



**SURUHANJAYA PERSAINGAN MALAYSIA**  
**MALAYSIA COMPETITION COMMISSION**



Promoting  
**Competition,**  
Protecting  
**You**

**ANNUAL  
REPORT  
2018**



The human mind is the most valuable asset underlying MyCC's efforts to help Malaysian businesses thrive. Unlocking the innovation and creativity of the next generation is key to the opening of opportunities for us in shaping the future. This idea is expressed in modern graphical visuals, which displays a geodesic dome that signifies the encompassing role of MyCC in safeguarding a competitive environment for local businesses.

## COVER RATIONALE

## CONTENTS

### 1. MINISTER'S FOREWORD

---

### 2. CHAIRMAN'S MESSAGE

---

### 3. CHIEF EXECUTIVE OFFICER'S MESSAGE

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### 4. CORPORATE INFORMATION

- Introduction 08
  - Vision and Mission 08
  - Functions and Powers of the MyCC under the Competition Commission Act 2010 (Act 713) 09
  - Scope of the Competition Act 2010 (Act 712) 10
  - Main Prohibitions under the Act 712 11
  - The MyCC as Quasi – Judicial Body 13
  - MyCC's Working Committee and Special Committee on Competition 14
- 

### 5. TOP MANAGEMENT

- MyCC's Organisation Chart 17
  - Members of the Commission 18
- 

### 6. MILESTONES SINCE FORMATION 25

---

### 7. 2018 MAJOR ACHIEVEMENTS

- Investigations and Enforcement 29
  - Advocacy Programmes 33
  - International Programmes 45
  - Publicity and Public Relations 51
- 

### 9. FINANCIAL STATEMENTS 54

# MINISTER'S FOREWORD

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THE EXISTENCE AND CONTINUOUS EFFORTS TO EMPOWER THE AGENCY WITH GREAT POTENTIAL SUCH AS MYCC PROVE THAT THE GOVERNMENT IS VERY SERIOUS AND COMMITTED IN ITS EFFORTS TO CREATE A CONDUCIVE AND COMPETITIVE BUSINESS ENVIRONMENT IN MALAYSIA.

”

**Datuk Seri Saifuddin  
Nasution Ismail**

Minister of Domestic Trade and  
Consumer Affairs



## MINISTER'S FOREWORD

Malaysia began enforcing the Competition Act 2010 (Act 712) on 1 January 2012 with the establishment of the Malaysia Competition Commission (MyCC). Today, MyCC is one of the key agencies under the Ministry of Domestic Trade and Consumer Affairs (MDTCA) which regulates the country's competitive ecosystem to ensure that the people benefit from the continuous improvement and prosperity of the nation's economy.

The core provisions contained in Act 712 is the same as most other countries with similar laws, with the exception of provisions relating to mergers and acquisitions. MyCC has taken significant steps to improve the Act to include provisions relating to mergers and acquisitions and the process is expected to be finalised by 2020.

The existence and continuous efforts to empower the agency with great potential such as MyCC prove that the Government is very serious and committed in its efforts to create a conducive and competitive business environment in Malaysia. At the same time, it reflects the Government's concern in providing more protection to consumers. MyCC is certainly seen as very relevant in assisting the Government to address the issues of cartels and monopolies in the local market especially in terms of abuse of dominant power by large companies. This is in line with the Government's commitment to help ease the burden of the people in handling and managing the cost of living.

Amid the transformations and disruptions brought about by the Fourth Industrial Revolution (4IR) involving all stakeholders, including individuals, Government and businesses, Malaysia has improved its position to 25<sup>th</sup> in the Global Competitiveness Index report conducted by the World Economic Forum. This yearly updated report is crucial in

helping policy makers, business leaders and other stakeholders around the world to shape their economic strategies. This shows that the Government is on the right track in building a competitive and sustainable economy in the future while improving the living standards of the people.

Another positive signal for the Government is to see Malaysia maintained its position on top 30 among 190 economies around the world, as reported in the World Bank Doing Business 2018 Report. This proves that the ongoing reform initiatives are on track to improve the competitiveness, productivity and governance to ease doing business and promote investment, which is believed to accelerate economic development and improve the welfare of the people and the country.

In addition, the prosperity of this competitive and optimistic country demonstrates the importance of MyCC's role in the country as healthy and fair competition is a backbone to Malaysian business entities especially Small and Medium Enterprises (SMEs) where it helps and provides them with opportunities to evolve and innovate. The implementation of Act 712 by the MyCC is believed to have contributed significantly to enhancing the country's competitiveness through efforts to eradicate anti-competitive behaviour and to help promote world-class business practices while facilitating the country's rapid economic growth.

MDTCA, as the Ministry which responsible in ensuring that consumers are protected and enterprises operate efficiently, innovatively and competitively, will continue to strengthen cooperation with MyCC in ensuring healthy and fair competition in the market for the benefit of enterprises, consumers and nation.



