREEMENTS (SECTION 4)

The Act prohibits any agreement, whether in written form or otherwise, between enterprises which has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services.

An anti-competitive agreement, which may be open or secret (per se/e.g cartel), is one by which enterprises collectively agreed not to compete with one another or to collaborate by reducing competition and distorting market forces.

ABUSE OF DOMINANT MARKET POSITION (SECTION 10)

An enterprise, whether independently or collectively, that has a market share of more than 60% is considered to be in a dominant position.

An enterprise with a dominant position in a market is not in breach of any law unless it has abused that position by restricting competition of other enterprises in the same market and has adversely affected the interests of consumers.

EXAMPLES OF INFRINGEMENT UNDER ACT 712

ANTI-COMPETITIVE BEHAVIOR

ANTI-COMPETITIVE AGREEMENT (SECTION 4)

- ▶ Price fixing
- ▶ Market sharing
- ▶ Exclusive agreement
- ▶ Bid rigging
- ▶ Limiting or controlling
- ▶ Resale Price Maintenance

ABUSE OF DOMINANT POSITION (SECTION 10)

- ▶ Imposing different conditions
- ▶ Unfair pricing or conditions
- ▶ Predatory behaviour
- ▶ Enggan untuk membekalkan
- ▶ Buying up scarce goods or resources
- ▶ Tied selling

FINANCIAL PENALTY

If the Commission determines that there has been an infringement of Act 712 by an enterprise, the latter can incur a financial penalty of up to a maximum of 10% of its worldwide turnover and to comply with any other direction as the Commission deems appropriate for to bringing the infringement to an end.

THE COMMISSION AS A QUASI-JUDICIAL BODY

CONDUCT INVESTIGATION

MAKE DECISION

ENFORCEMENT OF DECISION

MALAYSIA COMPETITION COMMISSION

The Malaysia Competition Commission (MyCC) was established on 1 April 2011 with the purpose of enforcing the Competition Act 2010 and to safeguards the process of competition in Malaysia


WORKING COMMITTEES

Nine working committees have been set up to assist the Commission in carrying out its key functions. Each committee which comprise representatives from the public and private sector is led by a member of the Commission.


The working committees are:



Finance and Administration Committee;



Human Resource Development
Panel Committee;



Advocacy and Communication Committee;




Guidelines Committee;



Audit Committee;




Economic Committee;



Enforcement Committee;



Disciplinary Committee; and



Disciplinary Appeal Committee

SPECIAL COMMITTEES

The Special Committee which is chaired by the Competition Commission is composed of the Malaysian Communications and Multimedia Commission (MCMC), Land Public Transport Commission (SPAD), Central Bank of Malaysia (BNM), Energy Commission (EC), National Water Services Commission (SPAN), Securities Commission (SC) and Malaysian Aviation Commission (MAVCOM).

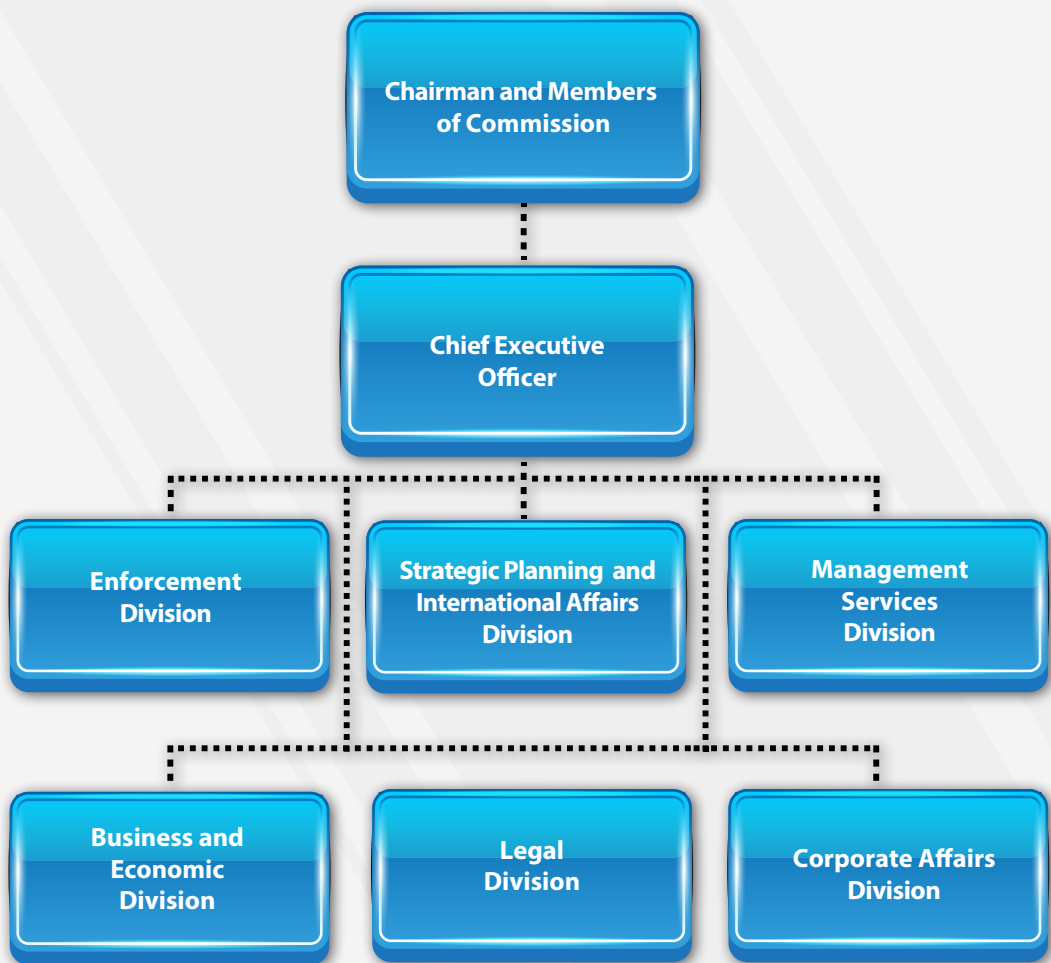
The committee meets twice a year to discuss issues related to market competition in telecommunications, public land transport, finance, energy, water and aviation.



TOP MANAGEMENT



ORGANISATIONAL STRUCTURE OF THE COMMISSION



MEMBERS OF THE COMPETITION COMMISSION

Mohd Hassan Ahmad

Dato' Jagjit Singh Bant Singh



Dr. Nasarudin Abdul Rahman

Datin Seri Ruzaina Wan Haniff

Dato' Basaruddin Sadali

Professor Dr. Saadiah Mohamad



YB Datuk Che Mohamad
Zulkifly Jusoh

Datin Tay Lee Ly

Dato' Nik Azman
Nik Abdul Majid

MEMBERS OF THE COMPETITION COMMISSION

The membership of the Commission comprises a chairman, four government and five private sector representatives. Each member serves a three-year term subject to a maximum of two consecutive terms. The members, including the chairman, are appointed by the Prime Minister based on recommendations from the Minister of Domestic Trade, Cooperatives and Consumerism.

Broadly, members of the Commission represent legal, economic, industry, treasury, corporate, trade and consumer interests.

DATUK CHE MOHAMAD ZULKIFLY JUSOH

CHAIRMAN

Datuk Che Mohamad Zulkifly was appointed the chairman of the Commission on 1 April 2017. He was a former Judge and has served the Malaysian Judicial and Legal Service for 28 years in various positions including that of a Senior Assistant Registrar, Deputy Public Prosecutor, Deputy Registrar of the High Courts and Sessions Court Judge. He began his career in 1985 as a magistrate in Magistrate Court of Pasir Puteh, Kelantan. He was the Director of Terengganu Courts, from 2009 to 2010 and his last assignment was as a Kuala Lumpur Sessions Court Judge (Commercial Crime) from 2011 to 2013 before retiring to stand for election to Parliament. He was a Member of Parliament of Setiu from 2013 to present.

DATO' BASARUDDIN SADALI

Dato' Basaruddin Sadali is the Deputy Secretary-General (Domestic Trade) of the Ministry of Domestic Trade, Cooperatives and Consumerism. He holds a Bachelor of Arts from University of Malaya and Master Degree in Public Administration from University of Syracuse, New York, USA.

Dato' Basaruddin has extensive experience in administration and management. Among the key positions he has held were as director of the Remuneration Division (2009) and director of the Organisational Development Division (2010) at the Public Service Department of Malaysia. In 2013, he was the Deputy Secretary General (Franchise and Consumerism) in the Ministry of Domestic Trade, Cooperatives and Consumerism before his current position in the same ministry. Dato' Basaruddin has been appointed as a member of the Commission since 4 January 2016.

DATIN SERI RUZAINA WAN HANIFF

Datin Seri Ruzaina holds an LLB (Hons.) degree from the University of Malaya and Masters in International Relations (International Law) from Waseda University, Tokyo. She began her career in the Judicial and Legal Services in 1985 where she went on to hold various posts. She was admitted to the Malaysian Bar in 1997.

Prior to her taking optional retirement in 2010, Datin Seri Ruzaina was the Senior Assistant Parliamentary Draftsman and Unit Head in the Drafting Division of the Attorney General's Chambers for five years. Her vast experience in the drafting of legislations was enhanced by participation in various drafting courses and conferences locally and abroad. She has also given lectures on various legislation matters ranging from subsidiary legislations to new acts. Datin Seri Ruzaina is also a Board member of Larkin Sentral Property Berhad.

DATO' JAGJIT SINGH BANT SINGH

Dato' Jagjit is the founding partner of a legal firm, Jagjit Ariff & Co. He holds a Masters of Law with Merit (Commercial and Corporate Law-Intellectual Property) degree from King's College, University of London. His expertise is in the laws and practical and procedural aspects of intellectual property matters.