# CHAIRMAN'S MESSAGE

“

IN 2018, THE MYCC HAD ORGANISED MORE THAN 20 ADVOCACY AND ENGAGEMENT PROGRAMMES WITH THE PUBLIC AND PRIVATE SECTORS TO INCREASE THE LEVEL OF AWARENESS ESPECIALLY AMONGST ENTERPRISES ON THE IMPORTANCE OF FAIR COMPETITION IN THE MARKET.

”

**Dato' Seri Mohd  
Hishamudin Md Yunus**

Chairman



## CHAIRMAN'S MESSAGE

The Malaysia Competition Commission (MyCC) was established in mid-2011 as a regulatory body tasked with ensuring a fair and conducive process for competition in the country. Over the years since its formation, MyCC have faced and overcome many challenges and raised the awareness among businesses as well as the society at large pertaining to the importance of complying with the Competition Act 2010. MyCC, an agency under the Ministry of Domestic Trade and Consumer Affairs (MDTCA) has been fostering fair competition among Malaysians through its numerous investigations and advocacy programmes. To date, MyCC remains as the Government's vital focal point on matters related to competition.

In 2018, the MyCC had organised more than 20 advocacy programmes involving the public and private sectors to increase the level of awareness especially amongst enterprises on the importance of fair competition in the market. As part of its mandate, the MyCC had also conducted investigations against several enterprises suspected of abusing their dominant positions and price fixing. MyCC successfully issued a Proposed Decision against Dagang Net Technologies for abusing its dominant position and issued out a Final Decision to seven tuition and day care centres for collusion in price fixing.

While being a monopoly is not an offence under the Competition Act 2010, abuse of dominant position is an infringement under this Act. In this new era, issues on abuse of dominant position is placed at the highest level of priority by the MyCC. Consequently, the

MyCC was appointed to be part of the National Cost of Living Action Council (NACCOL) and *Jawatankuasa Kajian Semula Dasar Monopoli Barangan dan Perkhidmatan* in order to access and advice the Government on issues related to monopoly.

The MyCC is actively engaged with various competition authorities worldwide on discussions regarding multiple aspects of competition including mergers and acquisitions (M&A). The Commission is currently studying for a comprehensive amendment to be made to the Competition Commission Act 2010 and the Competition Act 2010 in order to bolster its function and powers that includes mergers control regime.

In cognisance of the current borderless business landscape, the Commission is equipping itself with new and dynamic strategies that will help ensure effective enforcement and a competitive business environment in Malaysia. The Commission is consistently steadfast in realising its mission to be the leading competition authority in Malaysia through efficient and effective implementation of its mandate, with a commitment towards ensuring a conducive and fair competition culture that makes markets work well for consumers, businesses and the economy.

# CHIEF EXECUTIVE OFFICER'S MESSAGE

“

TO MARK ITS 7<sup>TH</sup> ANNIVERSARY, THE MYCC CONDUCTED A SERIES OF ROAD TOURS WITH THE THEME #BEBASKARTEL, THAT AIMED AT CREATING AWARENESS AMONG INDUSTRY PLAYERS AND THE PUBLIC IN GENERAL ABOUT MYCC'S ROLE AND ITS FUNCTIONS.

”

**Encik Iskandar Ismail**

Chief Executive Officer





## CHIEF EXECUTIVE OFFICER'S MESSAGE

The Competition Act 2010 (Act 712), which came into force on 1 January 2012 aims to facilitate the country's economic development through a fair competition process. For seven years, MyCC has faced many challenges in optimising the Act especially in resolving issues on competition. MyCC will require time to inculcate understanding among stakeholders and public in regards to the Act's relevance towards Malaysia's economic growth.

Over the years since the Act came into force, the MyCC has organised various advocacy activities in order to create more awareness amongst the public especially the stakeholders comprising sector regulators, Small and Medium Enterprises (SMEs), academicians, students, professional bodies, business associations, practitioners as well as Government agencies and ministries.

To mark its 7<sup>th</sup> Anniversary, the MyCC conducted a series of road tours with the theme #BebasKartel, that aimed at creating awareness among industry players and the public in general about MyCC's role and its functions. MyCC also took different approach to engage with the public by organising several contests such as essay writing competition, choral speaking, photography contest and a cycling contest, the 'MyCC Cycle Cyberjaya - Kayuh Kaw Kaw 2018', as an effort to create higher level of awareness on competition laws.

To further strengthen its role, the MyCC has embarked on a staff exchange programme with other competition authorities in an effort to address competition issues and to share knowledge and expertise. This year, MyCC has engaged with the Australian Competition and Consumer Commission (ACCC) and plans to participate in attachment programmes with other competition authorities on a yearly basis.