Dato' Jagjit Singh was a former Judge and has served the Malaysian Judicial and Legal Service for 28 years in various positions including that of a Senior Federal Counsel, Deputy Treasury Solicitor, Legal Advisor to the Ministry of Health, Deputy Public Prosecutor and Senior Assistant Parliamentary Draftsman.

He is also a member of the Special Copyright Task Force of the Ministry of Domestic Trade and Consumer Affairs from 1999 to 2001, Panel of Experts Committee, National ICT Security and Emergency Response Centre from 2001 to 2003 and a legal advisor to the Special Parliamentary Select Committee on the Penal Code (Amendment) Bill 2004 and the Criminal Procedure Code (Amendment) Bill 2004.

He has authored 'The Practical Approach to the Enforcement of Intellectual Property Rights' and co-authored 'Civil Trials Guidebook'.

DATIN TAY LEE LY

Datin Tay has been a legal practitioner for more than 20 years and had previously served as the Chairman of the Industrial Court from 2010 to 2013. She is currently the Legal Advisor for the Ministry of Domestic Trade, Cooperatives and Consumerism since 2013 and had previously been the Legal Advisor for other ministries such as the Ministry of Plantation Industries and Commodities (MPIC) and the Ministry of Works.

She holds an LLB degree from the University of Malaya and Masters in International Legal Studies from the University of Nottingham, Malaysia. She started her service with the government since 1989 as legal officer and served as a magistrate at Petaling Jaya Court in 1992. She held various positions during her tenure at the Attorney's General Chambers mostly in Advisory Division and Drafting Division as well as Prosecution Division. Datin Tay was thrice awarded excellent service awards during the span of her public service career.

DATO' NIK AZMAN NIK ABDUL MAJID

Dato' Nik Azman graduated with a Bachelor's degree in Economics from the University of Malaya and a Master's in Economics from the University of Nebraska-Lincoln, USA. He is currently Deputy Director General of the Economic Planning Unit, Prime Minister's Department.

Dato' Nik Azman specialises in economic analysis and forecasting, public finance management and budgeting as well as economic development. He previously served in the Ministry of Finance where he was responsible for economic analysis, debt management and budgeting. He had also served on secondment at the World Bank in Washington D.C and also as Senior Private Secretary to the Minister of Special Functions.

Dato' Nik Azman was involved in the regional development plan and preparation of the development budget for the Ninth Malaysia Plan. He was also the head of the Tenth Malaysia Plan Secretariat as well as preparing the overall Eleventh Malaysia Plan.

Dato' Nik Azman is a member of the Board of Directors of KEJORA (South-Eastern Johor Development Authority) and the MARA Council as well as Board member of UDA Holdings Berhad.

DR NASARUDIN ABDUL RAHMAN

Dr Nasarudin was appointed as a member of the Commission on 1 October 2017. He is an assistant professor at the Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM). He obtained his LLB (Hons) degree in 2002 and , his Master in Comparative Laws in 2008 from IIUM. He received his PhD from Macquarie University of Sydney, Australia in the area of competition policy and law in Malaysia.

He authored a book entitled Competition Law in Malaysia (published by Thomson Reuters) as well as many other published articles on Malaysian competition law and policy. Before joining IIUM, Dr Nasarudin was an advocate and solicitor of the High Court of Malaya. Currently, Dr. Nasarudin teaches company law at undergraduate level and his areas of interest also include competition policy and law, industrial relations and Islamic banking.

PROFESSOR DR SAADIAH MOHAMAD

Prof. Dr. Saadiah is a professor of Economics at the Faculty of Business and Management, Universiti Teknologi MARA (UiTM). Prior to that, she was the Deputy Dean (Industry and Community Linkages) at the faculty.

She holds a Bachelor's degree in Town & Country Planning from University of Manchester, Master in Economics from the University of Missouri, USA and Ph.D in Economics from Universiti Kebangsaan Malaysia.

She was a visiting research fellow at the Oxford Centre for Islamic Studies, Oxford University, from 2015 to 2016. She also had research attachments at the World Bank in 2001, Bank Negara in 2007 and the Asian Institute of Finance in 2010-2011. She has published over 70 academic papers on economics, islamic and social finance.

Prof. Saadiah was also the first Director of the World Islamic Economic Forum of the WIEF-UiTM International Centre. She was the Executive Committee Member of the Malaysian Economics Association for six consecutive terms (2004-2015), honorary secretary to the association (2014-2015) and currently the Executive Committee Member of the International Council of Islamic Finance Educators.

MOHD HASSAN AHMAD

Encik Mohd Hassan is currently Deputy Under-Secretary of the Fiscal and Economics Division, Ministry of Finance. He holds a Bachelor of Accounting from Universiti Putra Malaysia and a Master's degree in Economics from the University of Sydney, Australia.

In 2000, he was appointed as an Administration and Diplomatic Officer and began his career at the Ministry of Finance ever since. He holds several positions throughout his tenure in the ministry and including that of a Head of Section in the Fiscal and Economics Division.

DIRECTORS AND HEADS OF DIVISIONS



ISKANDAR ISMAIL
ENFORCEMENT DIVISION



AYUDA SARI ISMAIL
STRATEGIC PLANNING AND
INTERNATIONAL AFFAIRS DIVISION



DHARLIZA DRIS
LEGAL DIVISION



HAMIDUN ABDULLAH
MANAGEMENT SERVICES
DIVISION



HJH JUNAIDAH MOHD SHAZILLI
BUSINESS AND ECONOMICS
DIVISION



NOORLIZA ABDUL LATIFF
CORPORATE AFFAIRS DIVISION



MILESTONES



MILESTONES SINCE FORMATION

2010

- 2 Apr** : Approval of new policy and bill
- 2 Jun** : Competition Act 2010 received Royal Assent
- 10 Jun** : Competition Act 2010 was gazetted

2011

- 1 Apr** : Formation of Malaysia Competition Commission (MyCC) and commencement of operations

2012

- 1 Jan** : Competition Act 2010 came into force
- 2 May** : Guidelines on Complaints Procedures, Market Definition and Prohibitions (Anti-Competitive Agreements) was published
- 16 Jul** : Launching of MyCC's Handbook for General Public. Market review of domestic broiler market was conducted
- 26 Jul** : Guidelines on Prohibitions (Abuse of Dominant Position) was published
- 24 Oct** : Issuance of proposed decision against Cameron Highlands Floriculturists Association for infringing Section 4(2) CA 2010
- 6 Dec** : Issuance of final decision against Cameron Highlands Floriculturist Association
- 12 Dec** : Introduction of MyCC Research Grant Programme (RGP)

2013

- 17 Jan** : Official opening of MyCC headquarters in KL Sentral
- Jul** : Completion of MyCC's market review on the fixing of prices by professional in Malaysia. A baseline study on awareness of the Competition Act 2010 was also conducted
- 2 Sept** : Launching of Competition Act 2010: A Guide for Business
- 6 Sept** : Issuance of proposed decision against Malaysia Airlines Berhad and AirAsia for market sharing which infringed Section 4(2)(b)
- 20 Sept** : Issuance of interim measures against the Pan Malaysian Lorry Owners Association (PMLOA) for price fixing
- 25 Sept** : Launching of Competition Act 2010: Compliance Guidelines
- 25-26 Sept** : Organised the first MyCC Competition Law Conference
- 1 Nov** : Issuance of proposed decision on abuse of dominant position by Megasteel Sdn Bhd

2014

- 20 Feb :** Issuance of proposed decision on ice manufacturers
- 21 Mar :** Completion of MyCC's market review on domestic broiler
- 31 Mar :** Issuance of final decision with a fine of RM20 million for Malaysia Airlines, AirAsia and AirAsia X
- 7 May :** MyCC accepted undertaking from Pan Malaysia Lorry Owners Association
- 23 June :** Launching of Guidelines for Fighting Bid Rigging in Public Procurement and Help Us to Detect Bid Rigging
- 30 Sept :** Issuance of proposed decision on Sibü Confectionery and Bakery Association
- 1 Oct :** MyCC received undertaking from Giga Shipping Sdn Bhd (Giga Shipping) and Nexus Mega Carriers Sdn Bhd (Nexus Mega)
- 16 Oct :** Publication of Guidelines on Financial Penalty and Leniency Regime

2015

- 30 Jan :** Issuance of final decision against 24 ice manufacturers for infringing Section 4(2)(a) of the Competition Act 2010
- 12 Feb :** Issuance of final decision against Sibü Confectionery and Bakery Association for infringing Section 4(2)(a) of the Competition Act 2010
- 19 June :** Issuance of proposed decision on five container depot operators for price fixing in contravention of Section 4(1), Competition Act 2010
- 4 Aug :** MyCC issued warning to nursery, nanny and kindergarten associations on fixing of scale fees
- 6 Oct :** Issuance of proposed decision on abuse of dominant position for infringing Section 10, Competition Act 2010, by MyEG Services Berhad
- 12 Oct :** MyCC received undertaking from Malaysia Heavy Construction Equipment Owners Association
- 27 Nov :** MyCC signed six memoranda of understanding with the Cooperative College of Malaysia and five other institutions of higher learning

2016

- 2 June :** Issuance of final decision on breach of Section 4(1), Competition Act 2010, by Containerchain (M) Sdn Bhd and four container depot operators in Penang
- 24 June :** Issuance of final decision on breach of Section 10(2)(d)(iii), Competition Act 2010, by MyEG Services Berhad
- 30 June :** MyCC received undertaking from Containerchain Malaysia Sdn Bhd

2017

- 22 Feb :** Issuance of proposed decision on General Insurance Association of Malaysia (PIAM) and its 22 members on anti-competitive agreements
- 3 Mar :** The Competition Appeal Tribunal dismissed the appeal of Prompt Dynamics Sdn Bhd on cartel activities
- 6 - 7 Mar :** MyCC organised Malaysia Competition Conference 2017 with the theme Competition Law: Breaking Norms, Managing Change
- 25 Sep :** MyCC received undertaking from thirteen sand suppliers from Kelantan who had breached Section 4(2)(a), Competition Act 2010
- 27 Dec :** Completion of market review on pharmaceutical sector and building materials in the construction industry under the Competition Act 2010
- 28 Dec :** The Competition Appeal Tribunal dismissed the appeal of MyEG Services Berhad and MyEG Commerce Sdn Bhd against the decision of MyCC



MAJOR ACHIEVEMENTS

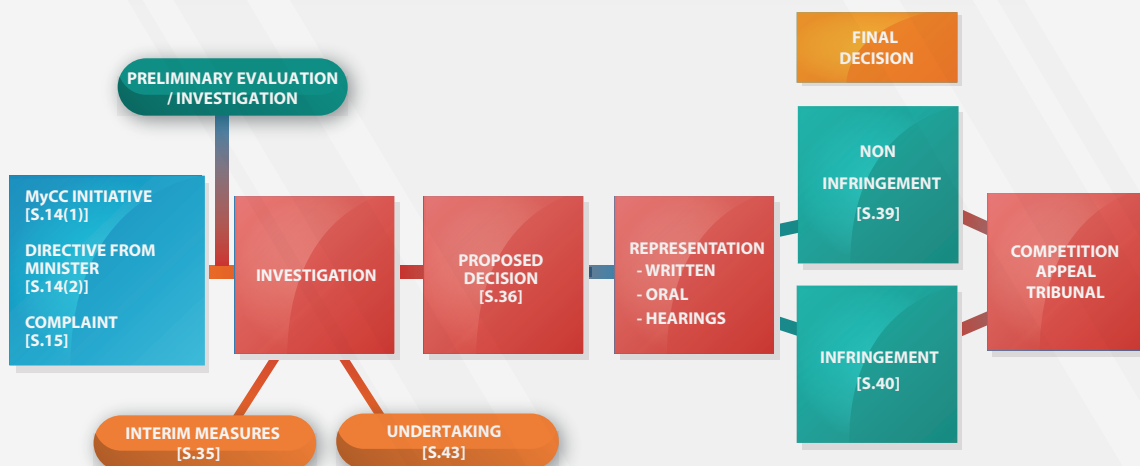


INVESTIGATION AND ENFORCEMENT

The Competition Act 2010 empowers the Commission to investigate and enforce legislations on enterprises that involved in anti-competitive practices. The Commission may investigate enterprises, competitors, suppliers, customers, individuals and any other parties upon suspicion of involvement in anti-competitive practices or abuse of dominant market position.

Investigation can be conducted upon the directive of the Minister or whenever there is suspicion of infringement of the Act by an enterprise or upon receipt of complaints from the public.

OVERVIEW OF ENFORCEMENT PROCEDURE



Investigations Conducted By Malaysia Competition Commission

In 2017, the Commission conducted several investigations under the Competition Act 2010.

A summary of the results of the investigations are as follows.

Proposed Decision (Section 36)

On 22 February 2017, the Commission issued one (1) proposed decision under Section 36 of CA 2010 against the General Insurance Association of Malaysia (PIAM) and 22 of its members for infringing Section 4(2) of the Act by fixing the trade discount of vehicles parts and hourly rate of labour for workshops under PIAM Approved Repairers Scheme. The proposed penalty totalled RM213,454,814.00

Finding of Non-Infringement (Section 39)

The Commission issued a non-infringement notice for the following cases:

- **Dongwha Fibreboard Sdn. Bhd. and Evergreen Fibreboard Sdn. Bhd.**

The Commission investigated Donghwa Fibreboard Sdn. Bhd. and Evergreen Fibreboard Sdn. Bhd. on suspicion of infringement of Section 4 of the Competition Act in relation to price fixing in the sale and purchase of rubberwood chips. On 7 February, the Commission issued a Proposed Decision to the effect that there was insufficient evidence to indicate infringement.

- **Avery Dennison Materials Sdn. Bhd. and UPM Raflatac Sdn. Bhd.**

The Commission issued a Proposed Decision on Avery Dennison and UPM Raflatac on 7 February 2017 as a result of an investigation into a suspected infringement of Section 4 of the Competition Act in relation to price fixing in the manufacturing and supply of labels and packaging (also known as stock labels)

Undertaking (Section 43)

On 25 September 2017, the Commission received an undertaking from a group of sand suppliers in Kelantan in relation to allegations of price-fixing in the Kota Bharu, Pasir Mas, Tanah Merah and Machang area.

The enterprises concerned gave an undertaking to abolish the price list for sand which they had issued on 10 January 2017 and to cease any anti-competitive behaviour related to the price list as well as to issue a press statement about the undertaking they had made.

The Commission resolved this price-fixing case successfully for the benefit of consumers, particularly those in Kelantan.

Warning Letter

Warning letters on suspicion of price-fixing and concerns of preventing, restricting or distorting competition were issued by the Commission to Avery Dennison Materials Sdn Bhd and UPM Raflatac Sdn Bhd in 2017.

Appeals

Competition Appeal Tribunal (CAT) decided to uphold the decision by the Commission against MyEG Services Bhd. (together with MyEG Commerce Sdn. Bhd.) and Prompt Dynamics Sdn. Bhd.

Statistical Summary of Investigations and Evaluation 2017

The Commission conducts investigations on and evaluation of enterprises in Malaysia as provided for under the Competition Act 2010. A summary of the investigations and evaluation conducted in the 2012 – 2017 period are as follows.

Total	Investigation 17	Evaluation 22
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Total of complaints received by the Commission since the enforcement of Act 712

	2012	2013	2014	2015	2016	2017	Total Received	Total Closed
Complaints	8	69	80	75	51	64	347	311
MyCC Initiatives	2	10	13	6	9	6	46	41
Ministerial Instruction	1	2	3	1	3	0	10	10

Complaints

The Commission conducts enforcement actions in response to complaints received from the public. Anyone who has cause to suspect enterprises, competitors, suppliers, customers, individuals or any other parties of engaging in anti-competitive behaviour can complain to the Commission through any of the following means:



MARKET REVIEWS

In 2017, the Commission completed two market reviews on the pharmaceutical sector and building materials in the construction industry under the Competition Act 2010 (CA 2010). The reviews were crucial to the Commission's understanding of the market structure and potential anti-competitive practices in any market covered by CA 2010.

The Commission was spurred to conduct a market review on the pharmaceutical because of the rising price of medicines, particularly as the demand for essential medicines is inelastic and consumers have no choice but to purchase them despite high prices. The market review on building materials was conducted by the Commission owing to concerns raised by government agencies on the increasing cost of living and increasingly higher prices for houses in Malaysia.

A Steering and Technical Committee, comprising representatives from government agencies, associations, academicians and non-governmental organisations, was established to assist in the market reviews.

The draft report of the committee was published in MyCC's website in order to obtain feedback from the public. Several public consultation sessions were also held nationwide to provide opportunity for the public to share their views of the reports.

The final reports of the two market reviews were completed on 27 December 2017 and made available for public viewing at the MyCC's website (www.mycc.gov.my).

BLOCK EXEMPTION

The Commission has decided to grant a block exemption for liner shipping agreements in respect of Vessel Sharing Agreements (VSA) and Voluntary Discussion Agreements (VDA) made within Malaysia or which have an effect on liner shipping services in Malaysia subject to the condition that there are no element of price fixing, price recommendation or tariff imposition by any person on transport users. The application for the block exemption for VSA and VDA in respect of liner shipping services was submitted by the Malaysia Shipowners Association (MASA) and the Shipping Association of Malaysia (SAM).

After analysis of the application and consideration of feedback from the public, stakeholders of the industry and relevant government ministries, the Commission granted a block exemption order for a two-year period commencing from 7 July 2017. The Commission had previously granted a three-year block exemption for liner shipping agreements in 2014.

The public can view the gazette on Competition (Block Exemption for VSA & VDA in Respect of Liner Shipping Services) at the Commission's website.

ADVOCACY PROGRAMMES

In 2017, 27 advocacy programmes were conducted nationwide for the private and public sector in order to raise awareness on the importance of the Competition Act 2010 as well as the role the Commission.

e-Learning System on Competition Compliance Programme for SMEs

An e-learning system for SMEs- the Competition Compliance Programme (CLP) - has been designed to increase competition compliance and knowledge of the Competition Act 2010 among Small Medium Enterprises (SMEs).

The CLP which was launched on 6 March 2017, is now available for use by members of the public, professionals, students, industry and government agencies. Each participant who completes the module will receive a certificate.

Forum on Fighting Bid Rigging and Abuse of Dominant Position in Public Procurement



The forum, which was one of the ongoing initiatives undertaken by the Commission to create awareness among public procurement officers on its role and implementation of the Competition Act 2010, was held on 23 November 2017 in Putrajaya. The forum specifically addressed

issues of bid rigging and abuse of dominant position in relation to public procurement.

More than 300 participants from various government ministries and agencies throughout the country attended the forum.

The keynote speakers for the forum included representatives from MyCC, Commission for the Supervision of Business Competition (KPPU), Ministry of Finance Malaysia, National Audit Department and the Malaysia Anti-Corruption Commission.