MyCC places special emphasis on the importance of local and international capacity building to develop best practices and enhance competencies for its workforce and at the same time develop experts on competition law in strengthening and enhancing the enforcement regime in Malaysia.

I believe that MyCC will be able to overcome new challenges. The lists of cases administered from all sectors portray a high level of adaptability and dedication by MyCC's young and dynamic workforce. Since January 2012, the MyCC has solved 362 out of 403 complaints received from the general public.

As we look ahead to the next decade, we are mindful to ensure that the role and mission of the MyCC remains relevant to its vision and mission. I believe that the MyCC will become among the country's best and most active enforcement agencies. MyCC will continue to be diligent until fair competition practices is robustly implemented in our country's development plan.

# INTRODUCTION

**The Malaysia Competition Commission (MyCC)** was established on 1 April 2011 as the enforcement authority for the Competition Act 2010 (Act 712). The Act was designed to foster sustainable economic development through **enhancing efficiency, innovation and competitive entrepreneurship**. Ultimately, the objective is to ensure more competitive pricing, better quality products and wider choices in the market for consumers in the protection of their rights and interests.



# FUNCTIONS AND POWERS OF THE MyCC UNDER THE **COMPETITION COMMISSION ACT 2010 (ACT 713)**



## **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 competition laws; and
- To educate the public, businesses 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 MyCC;
- To conduct programmes in the course of performing the functions of the MyCC;
- To collaborate with any other organisations or Government agencies for the purpose of performing the MyCC's functions; and
- To require the furnishing of information by enterprises to assist the MyCC in the performance of its functions.

# SCOPE OF THE COMPETITION ACT 2010 (ACT 712)

The Act 712 covers all commercial activities conducted within and outside Malaysia which has an effect on competition in any market in Malaysia.

Activities that are excluded and not covered within the scope of the Act 712 are:

01

Activities that involve an exercise of Governmental authority

04

Agreements or conducts that are in compliance with any law

02

Activities which are conducted based on the principle of solidarity

05

Collective bargaining activities or collective agreements on behalf of employees between employers and trade union

03

Purchase of goods or services not for the purposes of re-sale or re-supply

06

Services involving general economic interest, which cover public utilities, or having the character of a revenue-producing monopoly



**The Act does not apply to commercial activities which are regulated under:**



Communications  
and Multimedia  
Act 1998



Energy  
Commission  
Act 2001



Petroleum  
Development  
Act 1974



Petroleum  
Regulations  
1974



Malaysian  
Aviation  
Commission  
Act 2015

# MAIN PROHIBITIONS UNDER THE COMPETITION ACT 2010 (ACT 712)

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



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 (e.g cartel), is one by which enterprises collectively agreed not to compete or to collaborate with another to reduce competition and distort market forces.



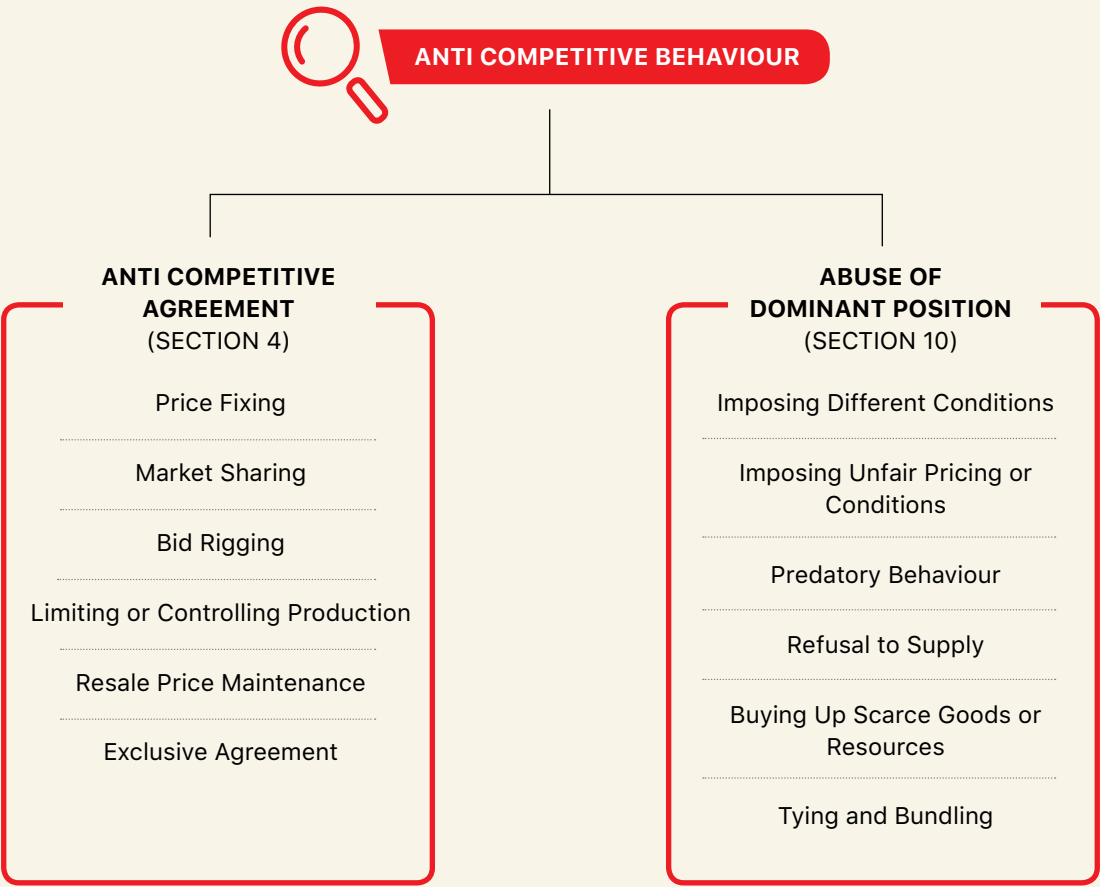
An enterprise, that has a market share of more than 60% is considered to be in a dominant position in its particular market .

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 that could adversely affect the interests of consumers.



# MAIN PROHIBITIONS UNDER THE **ACT 712**

## EXAMPLES OF INFRINGEMENT UNDER ACT 712



### FINANCIAL PENALTY

If the MyCC determines that there has been an infringement of Act 712, an enterprise can be imposed a financial penalty of up to a maximum of **10%** of its worldwide turnover and directed to comply with any other direction as the MyCC deems appropriate to bring the infringement to an end.

# THE MyCC AS **QUASI – JUDICIAL BODY**



—  
**MyCC  
CONDUCTS  
INVESTIGATION**



—  
**MyCC  
MAKES  
DECISION**



—  
**MyCC  
ENFORCES  
THE DECISION**

# MyCC's **WORKING COMMITTEE**

MyCC has established five working committees to assist and carry out its core functions. Each committee is spearheaded by a member of the Commission which comprises representatives from relevant public and private sectors. The committees are as follows :



# SPECIAL COMMITTEE ON COMPETITION

The Special Committee on Competition is chaired by the MyCC and comprises of the Malaysian Communications and Multimedia Commission (MCMC), Land Public Transport Agency (APAD), Central Bank of Malaysia (BNM), Energy Commission (EC), National Water Services Commission (SPAN), Securities Commission (SC), Malaysian Aviation Commission (MAVCOM) and Intellectual Property Corporation of Malaysia (MyIPO). The committee held a meeting on 14 December 2018 to discuss various issues affecting competition in markets involving different sectors that include telecommunications, land public transport, finance, electricity and water supply, aviation and intellectual property.



**SURUHANJAYA PERSAINGAN MALAYSIA**  
MALAYSIA COMPETITION COMMISSION



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA



**SURUHANJAYA  
PENGANGKUTAN AWAM DARAT**  
**SPAD**  
LAND PUBLIC TRANSPORT  
COMMISSION



**Suruhanjaya Sekuriti**  
Securities Commission  
Malaysia



**SPAN**  
Suruhanjaya Perkhidmatan Air Negara  
[www.span.gov.my](http://www.span.gov.my)



**Malaysian  
Aviation Commission**  
Suruhanjaya Penerbangan Malaysia



**Perbadanan Harta Intelek Malaysia**  
Intellectual Property Corporation of Malaysia  
[www.myipo.gov.my](http://www.myipo.gov.my)