The 2nd Moot Court Competition on Competition Law 2017 (MCCL2017)

The Commission organised the 2nd Moot Court Competition on Competition Law in 2017 at the Ahmad Ibrahim Kulliyah of Laws (AIKOL), International Islamic University Malaysia (IIUM). This competition is one of the Commission's ongoing efforts to promote awareness and enhance understanding of Act 712 among students in the Institutes of Higher Learning (IHL) in Malaysia. The competition has also attracted the participation of seven (7) teams from four universities namely University of Malaya (UM), Universiti Kebangsaan Malaysia (UKM), Universiti Utara Malaysia (UUM) and IIUM. The team from UM was named the winner of the MCCL2017.



Malaysia Competition Conference 2017



In March, the Commission has organised the Malaysia Competition Conference 2017 with the theme “Competition Law: Breaking Norms, Managing Change” at Sunway Resort Hotel & Spa, Selangor. The conference organized by the Commission was officiated by His Royal Highness Paduka Seri Sultan Nazrin Muizzuddin Shah Ibni Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-Lah, and is one of the Commission’s initiatives to enhance the awareness and understanding of stakeholders on the role of the Commission in enforcing the Competition Act 2010.

The conference was attended by 424 people comprising local representatives from the private sector, students of institutions of higher learning, academics, law firms, business associations, non-governmental organisations and government agencies as well as foreign participants from Brunei Darussalam, the Philippines, Indonesia, Singapore, Hong Kong, Laos and Pakistan. This conference serves as an effective platform for deeper exposure to competition policies where knowledge and experience are delivered directly by competition experts.



Advocacy Activities 2017

1 March:

Briefing on Competition Act 2010 at Nilai University, Nilai, Negeri Sembilan

6 - 7 March:

Malaysia Competition Conference, Sunway City Selangor

8 - 9 March:

7th ASEAN Competition Conference, Sunway City Selangor

7 March:

Engagement Session with Chief Registrar and Other Judges, Putrajaya

24 March:

Engagement Session on CA2010 with Money Services Business Regulations Department, BNM

10 April:

Session on CA2010 with the Ministry of Tourism and Culture, MyCC Office

5 May:

Discussions on CA 2010 and Competition Affairs in Health Sector with the Ministry of Health, Putrajaya

14 May:

Briefing on CA2010 in conjunction with the Capacity Intellectual Intensive Course, Terengganu

14 May:

Briefing on CA2010 for Terengganu KPDNKK Officers, KPDNKK Terengganu

15 May:

Briefing on CA2010 for Money Services Business, BNM

16 May:

Conference on enforcement of CA2010 for Toyo Tires Malaysia Sdn Bhd, Shah Alam

22 May:

Briefing on CA2010 for Penang KPDNKK Officers, KPDNKK Pulau Pinang

12 July:

Briefing on implementation and enforcement of CA2010 at ILKAP, Bandar Baru Bangi, Selangor

9 August:

Briefing on CA2010 for Harta Packaging Industries (Selangor) Sdn Bhd, Nilai, Negeri Sembilan

7 September:

Briefing on Competition Law in Malaysia: An Emerging Practice Area for the Bar Council Malaysia, Kuala Lumpur

19 September:

MACS Conference - The Enforcement of Competition Act 2010: Its Relevance to Your Business, Kuala Lumpur

12 October:

Seminar for SMEs - Better Business with Competition Compliance, Kuala Lumpur

28 – 30 October:

Briefing on CA2010 enforcement for The 2nd Moot Court Competition on Competition Law (MCCL2017), Kuala Lumpur

7 November:

Seminar - Investigation Procedures under the Competition Act 2010, Shah Alam

8 November:

Lecture at UKM - Competition Act 2010: Infringements and You

17 November:

Forum Disruptive Innovations and Competition Law, Taylor's University

19 November:

CA2010 Compliance and Enforcement Seminar, Kota Bharu, Kelantan

23 November:

Forum Against Bid Rigging and Abuse of Dominant Position in Public Procurements under CA2010, Putrajaya

28 November:

Seminar for SMEs - Better Business with Competition Compliance, Kuching Sarawak

29 November:

Seminar for SMEs - Better Business with Competition Compliance, Kota Kinabalu, Sabah

5 December:

Vendor Awareness Session with Land Public Transport Commission, Kuala Lumpur

INTERNATIONAL CAPACITY BUILDING PROGRAMMES



The 7th ASEAN Competition Conference

The Commission, in collaboration with the ASEAN Australia New Zealand Free Trade Agreement Economic Cooperation Support Program (AECSP), Gesellschaft für Internationale Zusammenarbeit and the ASEAN Secretariat, hosted the 7th ASEAN Competition Conference on 8 - 9 March 2017 in Selangor.

The objective of the conference, which was attended by officials from the Commission and government agencies, ASEAN member states as well as international and local experts, was to expose participants to developments in competition policy and law in the ASEAN region and to strengthen cooperation between competition agencies in the region.



Workshop on Investigation Strategies and Techniques to Fight Bid Rigging Cartels

The workshop, which was held on 25 - 26 April 2017 in Kuala Lumpur, was a collaborative effort between the Commission, Commission for the Supervision of Business Competition (KPPU) and Japan-ASEAN Integrated Fund (JAIF). Participants of the workshop included competition experts from the Japan Fair Trade Commission (JFTC) and officers from ASEAN competition agencies.

The objective of the workshop was to enhance understanding on investigative techniques employed by competition agencies in fighting different types of bid-rigging cartels as well as providing training for judges and the appellate body while at the same time forging stronger relationships with other enforcement agencies and government departments.

Participation in International Capacity Building Programmes 2017

In 2017, officers of the Commission attended 30 international programmes including workshops, seminars, and conferences encompassing competition policy and law.

Attendance at these programmes benefitted the officers of the Commission in terms of obtaining knowledge in implementing competition law in Malaysia as well as through exchange of information and experience with other participants.

11 – 13 January

Tokyo, Japan: Training Course on Promotion of Cross-Border Enforcement in ASEAN Region

8 – 9 March 2017

Kuala Lumpur: 7th ASEAN Competition Conference

7 – 9 February

Brunei: CLIP workshop - Competition Economics in Practice

27 March - 12 May 2017

New Zealand: Secondment to New Zealand Competition Commission (NZCC)

20 – 21 February

Na Thrang, Vietnam: Using Competition Assessments to Eliminate Barriers to Trade and Commerce in Goods and Services

26 – 27 April 2017

Kuala Lumpur: Big Rigging Workshop - KPPU & JAIF

22 – 23 February

Na Thrang, Vietnam: Workshop on the Economics of Competition Policy

23 – 25 May 2017

Sydney, Australia: Competition Law Workshop on Competition Rules and the Pharmaceutical Sector

24 – 25 February

Na Thrang, Vietnam: Seminar on Investigative Powers of Competition Agencies

20 -22 June 2017

Vietnam: Investigations Masterclass (KPPU, MyCC, PCC, VCA) (Module 3)

2 – 3 March

Singapore: GCR Live 6th Annual Asia-Pacific Law Leaders Forum

1 – 2 July 2017

Auckland, New Zealand: Workshop on Leniency Programs

3 July – 30 August 2017

Jakarta, Indonesia: Staff exchange program (KPPU-MyCC)

9 – 10 October 2017

Singapore: Seminar on Economic Analysis in Competition Enforcement

27 – 28 July 2017

Manila, Philippines: Capacity Building for Small and Medium Enterprises (SMEs) on Competition Policy and Law

24- 26 October 2017

New Delhi, India: Competition Law Workshop - Best Practices in Cartel Procedures

10 July – 15 September 2017

Canberra, Australia: Secondment to Australian Competition and Consumer Commission (ACCC)

24 – 25 October 2017

Jakarta, Indonesia: Second Jakarta International Competition Forum (2JICF) Disruptive Innovation, Competition Policy & Challenge to Emerging Markets

16 -17 August 2017

Singapore: Regional Handbook & Workshop on E-Commerce & Competition

26 -27 October 2017

Yangon, Myanmar: ASEAN Consumer Protection Policy and Law Interface Workshop

21 – 26 August 2017

Bandung, Indonesia: JAIF 2nd Training Course on Improving Regional Engagement in Competition Enforcement between Japan and ASEAN

31 October – 3 November 2017

Istanbul, Turkey: Turkish Competition Authority's 20th Anniversary Conference (Competition Summit)

5 September 2017

Ulaanbaatar, Mongolia: Bengkel Undang-Undang Persaingan – Menentang Tipuan Bida. Dihoskan bersama dengan AFCCP

14 – 17 November 2017

Seoul, South Korea: Competition Law Workshop – Market Studies & Overview of the 21st International Workshop on Competition Policy

26 -27 September 2017

Ulaanbaatar, Mongolia: Competition Law Workshop – Going After Bid-Rigging. Co-hosted by AFCCP

15 -16 November 2017

Jakarta, Indonesia: Competition Analysis in e-Commerce

23 – 24 November 2017

Bagan, Myanmar: ASEAN Aviation and Competition Regulation Workshop

6 – 8 December 2017

Tokyo, Japan: Training Course on Enhancing the Effectiveness of a Competition Authority in Enforcement and Advocacy

Paris, France: OECD Global Forum on Competition

Attachment Programmes

In 2017, the Commission participated in staff exchange programmes with New Zealand, Indonesia and Australia with the objective of addressing competition issues and cases.

- **Staff Exchange Programme between MyCC and the Commission for the Supervision of Business Competition (KPPU)**

An officer from KPPU who was assigned to assist the Commission on bid-rigging cases had her assignment extended until the end of November 2017 while an officer from MyCC who was on attachment to KPPU was tasked with fostering cooperation in enforcement between the two organisations.

- **Attachment to the New Zealand Commerce Commission (NZCC)**

An officer from MyCC was sent on attachment to the New Zealand Commerce Commission from 27 March to 12 May 2017 in Wellington.

The areas covered in the attachment programme included cartel investigation, leniency programmes, interviewing techniques, gathering and handling of evidence, analysis techniques, case prioritisation and internal capacity building programmes and tools. The exposure from the programme has enhanced

the knowledge and skills of the officer concerned in handling cartel cases and the running of a leniency programme. The programme has helped to enhance the Commission's enforcement plans for the next three years.

- **Attachment with Australian Competition and Consumer Commission (ACCC)**

Two MyCC officers were sent on attachment to the Australian Competition and Consumer Commission (ACCC) from 10 July - 15 September 2017 in Canberra.

The officers benefitted from the hands-on experience in case-handling as well as acquiring knowledge of the structure and operation of the ACCC. They also attended the Course on Competition Law and Economics at the University of Melbourne during which they were put on attachment to the ACCC's enforcement and merger division.



Attachment with Australian Competition and Consumer Commission (ACCC)



Staff Exchange Programme between KPPU and the Commission



Staff Exchange Programme between the Commission and KPPU



Attachment to the New Zealand Commerce Commission (NZCC)

INTERNATIONAL MEETINGS 2017

26 February

NaThrang, Vietnam: Competition Law & Policy Group (CPLG) Meeting

3 – 6 April

Yangon, Myanmar: 19th Meeting of the ASEAN Experts Group on Competition and Related Meetings (AEGC)

31 May

Auckland, New Zealand: Sixth Meeting of ASEAN Australia New Zealand Free Trade Area (AANZFTA) Committee on Competition

19 -20 July

Bali, Indonesia: Brainstorming Meeting to Develop the ASEAN Competition Business Perception Index

28 – 30 August

Manila, Philippines: Brainstorming session on the Essential Elements of the ASEAN Regional Cooperation Framework on Competition and informal meeting of the ASEAN Australia New Zealand Free Trade Area (AANZFTA) Competition Committee

6 – 7 September

Bali, Indonesia: 13th East Asia Top Level Officials Meeting on Competition Policy (EATOP)

26 – 27 September

Manila, Philippines: Brainstorming Meeting on the ASEAN Research Centre for Competition

20 – 23 November

Bagan, Myanmar: 20th Meeting of the ASEAN Experts Group (AEGC) on Competition and related meetings

WORKING VISITS

The Commission received several visits from local and foreign counterparts in 2017. Among others, the purpose of the visits was to facilitate the Commission's vision to become the leading competition authority in Malaysia through the exchange of knowledge with counterparts from organisations that regulate competition.



9 March - Turkey Competition Authority

The Turkey Competition Authority's delegation was led by its president, Prof. Dr. Omer Torlak. The purpose of the visit was to strengthen ties between the two organisations.

18 April - Indian Institute of Corporate Affairs

The Indian Institute of Corporate Affairs (IICA) visited on 18 April. The IICA - a think tank and capacity-building institution under the purview of Ministry of Corporate Affairs - governs competition matters in India. The visit enabled the Commission to obtain views regarding competition matters from the IICA perspective.



19 December - EU Ambassador

Her Excellency Maria Castillo Fernandez, the European Union ambassador to Malaysia, visited the Commission to enhance ties and strengthen cooperation between the EU and Malaysia.

PUBLICITY AND PUBLIC RELATIONS

Various publicity and promotional activities were conducted by the Commission throughout 2017 in order to create awareness among enterprises on the importance of competition in a business. In 2017, activities which were carried out included participation in several publicity programmes such as exhibitions, dialogues and interviews with the mass media as well as training on the function and role of the Commission for media personnel.

The Commission also issued statements on cases and issues related to competition through the print and electronic media as well as creating publicity online via social media and its portal. Handbooks and brochures were also published to provide more in-depth information on the Competition Act 2010 for enterprises and the public.

PARTICIPATION IN MINISTRY AND AGENCIES PROGRAMMES

The Commission has participated in programmes organised by the Ministry and its other agencies. In 2017, the Commission involved in about 22 such programmes including:

- ONE SSM Carnival, Johor
- Celebration of 15th Anniversary of SSM
- Youngpreneurs Go! Carnival, Sarawak 2017
- Global Innovation Index Conference
- Franchise International Malaysia Exhibition 2017
- Lecture - Capacity Intellectual Intensive Course (CIC) in Higher Learning Institution, 2017
- Exhibition in conjunction with Youngpreneurs Go! Carnival Perlis 2017
- ONE SSM Carnival, Penang
- Intellectual Property Day
- Launching of National Cooperative Day 2017, National Level and State Level in Perak
- ONE SSM Carnival, Kuantan, Pahang
- SSM Conference 2017
- National Cooperative Day 2017, Federal Territory Level
- Fiesta Getthiss.com
- ONE SSM Carnival, Melaka
- Varsity Entrepreneurship Skills & Talents (VEST) 2017 Gala Night and Exhibition
- Kepenggunaan dan Kesejahteraan Negaraku Programme 2017, Ministry of Domestic Trade, Cooperatives and Consumerism
- Ekspresi Negaraku Kedah
- Ekspresi Negaraku Kuala Kangsar
- Ekspresi Negaraku Melaka
- Larut Sports Festival
- Mega Sales Carnival 2017

OTHER PROGRAMMES BY THE COMMISSION

Several programmes were organised to further enhance publicity and the public relations profile of the Commission including breaking fast with orphans and a Forum on Islamic Affairs in collaboration with the Intellectual Property Corporation of Malaysia (MyIPO). The commission has also organised training for programme to media in educating them on the functions and role of the Commission.



TALKS AND INTERVIEWS

The Commission also held several talks and interviews with Radio Televisyen Malaysia (RTM) in the Selamat Pagi Malaysia programme, with Nanyang Siang Pau, Radio Traxx FM and The Business Radio Station (BFM) on its functions and role in enforcing the Competition Act 2010.



MEDIA STATEMENTS

In 2017, the Commission issued 14 media statements on the decisions made on cases related to MyEG and the General Insurance Association of Malaysia (PIAM), undertakings by sand suppliers in Kelantan, market reviews, block exemptions and its advocacy programmes.

TRIBUNAL

MYEG FINED OVER RM6.4M

Penalty for abuse of dominant position in renewal of workers' online permits

RAHMAT KHAIROLRULJAL
KUALA LUMPUR
news@trial.com.my

EGOVERNMENT services provider MyEG Services Bhd (MyEG) was fined more than RM6.4 million for abusing its dominant position in the renewal of foreign workers' online permits.

The Competition Appeal Tribunal (CAT) meted out the decision after dismissing an appeal by MyEG and its subsidiary, MyEG Commerce Sdn Bhd, to set aside the decision of the Malaysia Competition Commission (MyCC) in June last year, which found the appellants infringing section 10(2) of the Competition Act 2010.

CAT, presided by Tan Sri Haider Mohd Nor, said there were no compelling grounds for the tribunal to interfere with MyCC's decision.

"We are in view that MyCC rightly held that the appellants had abused their dominant position, and thus we affirm MyCC's decision and order the appellants to pay penalties, which include a total penalty of RM2.2 million and a daily penalty of RM7,500 from 25 June 2016 to the date of CAT's decision yesterday."

MyCC, in a statement in June last year, found that MyEG had violated the Competition Act 2010 by abusing its dominant position in harming competition in the downstream market, in which MyEG Commerce was participating as an insurance agent for foreign workers' online permit renewal applications.

MyCC said MyEG had imposed different conditions to the same transactions with its competitors, which had harmed competition in the downstream market for the sale of mandatory insurances.

Its chief executive officer, Datuk Abu Samah Shahudin, said the commission was adamant that companies in a dominant position should not abuse their position, as this could lead to a negative impact on consumers and the national economy as a whole.

"MyCC had previously investigated several dominant players, such as Megasteel Sdn Bhd, Giga Shipping Sdn Bhd and Nexus Mega Carriers Sdn Bhd, in the steel and logistics industry."

"Although not all of these investigations resulted in financial penalties being imposed on the said parties due to non-infringement of the Competition Act, MyCC will continue, without fear or favour, to be vigilant in ensuring competition law is adhered to, and will not hesitate to take firm action against those who violate the law."

He said the commission would also focus on and target companies who worked hand-in-glove with cartel activities such as price fixing, setting trading conditions by way of rebates and discounts and market allocation and sharing.

"Some of the companies investigated by the MyCC for cartel activities include players from the aviation industry, ice manufacturing, logistics and sand traders," he said.

Datuk Abu Samah Shahudin

WEBSITE AND SOCIAL MEDIA PLATFORM

The Commission's website was launched in September 2011 to serve as the primary information and reference source on competition laws and activities conducted. Social media was also used to speedily disseminate latest information to the public.

Social Media:



@themyc

Official Website:

www.myc.gov.my

GALLERY











FINANCIAL STATEMENTS





**LAPORAN KETUA AUDIT NEGARA
MENGENAI PENYATA KEWANGAN
SURUHANJAYA PERSAINGAN MALAYSIA
BAGI TAHUN BERAKHIR 31 DISEMBER 2017**

Laporan Mengenai Penyata Kewangan

Pendapat

Penyata Kewangan Suruhanjaya Persaingan Malaysia telah diaudit oleh wakil saya yang merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2017 dan Penyata Pendapatan, Penyata Perubahan Ekuiti serta Penyata Aliran Tunai bagi tahun berakhir pada tarikh tersebut, ringkasan polisi perakaunan yang signifikan dan nota kepada penyata kewangan seperti dinyatakan pada muka surat 1 hingga 19.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Suruhanjaya Persaingan Malaysia pada 31 Disember 2017 dan prestasi kewangan serta aliran tunai bagi tahun berakhir pada tarikh tersebut selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia dan Akta Suruhanjaya Persaingan 2010 (Akta 713).