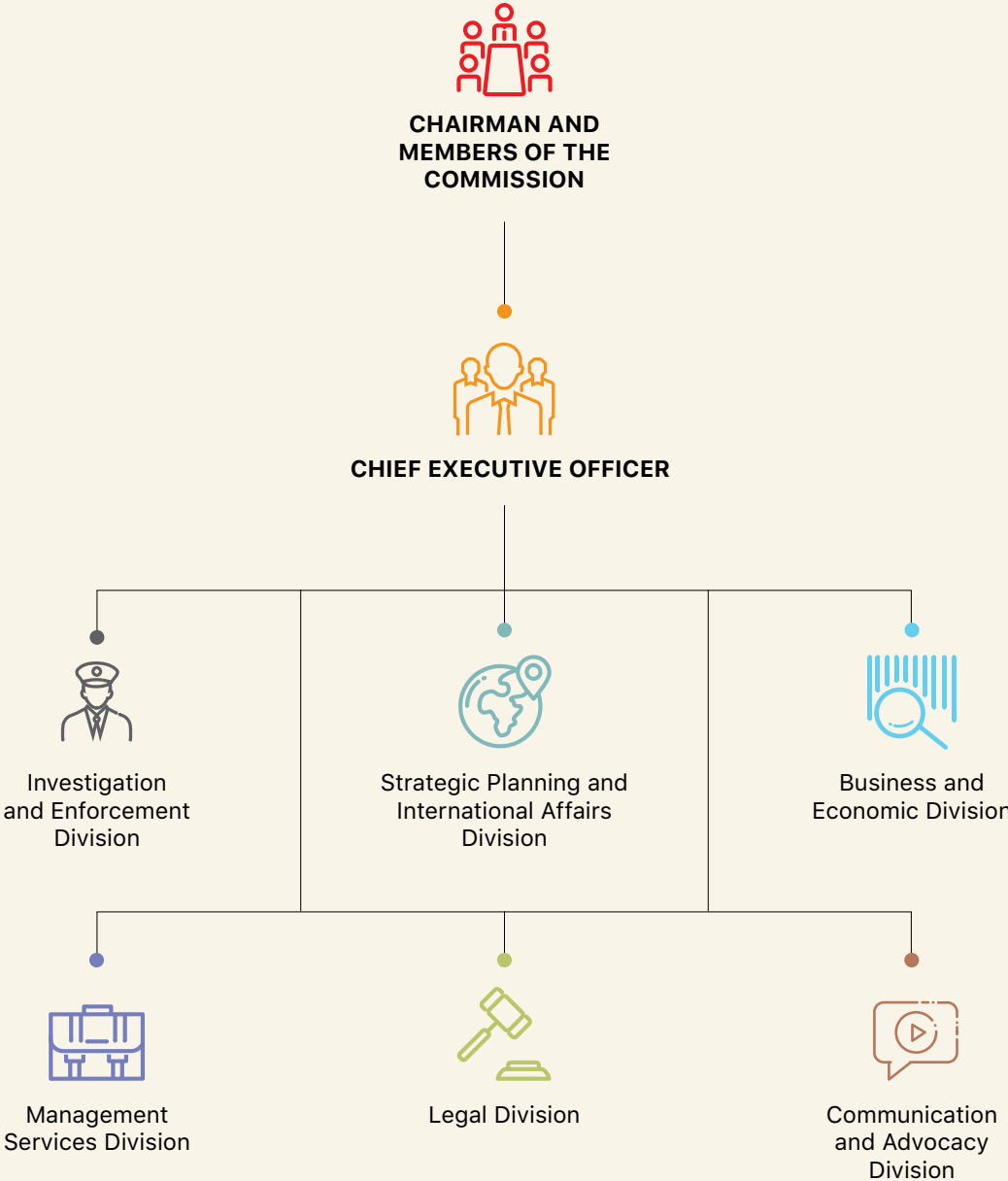


# TOP MANAGEMENT





# MyCC's ORGANISATION CHART



# MEMBERS OF THE COMMISSION



- 1 DATO' SERI MOHD HISHAMUDIN MD YUNUS
- 2 DATUK TAY LEE LY
- 3 DATIN SERI RUZAINA WAN HANIFF
- 4 DATO' JAGJIT SINGH BANT SINGH



- 5** DATO' IR HJ MOHD JAMAL SULAIMAN
- 6** MOHD HASSAN AHMAD
- 7** DR NASARUDIN ABDUL RAHMAN
- 8** PROFESSOR DR SAADIAH MOHAMAD

## MEMBERS OF THE **COMMISSION**

The membership of the Commission comprises a chairman, four Government and three 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 and Consumer Affairs (MDTCA). Commission members are appointed for a term (three years) and may be re-elected as long as the appointment is not more than two consecutive terms.

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

### **DATO' SERI MOHD HISHAMUDIN MD YUNUS**

Dato' Seri Mohd Hishamudin Md Yunus who is a law graduate from the University of London has served as the Malaysian Court of Appeal Judge, Chief Registrar of the Supreme Court, Senior Federal Counsel and the President of the Sessions Court. With 45 years of legal experience, he has also obtained the International Commercial Arbitration certification from the Chartered Institute of Arbitrators, United Kingdom. During his service in the High Court, he has written more than 750 judgments which have been reported in the legal journals.

He has also served as a legal advisor to the Ministry of Primary Industry and a spokesman for rubber producing countries at the Natural Rubber Agreement Negotiations in Switzerland. He has also served as the Head of Delegation for the International Bar Association's Human Right Institute (IBAHRI) to South Africa before becoming the Arbitrator at the Kuala Lumpur Regional Centre for Arbitration.

## MEMBERS OF THE **COMMISSION**

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### **DATIN SERI RUZAINA WAN HANIFF**

Datin Seri Ruzaina Wan Haniff 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, she 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.

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### **DATO' JAGJIT SINGH BANT SINGH**

Dato' Jagjit Singh Bant Singh 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 legal, 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 was 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'.