Asas Kepada Pendapat

Saya telah melaksanakan pengauditan berdasarkan Akta Audit 1957 dan *The International Standards of Supreme Audit Institutions*. Tanggungjawab saya diuraikan selanjutnya di perenggan Tanggungjawab Juraudit Terhadap Pengauditan Penyata Kewangan dalam laporan ini. Saya percaya bahawa bukti audit yang diperoleh adalah mencukupi dan bersesuaian untuk dijadikan asas kepada pendapat saya.

Kebebasan dan Tanggungjawab Etika Lain

Saya adalah bebas daripada Suruhanjaya Persaingan Malaysia dan telah memenuhi tanggungjawab etika lain berdasarkan *The International Standards of Supreme Audit Institutions*.

Maklumat Lain Selain Daripada Penyata Kewangan dan Laporan Juruaudit Mengenainya

Anggota Suruhanjaya Suruhanjaya Persaingan Malaysia bertanggungjawab terhadap maklumat lain dalam Laporan Tahunan. Pendapat saya terhadap penyata kewangan Suruhanjaya Persaingan Malaysia tidak meliputi maklumat lain selain daripada Penyata Kewangan dan Laporan Juruaudit mengenainya dan saya tidak menyatakan sebarang bentuk kesimpulan jaminan mengenainya.

Tanggungjawab Anggota Suruhanjaya Terhadap Penyata Kewangan

Anggota Suruhanjaya bertanggungjawab terhadap penyediaan penyata kewangan Suruhanjaya Persaingan Malaysia yang memberi gambaran benar dan saksama selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia dan Akta Suruhanjaya Persaingan 2010 (Akta 713). Anggota Suruhanjaya juga bertanggungjawab terhadap penetapan kawalan dalaman yang perlu bagi membolehkan penyediaan penyata kewangan Suruhanjaya Persaingan Malaysia adalah bebas daripada salah nyata yang ketara sama ada disebabkan fraud atau kesilapan.

Semasa penyediaan penyata kewangan Suruhanjaya Persaingan Malaysia, Anggota Suruhanjaya bertanggungjawab untuk menilai keupayaan Suruhanjaya Persaingan Malaysia untuk beroperasi sebagai satu usaha berterusan, mendedahkannya jika berkaitan serta menggunakannya sebagai asas perakaunan.

Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan

Objektif saya adalah untuk memperoleh keyakinan yang munasabah sama ada penyata kewangan Suruhanjaya Persaingan Malaysia secara keseluruhannya adalah bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan, dan mengeluarkan Laporan Juruaudit yang merangkumi pendapat saya. Jaminan yang munasabah adalah satu tahap jaminan yang tinggi, tetapi bukan satu jaminan bahawa audit yang dijalankan mengikut *The International Standards of Supreme Audit Institutions* akan sentiasa mengesan salah nyata yang ketara apabila ia wujud. Salah nyata boleh wujud daripada fraud atau kesilapan dan dianggap ketara sama ada secara individu atau agregat sekiranya boleh dijangkakan dengan munasabah untuk mempengaruhi keputusan ekonomi yang dibuat oleh pengguna berdasarkan penyata kewangan ini.

Sebagai sebahagian daripada pengauditan mengikut *The International Standards of Supreme Audit Institutions*, saya menggunakan pertimbangan profesional dan mengekalkan keraguan profesional sepanjang pengauditan. Saya juga:

- a. Mengetahui pasti dan menilai risiko salah nyata ketara dalam penyata kewangan Suruhanjaya Persaingan Malaysia, sama ada disebabkan fraud atau kesilapan, merangka dan melaksanakan prosedur audit yang responsif terhadap risiko berkenaan serta mendapatkan bukti audit yang mencukupi dan bersesuaian untuk memberikan asas kepada pendapat saya. Risiko untuk tidak mengesan salah nyata ketara akibat daripada fraud adalah lebih tinggi daripada kesilapan, kerana fraud mungkin melibatkan pakatan, pemalsuan, ketinggalan yang disengajakan, representasi yang salah, atau mengatasi kawalan dalaman.
- b. Memahami kawalan dalaman yang relevan untuk merangka prosedur audit yang bersesuaian tetapi bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman Suruhanjaya Persaingan Malaysia.
- c. Menilai kesesuaian dasar perakaunan yang diguna pakai, kemunasabahan anggaran perakaunan dan pendedahan yang berkaitan oleh Anggota Suruhanjaya.
- d. Membuat kesimpulan terhadap kesesuaian penggunaan asas perakaunan untuk usaha berterusan oleh Anggota Suruhanjaya dan berdasarkan bukti audit yang diperoleh, sama ada wujudnya ketidakpastian ketara yang berkaitan dengan peristiwa atau keadaan yang mungkin menimbulkan keraguan yang signifikan terhadap keupayaan Suruhanjaya Persaingan Malaysia sebagai satu usaha berterusan. Jika saya membuat kesimpulan bahawa ketidakpastian ketara wujud, saya perlu melaporkan dalam Laporan Juruaudit terhadap pendedahan yang berkaitan dalam penyata kewangan Suruhanjaya Persaingan Malaysia atau, jika pendedahan tersebut tidak mencukupi, pendapat saya akan diubah. Kesimpulan saya dibuat berdasarkan bukti audit yang diperoleh sehingga tarikh Laporan Juruaudit.
- e. Menilai sama ada keseluruhan persembahan termasuk pendedahan penyata kewangan Suruhanjaya Persaingan Malaysia memberi gambaran yang saksama.

Saya telah berkomunikasi dengan Anggota Suruhanjaya, antaranya mengenai skop dan tempoh pengauditan yang dirancang serta penemuan audit yang signifikan termasuk kelemahan kawalan dalaman yang dikenal pasti semasa pengauditan.

Laporan Mengenai Keperluan Perundangan dan Peraturan Lain

Berdasarkan keperluan Akta Suruhanjaya Persaingan 2010 (Akta 713), saya juga melaporkan bahawa pada pendapat saya, rekod perakaunan dan rekod lain yang dikehendaki Akta Suruhanjaya Persaingan 2010 (Akta 713) untuk disimpan oleh Suruhanjaya Persaingan Malaysia telah disimpan dengan sempurna menurut peruntukan Akta Suruhanjaya Persaingan 2010 (Akta 713).

Hal-hal Lain

Laporan ini dibuat untuk Anggota Suruhanjaya dan bukan untuk tujuan lain. Saya tidak bertanggungjawab terhadap pihak lain bagi kandungan laporan ini.



(MOHD NASRI BIN MOHD NASIR)

b.p. KETUA AUDIT NEGARA
MALAYSIA

PUTRAJAYA
21 OGOS 2018





**PENYATA PENERUSI DAN SEORANG ANGGOTA SURUHANJAYA
SURUHANJAYA PERSAINGAN MALAYSIA**

Kami DATUK CHE MOHAMAD ZULKIFLY BIN JUSOH dan MOHD HASSAN BIN AHMAD yang merupakan Pengerusi dan salah seorang Anggota Suruhanjaya SURUHANJAYA PERSAINGAN MALAYSIA dengan ini menyatakan bahawa, pada pendapat Anggota Suruhanjaya, Penyata Kewangan yang mengandungi Penyata Kedudukan Kewangan, Penyata Pendapatan, Penyata Perubahan Ekuiti 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 MALAYSIA pada **31 DISEMBER 2017** dan hasil kendaliannya serta perubahan kedudukan kewangannya bagi tahun berakhir pada tarikh tersebut.

Bagi pihak Lembaga,

Bagi pihak Lembaga,

DATUK CHE MOHAMAD ZULKIFLY BIN JUSOH
PENERUSI
SURUHANJAYA PERSAINGAN MALAYSIA

TARIKH: 14 0605 2018
TEMPAT: KUALA LUMPUR

MOHD HASSAN BIN AHMAD
ANGGOTA
SURUHANJAYA PERSAINGAN
MALAYSIA

TARIKH: 14 0605 2018
TEMPAT: KUALA LUMPUR



**PENGAKUAN OLEH KETUA PEGAWAI EKSEKUTIF
YANG BERTANGGUNGJAWAB KE ATAS PENGURUSAN KEWANGAN
SURUHANJAYA PERSAINGAN MALAYSIA**

Saya, ISKANDAR BIN ISMAIL, pegawai utama yang bertanggungjawab ke atas pengurusan kewangan dan rekod-rekod perakaunan SURUHANJAYA PERSAINGAN MALAYSIA dengan ikhlasnya mengakui bahawa Penyata Kedudukan Kewangan, 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 Aduan Berkanun, 1960.

Sebenarnya dan sesungguhnya)
diakui oleh penama di atas)
di KUALALUMPUR)
pada 14 AUG 2018)

.....
ISKANDAR BIN ISMAIL
PEMANGKU KETUA PEGAWAI EKSEKUTIF,
SURUHANJAYA PERSAINGAN MALAYSIA



**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.mycc.gov.my

MALAYSIA COMPETITION COMMISSION (MyCC)

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 RM	2016 RM
NON-CURRENT ASSETS			
Property, plant and equipment	6	919,240	1,066,940
Total Non-Current Assets		919,240	1,066,940
CURRENT ASSETS			
Deposits and pre-payments	7	216,576	207,450
Accrued interest		482,400	496,056
Other receivables		72,201	23,663
Cash and cash equivalents	8	19,431,100	23,031,854
Total Current Assets		20,202,277	23,759,023
TOTAL ASSETS		21,121,517	24,825,963
EQUITY			
Accumulated surplus		18,064,057	24,082,504
TOTAL EQUITY		18,064,057	24,082,504
NON-CURRENT LIABILITIES			
Deferred government grants		557,260	593,205
Total Non-Current Liabilities		557,260	593,205
CURRENT LIABILITIES			
Accruals and allocations		46,108	-
Creditors	9	2,454,092	150,254
Total Current Liabilities		2,500,200	150,254
TOTAL LIABILITIES		3,057,460	743,459
TOTAL EQUITY AND LIABILITIES		21,121,517	24,825,963

MALAYSIA COMPETITION COMMISSION (MyCC)**STATEMENT OF INCOME
FOR THE YEAR ENDING 31 DECEMBER 2017**

	Note	2017 RM	2016 RM
INCOME			
Allocation from the government	10	2,755,746	4,518,955
Fixed deposit interest	11	772,086	811,881
Exemption application fees		100,000	-
Bank interest		20,017	12,508
Seminar fees		417,648	57,226
Fines and penalties		152,042	674,882
Various contributions		2,500	-
Adjustment of payables written off		10,000	-
Total Income		4,230,039	6,075,452
EXPENDITURE			
Emoluments		4,161,571	3,223,398
Travel and accommodation		154,567	109,547
Utilities and communication		243,329	86,747
Rental		1,043,179	1,005,561
Depreciation	6	328,974	249,825
Administrative expenses	12	129,570	214,862
Services expenses		327,520	719,355
Salaries and allowances for Members		560,553	594,284
Entertainment, honoraria and contributions		38,947	46,790
Development expenditure	13	1,974,330	1,209,455
Development expenditure – Market Review and E-Learning Programme	14	1,285,946	106,795
Total Expenditure		10,248,486	7,566,619
Loss Before Tax		(6,018,447)	(1,491,167)
Income Tax	15	-	-
NETT LOSS		(6,018,447)	(1,491,167)

MALAYSIA COMPETITION COMMISSION (MyCC)**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 31 DECEMBER 2017**

	Accumulated Surplus RM
On 1 January 2016	25,573,671
Nett loss	(1,491,167)
Balance as at 31 December 2016	24,082,504
Nett loss	(6,018,447)
Balance as at 31 December 2017	18,064,057

MALAYSIA COMPETITION COMMISSION (MyCC)**STATEMENT OF CASH FLOW
FOR THE YEAR ENDING 31 DECEMBER 2017**

	2017	2016
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Nett loss	(6,018,447)	(1,491,167)
Adjustment:		
Depreciation	328,974	249,825
Fixed deposit interest and bank interest	(772,086)	(811,881)
NETT LOSS BEFORE WORKING CAPITAL CHANGES	(6,461,559)	(2,053,223)
(Increase) /Decrease in deposits and pre-payments	(9,125)	6,379
(Increase) / Decrease in other receivables	(48,538)	2,832
Increase in other payables	2,314,001	608,647
NETT CASH USED IN OPERATING ACTIVITIES	(4,205,221)	(1,435,365)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of property, plant and equipment	(181,274)	(231,585)
Interest received from fixed deposits and banks	785,741	425,318
NETT CASH FLOW FROM INVESTMENT ACTIVITIES	604,467	193,733
DECREASE IN NETT CASH AND CASH EQUIVALENTS	(3,600,754)	(1,241,632)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	23,031,854	24,273,486
CASH AND CASH EQUIVALENTS AT END OF YEAR	19,431,100	23,031,854
CASH AND CASH EQUIVALENTS REPRESENTED BY:		
Cash and bank balances	1,342,843	4,034,466
Fixed deposits	18,088,257	18,997,388
	19,431,100	23,031,854

MALAYSIA COMPETITION COMMISSION (MyCC)

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

- 1.1 The Malaysia Competition Commission (MyCC) was established on 1 April 2011 under the Competition Commission Act 2010 (Act 713). The Commission is an agency of the Ministry of Domestic Trade, Co-Operatives and Consumerism and is an independent body responsible for the enforcement of the Competition Act 2010. As at 31 December 2017, the Commission has 63 officers under its employ.
- 1.2 MyCC is based at Level 15, Menara SSM @ Sentral No.7, Jalan Stesen Sentral 5, 50623 Kuala Lumpur Wilayah Persekutuan.
- 1.3 MyCC's Financial Statements are for the period from 1 January 2017 to 31 December 2017.
- 1.4 All accounting policies are in accordance with basic accounting principles.
- 1.5 The Commission's functional currency is Ringgit Malaysia ("RM") and all operations and transactions are conducted in RM. For the purpose of these financial statements, all operations and transactions are recorded in.

2 Main Activity

The Commission's main functions comprise the implementation and enforcement of the provisions of the Competition Commission Act 2010, the issuance of guidelines related to competition law, support for all competition-related matters in the Malaysian economy or in specific economic sectors as well as to inform and educate the public on ways and means by which competition can bring benefit to consumers in particular and the economy of Malaysia in general.

MALAYSIA COMPETITION COMMISSION (MyCC)

NOTES TO THE FINANCIAL STATEMENTS

3 Disclosure of Financial Statements

The Financial Statements of the Malaysia Competition Commission for the year ended 31 December 2017 was approved by members of the Commission on 14 August 2018.

4 Significant Accounting Policies

4.1 Basis of Accounting

The Financial Statements of the Malaysia Competition Commission has been prepared based on the historical cost convention and in accordance with the Malaysian Private Entities Reporting Standard (MPERS) which had been approved by the Malaysian Accounting Standards Board (MASB).

4.2 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	20%

4.3 Depreciation of Assets

At each Balance Sheet date, all assets will be assessed for indications of impairment. If such indications exist, an estimation of the recoverable amount will be carried out. An impairment loss is recognised only when the carrying amount of an asset exceeds the recoverable cost of the asset.

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

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

MALAYSIA COMPETITION COMMISSION (MyCC)

NOTES TO THE FINANCIAL STATEMENTS

4 Significant Accounting Policies (continued)

4.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and in banks and fixed deposits in financial institutions.

4.5 Financial Assets

Financial assets are recognised in the financial position when the Commission becomes party to the contractual provisions of the instrument.

At the point of recognition, the financial assets are measured by transaction price, including cost of transaction for financial assets that are not measured at fair value through profit or loss, unless the agreement constitutes, in effect, a financing transaction on behalf of the counterparty to the arrangement.

After the initial recognition, the financial assets are classified into one of three categories: financial assets that are measured at fair value through profit or loss, financial assets as debt instruments measured at amortised cost and financial assets as equity instruments measured at cost less impairment.

4.6 Financial Liabilities

Financial liabilities are recognised in the financial position when the Commission becomes party to the contractual provisions of the instrument.

At the point of recognition, financial liabilities are measured by the cost of transaction, including transaction cost for liabilities not measured at fair value through profit or loss, unless the agreement constitutes, in effect, a financing transaction on behalf of the counterparty to the arrangement.

After the initial recognition, the financial liabilities are classified into one of three categories: financial assets that are measured at fair value through profit or loss, financial assets as debt instruments measured at amortised cost and financial assets as equity instruments measured at cost less impairment.

MALAYSIA COMPETITION COMMISSION (MyCC)

NOTES TO THE FINANCIAL STATEMENTS

4 Significant Accounting Policies (continued)

4.7 Impairment of Financial Assets

At each balance sheet date, the Commission will review the carrying amount of the financial assets to determine whether any indication of impairment is present. If any such indication exists, the impairment value is obtained by comparing the carrying values with their recoverable values. The recoverable amount is the higher of the net realisable value of the sale and its value as determined by using discounted cash flows. The recoverable amount will be determined for each asset, or if it cannot be determined, by the cash-generating unit owned by the asset.

Impairment losses are recognised in the income statement as an expense in the period in which they are incurred.

Reversal of asset impairment recognised in the previous year will be recorded if there is an indication that the previously recognised impairment no longer exists or has decreased. The reversal of the value will be recorded up to the actual amount of the asset as determined (nett of depreciation and amortisation of the value) if no depreciation has been recorded. Reversals are recorded directly into the statement of income.

4.8 Government Grant

Government grants that are not subject to fixed future performance requirements are measured at the fair value of the assets received or receivable and recognised in earnings when the grant is received.

Government grants that are subject to fixed future performance are recognised at fair value of income only when the performance requirements have been fulfilled. Government grants that are received before performance criteria are fulfilled are recognised as liabilities.

4.9 Income Recognition

The Malaysia Competition Commission has received from the Ministry of Domestic Trade, Co-operatives and Consumerism a budget of RM1,469,800 (2016: RM4,412,160) to cover its financial liabilities and an allocation of RM1,250,000 for development expenditure under the Eleventh Malaysia Plan, of which RM1,000,000 is allocated for a market review of the construction industry and RM250,000 for the E-Learning programme (2016:RM:700,000).

MALAYSIA COMPETITION COMMISSION (MyCC)

NOTES TO THE FINANCIAL STATEMENTS

4 Significant Accounting Policies (continued)

4.9 Income Recognition (continued)

Government allocations received for the purpose of management and development expenditures are made and accounted for as income when the grant conditions have been met.

Interest income is recognised based on time apportionment and effective rate over the maturity period

Exemption Application Fees received are from business entities applying for exemptions from the Competition Act 2010.

Bank interest income is recognised on an accrual basis.

Seminar fees received are from the implementation of the seminar programmes related to the Competition Act 2010

Income from fines and penalties includes financial penalties imposed on enterprises or companies for breach of conditions specified in the Competition Act 2010 (Act 712). The amount of financial penalties imposed will not exceed 10% of the enterprise or company during the period of the breach.

4.10 Employee Benefits

i. Short Term Benefits

Salaries, allowances, remuneration, incentive and contributions are recognised as expenses in the year of service of the employee.

ii. Fixed Contribution Plan

Employees Provident Fund (EPF) contributions are required by law in Malaysia. Contributions are recognised as an expense in the Statement of Income.