## MEMBERS OF THE **COMMISSION**

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### **DATUK TAY LEE LY**

Datuk Tay Lee Ly obtained her LLB (Hons) degree from the University of Malaya in 1988 and Masters in International Legal Studies from the University of Nottingham, Malaysia in 2010. She is currently the Legal Advisor of the Ministry of Domestic Trade and Consumer Affairs (MDTCA). As the Legal Advisor of MDTCA, she is also the head of the Legal Division of MDTCA and has been involved in the drafting of many legislation under the supervision of MDTCA.

She has served in the Judicial and Legal Service for almost 30 years. Before serving as the Legal Advisor of MDTCA, she had served in various positions, such as, Chairman of Industrial Court Malaysia in Kuala Lumpur, Legal Advisor to the Ministry of Works, Ministry of Plantation Industries and Commodities and Economic Planning Unit in the Prime Minister's Department, Magistrate in the Petaling Jaya Court, Deputy Public Prosecutor, Senior Assistant Parliamentary Draftsman and Senior Federal Counsel in the Attorney General's Chambers.

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### **PROFESSOR DR SAADIAH MOHAMAD**

Prof. Dr. Saadiah Mohamad 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 PhD 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. She was also the first Director of the World Islamic Economic Forum of the WIFE-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.

## MEMBERS OF THE **COMMISSION**

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### **MOHD HASSAN BIN AHMAD**

Mohd Hassan Ahmad 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.

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### **DR NASARUDIN ABDUL RAHMAN**

Dr Nasarudin Abdul Rahman 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 subsequently 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 authoring many other published articles on Malaysian competition law and policy. Before joining IIUM, he was an advocate and solicitor of the High Court of Malaya. Currently, he teaches company law at undergraduate level and specialises in competition policy and law, industrial relations and Islamic banking.

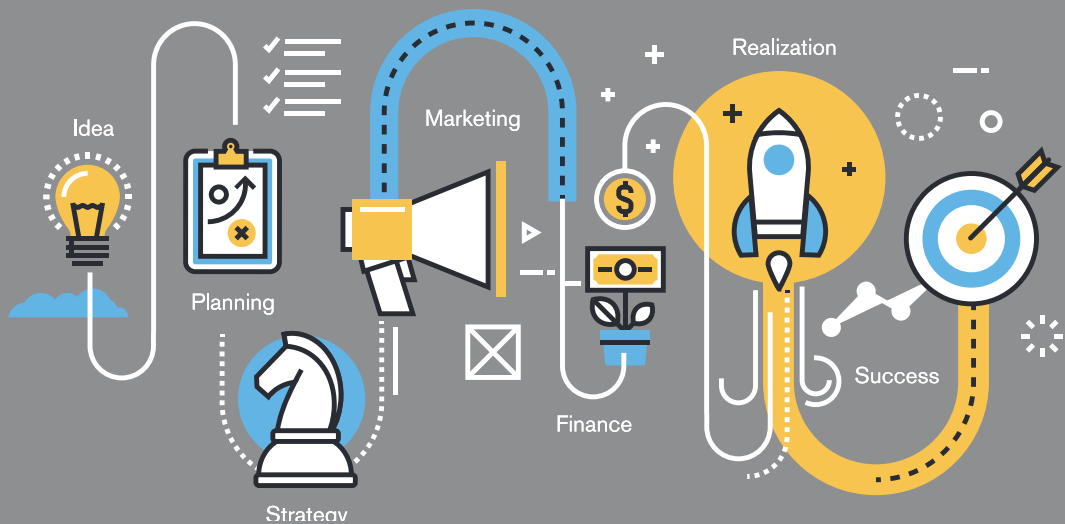
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### **DATO' IR. HJ. MOHD JAMAL SULAIMAN**

Dato' Ir Hj Mohd Jamal Sulaiman holds a qualification in civil engineering from the University of Salford, United Kingdom. He began his career as a Civil Engineer in July 1981 and was placed in the Malaysian Public Works Department (JKR) in Pahang State. During his 36 years of service, he has served in various posts and agencies such as the Economic Planning Unit, Hulu Selangor District Water Supply Department, JKR Selangor State.

He was also a Director of Policy and Corporate Management from 2014 until January 2017 and prior to his retirement later that year, he was appointed as Senior Director of General of Works (Building Sector) at JKR. He was twice awarded Excellent Service Award as well as JKR Special Achievement Award 2010 during the span of his public service career.

# MILESTONES



# MILESTONES SINCE FORMATION

2010

**APRIL**

- Approval of the new policy and bill.

**JUNE**

- Act 712 and Act 713 received Royal Assent.
- Act 712 and Act 713 was gazetted.

2011

**APRIL**

- Formation of MyCC and commencement of operations.

2012

**JANUARY**

- Act 712 came into force.

**MAY**

- Guidelines on Complaint Procedures, Market Definition, and Prohibitions (Anti-Competitive Agreements) was published.