MALAYSIA COMPETITION COMMISSION (MyCC)

NOTES TO THE FINANCIAL STATEMENTS

4 Significant Accounting Policies (continued)

4.11 Financial Risks Management Policy

The Commission's financial risks policy seeks to ensure adequate financial and non-financial resources to perform its operations smoothly. The Commission will consider and assess financial management risks as and when they present themselves.

i. Interest Rate Risks

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

ii. Credit Risks

The Commission does not materially deal with transactions on credit and therefore is not exposed to credit risks.

iii. Foreign Exchange Risks

The Commission does not handle foreign exchange transactions and therefore is not exposed to foreign exchange risks.

iv. Liquidity Risks

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

v. Risk of Law Suits

Sub-section 3 (3) of the Competition Commission Act 2010 (Act 713) states that the Commission may be sued under its name while sub-section 3 (4) empowers the Commission to enter into contracts. The Commission may be subject to legal action by a third party if the Commission is in breach of contract or any procedure under Act 712 and Act 713.

MALAYSIA COMPETITION COMMISSION (MyCC)

NOTES TO THE FINANCIAL STATEMENTS

4 Significant Accounting Policies (continued)

4.12 Income Tax

After the five-year income tax exemption period from 2011 to 2015, the Malaysia Competition Commission is subject to income tax for income received in 2017.

4.13 Contingent Liability

There is a possibility of transferring economic benefits to third parties if an appeal is made against the decisions of the Commission. Accordingly, contingency information as required under Section 21 Contingent Liabilities is not disclosed on the grounds that it may affect the outcomes of legal proceedings.

4.14 Goods and Services Tax (GST)

All revenue, expenses and assets are recognised net of GST. GST amounts are unclaimed and recognised as an expense or part of the cost of acquisition of an asset.

4.15 Provisions for Liabilities

Provisions for liabilities are recognised when the Commission has current liabilities as a result of past events, and when an outflow of resources comprising economic benefits are required to settle the obligation and when an estimate of the amount can be made. The provisions are reviewed at the date of the financial statements and modified to reflect current best estimates. When the effect of time value of money is substantial, provisions are discounted using the current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financial cost. Provisions for restructuring costs are recognised in the period in which the Commission is authorised or committed to paying them.

MALAYSIA COMPETITION COMMISSION (MyCC)

NOTES TO THE FINANCIAL STATEMENTS

5 Accounting Estimates and Valuations

5.1 Accounting Estimates

The measurement of assets and liabilities requires the management to make estimates based on observations and assumptions that it deems fit. Among the factors that are subject to estimation uncertainties are in measuring:

i. Depreciation of Property, Plant and Equipment

Depreciated property, plants and equipment costs using the straight line or other methods affect the economic benefits acquired over the period of the life of the property, plant and equipment. Estimates are used in choosing the depreciation method, the useful life and residual value of the property, plant and equipment. The material economic benefits used from the property, plant and equipment may differ from those expected and this may affect the profit and loss if the property, plant and equipment are disposed of.

ii. Income Tax Computation

Consideration is important in determining the current and deferred tax of the Commission since the final tax for the Commission as a whole is uncertain. When the final tax payable has been determined by the tax authorities, there is a probability that the determined amount is different from the initial estimated tax payable. These differences can affect current tax and deferred taxes during the computation period. The Commission will take into account the difference in whether it has overpaid or underpaid the current tax in the period the difference is identified.

MALAYSIA COMPETITION COMMISSION (MyCC)
NOTES TO THE FINANCIAL STATEMENTS

6 Property, Plant and Equipment

	Motor Vehicles	Furniture & Office Equipment	Books	Computers	Total
	RM	RM	RM	RM	RM
Cost					
Balance at 1 January 2017	669,366	254,434	276,313	867,479	2,067,592
Addition / (Reduction)	-	3,300	-	177,974	181,274
Balance at 31 December 2017	669,366	257,734	276,313	1,045,453	2,248,866
Accumulated Depreciation					
Balance at 1 January 2017	512,883	90,989	96,810	299,970	1,000,652
Depreciation in the current year	66,479	25,774	27,631	209,090	328,974
Balance at 31 December 2017	579,362	116,763	124,441	509,060	1,329,626
Nett Book Value	90,004	140,971	151,872	536,393	919,240

MALAYSIA COMPETITION COMMISSION (MyCC)
NOTES TO THE FINANCIAL STATEMENTS

6 Property, Plant and Equipment (continued)

	Motor Vehicles	Furniture & Office Equipment	Books	Computers	Total
	RM	RM	RM	RM	RM
Cost					
Balance at 1 January 2017	519,366	240,836	279,383	796,422	1,836,007
Addition / (Reduction)	150,000	13,598	(3,070)	71,057	231,585
Balance at 31 December 2017	669,366	254,434	276,313	867,479	2,067,592
Accumulated Depreciation					
Balance at 1 January 2017	402,040	65,546	70,019	213,222	750,827
Depreciation in the current year	110,843	25,443	26,791	86,748	249,825
Balance at 31 December 2017	512,883	90,989	96,810	299,970	1,000,652
Nett Book Value	156,483	163,445	179,503	567,509	1,066,940

MALAYSIA COMPETITION COMMISSION (MyCC)

NOTES TO THE FINANCIAL STATEMENTS

	2017	2016
	RM	RM
7 Deposits and Pre-Payments		
Electricity deposit	73,931	71,850
Other deposits and collaterals	142,622	131,380
Pre-payments	23	4,220
Total deposits and pre-payments	216,576	207,450

	2017	2016
	RM	RM
8 Cash and Cash Equivalents		
(a) Cash and Bank Balance		
Cash in hand	2,701	3,210
CIMB current account (Operating)	449,050	3,172,347
CIMB current account (Development)	891,092	858,909
	1,342,843	4,034,466
(b) Fixed Deposits		
Bank Kerjasama Rakyat Malaysia	13,943,961	14,472,047
Malaysia Building Society Berhad	4,144,296	4,525,341
	18,088,257	18,997,388
Cash and cash equivalents	19,431,100	23,031,854

	2017	2016
	RM	RM
9 Receivables		
Receivables – Others	181,892	150,254
Receivables - MyEG	2,272,200	-
Total receivables	2,454,092	150,254

Receivables amounting to RM2,272,200 is the fine imposed on MyEG.

MALAYSIA COMPETITION COMMISSION (MyCC)
NOTES TO THE FINANCIAL STATEMENTS

	2017	2016
	RM	RM
10 Receipts from Government		
Management grant	1,469,800	4,410,000
Development grant	1,285,946	106,795
Price distribution programme	-	2,160
	<u>2,755,746</u>	<u>4,518,955</u>

	2017	2016
	RM	RM
11 Interest from Fixed Deposits		
Bank Kerjasama Rakyat Malaysia	568,619	524,977
Malaysia Building Society Berhad	203,467	230,636
HwangDBS Investment Bank Berhad	-	56,267
	<u>772,086</u>	<u>811,881</u>

The interest rate for fixed deposits is between 3.45% - 4.30% and the tenure is between one day to 12 months.

	2017	2016
	RM	RM
12 Administrative Expenses		
Petrol/Fuel	38,106	27,550
Office expenses	91,464	187,312
	<u>129,570</u>	<u>214,862</u>

	2017	2016
	RM	RM
13 Development Expenditure		
Capacity development training	445,231	642,092
Advocacy programmes	482,721	193,096
Enforcement and investigations	129,790	3,250
Media and communications planning	625,113	278,539
Legislation	110,993	92,478
Research (Guidelines/Market Study)	22,892	-
ICT and website development	157,590	-
	<u>1,974,330</u>	<u>1,209,455</u>

MALAYSIA COMPETITION COMMISSION (MyCC)
NOTES TO THE FINANCIAL STATEMENTS

	2017	2016
	RM	RM
14 Development Expenditure – Market Review and E-Learning Programme		
Pharmaceutical market review	442,769	106,795
Construction market review	593,177	-
E-Learning Programme	250,000	-
	<u>1,285,946</u>	<u>106,795</u>

15 Income Tax

Adjustment of income tax expenses on pre-tax loss at statutory income tax rate to effective income expense of the Commission for the year ended 31 December 2017 and the difference for the previous year is as follows:

	2017	2016
	RM	RM
Loss before tax	(6,018,447)	(1,491,167)
Tax at statutory income rate	(1,444,427)	(357,880)
Non-deductible expenses	78,954	59,958
Deductible business expenses	<u>1,365,473</u>	<u>297,922</u>
	<u>-</u>	<u>-</u>

16 Key Management Personnel

Key management personnel are those who have the authority and responsibility to plan, direct and control the activities of the Commission directly and indirectly.

The amount of emoluments and allowances for the key management personnel for the year ended 31 December 2017 and the difference for the previous year is as follows:

	2017	2016
	RM	RM
Total emoluments and allowances	<u>687,936</u>	<u>734,833</u>
	<u>687,936</u>	<u>734,833</u>

MALAYSIA COMPETITION COMMISSION (MyCC)**NOTES TO THE FINANCIAL STATEMENTS****17 Legal Case**

The Commission filed an application for a judicial review of the decision of the Competition Appeal Tribunal on 3 May 2016 on the Malaysian Airline System Berhad and AirAsia Berhad case. The date for the hearing has been fixed for 22 and 23 October 2018.

MyEG's appeal against the decision of the Commission was dismissed by the Competition Appeal Tribunal on 28 December 2017. MyEG has 60 days from the date of the decision to pay the fine or to comply with the instructions of the Commission as adjudged by the Tribunal. However, the Commission has granted an extension for the payment of the fines and penalties to on or before 2 July 2018. The judicial review hearing has been set for 27 August 2018.

| Notes

| Notes



SURUHANJAYA PERSAINGAN MALAYSIA
MALAYSIA COMPETITION COMMISSION

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