**JULY**

- Launched MyCC's Handbook for General Public.
- Guidelines on Prohibitions (Abuse of Dominant Position) was published.

**OCTOBER**

- Issuance of Proposed Decision against Cameron Highlands Floriculturists Association (CHFA) for infringing Section 4(2)(a) of Act 712.

**DECEMBER**

- Issuance of Final Decision against CHFA.
- Launched MyCC Research Grant Programme (RGP).

2013

**JANUARY**

- Official opening of MyCC headquarters in KL Sentral.

**JULY**

- Completion of MyCC's Market Review on the fixing of prices by professional bodies in Malaysia.
- Conducted a baseline study on awareness of the Competition Act 2010.

**SEPTEMBER**

- Launching of 'Competition Act 2010: A Guide for Business'.
- Issuance of Proposed Decision against Malaysia Airline System Berhad, AirAsia Berhad and AirAsia X Sdn Bhd for market sharing which infringed Section 4(2)(b) of Act 712.
- Issuance of interim measures against the Pan Malaysian Lorry Owners Association (PMLOA) for price fixing.
- Launched 'Competition Act 2010: Compliance Guidelines'.
- Organised the first MyCC Competition Law Conference.

**NOVEMBER**

- Issuance of Proposed Decision against Megasteel Sdn Bhd for abusing its dominant position for the infringement with section 10 (1) of Act 712.

## MILESTONES SINCE FORMATION

2014

- MARCH**
  - Completion of MyCC's market review on domestic broiler.
  - Issuance of Final Decision against Malaysia Airline System Berhad, AirAsia Berhad and AirAsia X Sdn Bhd.
- MAY**
  - MyCC accepted undertaking from PMLOA.
- JUNE**
  - Launched 'Guidelines for Fighting Bid Rigging in Public Procurement' and 'Help Us to Detect Bid Rigging'.
- OCTOBER**
  - MyCC received undertaking from Giga Shipping Sdn Bhd (Giga Shipping) and Nexus Mega Carriers Sdn Bhd (Nexus Mega).
  - Publication of 'Guidelines on Financial Penalty and Leniency Regime'.

2015

- JANUARY**
  - Issuance of Final Decision against 24 ice manufacturers for infringing Section 4(2)(a) of Act 712.
- FEBRUARY**
  - Issuance of Final Decision against Sibü Confectionery and Bakery Association for infringing Section 4(2)(a) of Act 712.
- JUNE**
  - Issuance of Proposed Decision on five container depot operators for price fixing in contravention of Section 4(1), of Act 712.
- AUGUST**
  - MyCC issued warning to nursery, nanny and kindergarten associations on fixing its scale of fees.
- OCTOBER**
  - Issuance of Proposed Decision against MyEG Services Berhad for abusing its dominant position for the infringement of Section 10(2) (d) of Act 712.
  - MyCC received undertaking from Malaysia Heavy Construction Equipment Owners Association (MHCEOA).
- NOVEMBER**
  - MyCC signed Memorandum of Understanding (MoU) with six institutions of higher learning.

2016

- JUNE**
  - Issuance of Final Decision against Containerchain (M) Sdn Bhd. and four container depot operators in Penang for the infringement of Section 4(1) of Act 712.
  - Issuance of Final Decision against MyEG Services Berhad.
  - MyCC received undertaking from Containerchain Malaysia Sdn Bhd.

# MILESTONES SINCE FORMATION

2017

- MARCH**
  - The Competition Appeal Tribunal dismissed the appeal of Prompt Dynamics Sdn Bhd on cartel activities.
  - MyCC organised Malaysia Competition Conference 2017 with the theme Competition Law: Breaking Norms, Managing Change.
- SEPTEMBER**
  - MyCC received undertaking from 13 sand suppliers from Kelantan who had breached Section 4(2)(a) of Act 712.
- DECEMBER**
  - Completion of market review on pharmaceutical sector and building materials in the construction industry under Act 712.
  - The Competition Appeal Tribunal dismissed the appeal of MyEG Services Berhad and MyEG Commerce Sdn Bhd against the decision of MyCC

2018

- FEBRUARY**
  - Issuance of Proposed Decision against seven tuition and day care centres for the infringement of section 4(2)(a) of Act 712.
- JULY**
  - Issuance of Proposed Decision against Dagang Net for abuse of dominant position for the infringement of section 10(1) and section 10(2)(c) of Act 712.
- OCTOBER**
  - Issuance of Final Decision on seven tuition and day care centres.
- NOVEMBER**
  - Signing of MoU between MyCC and Universiti Utara Malaysia (UUM).
- DECEMBER**
  - The High Court upheld the MyCC’s decision against Malaysian Airline System Berhad, AirAsia Berhad and AirAsia X Sdn Bhd.



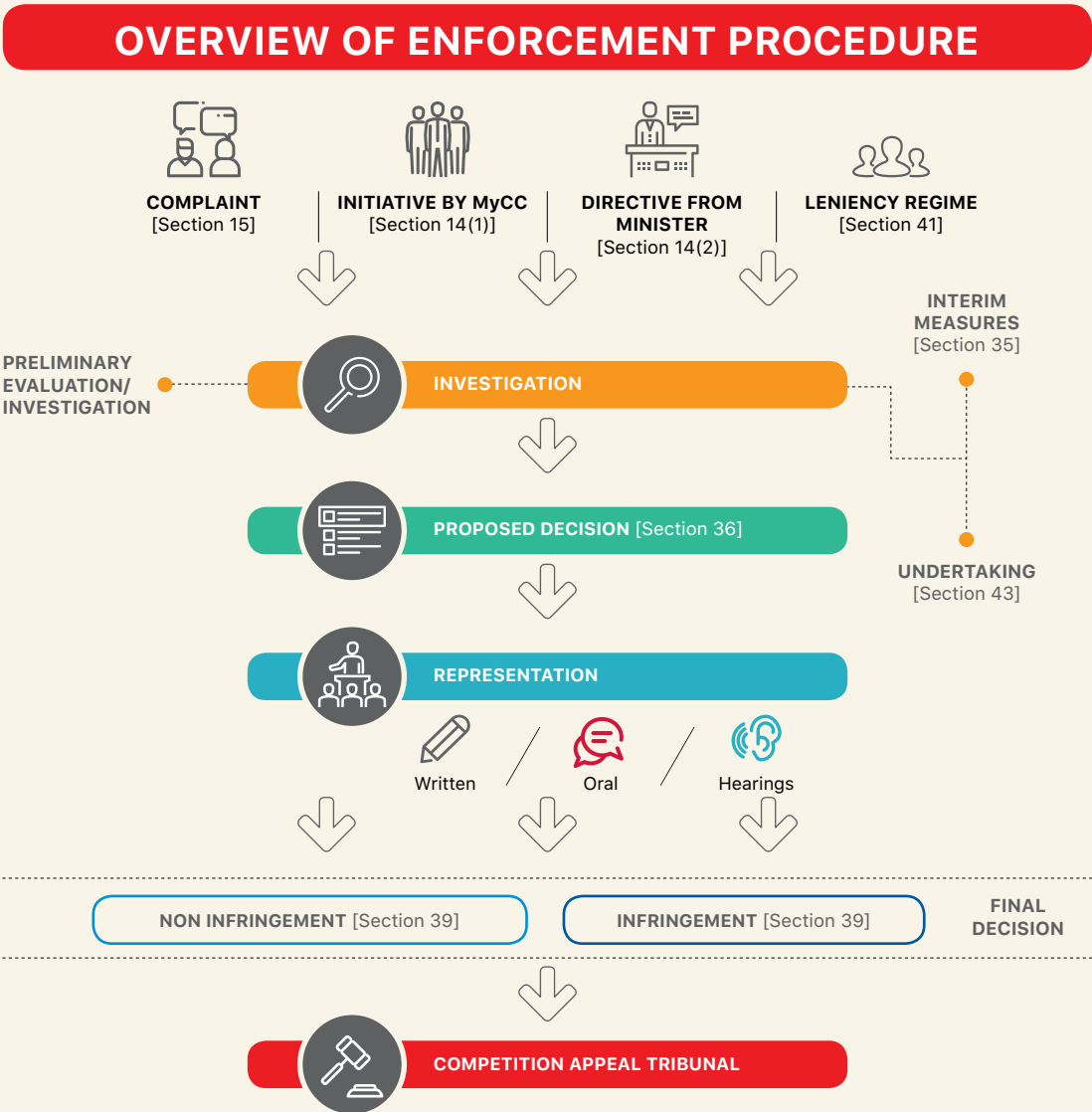
# 2018 MAJOR ACHIEVEMENTS



# INVESTIGATIONS AND ENFORCEMENT

The Act 712 empowers the MyCC to investigate and enforce legislations on enterprises that involved in anti-competitive practices. The MyCC 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 also be conducted upon the directive of the Minister or whenever there is suspicion of infringement of the Act 712 by an enterprise or upon receipt of complaints from the public.



## INVESTIGATIONS AND ENFORCEMENT

### INVESTIGATIONS CONDUCTED BY MyCC

In 2018, MyCC have conducted several investigations and enforcement against enterprises for infringement of Act 712.



#### PROPOSED DECISION

(SECTION 36)

#### Dagang Net Technologies Sdn Bhd ("Dagang Net")

MyCC issued a Proposed Decision on 10 July 2018 against Dagang Net for abusing its dominant position in the provision of trade facilitation services under the National Single Window. The investigation found that Dagang Net had refused to supply electronic mailboxes to end users of the *Sistem Maklumat Kastam* apart from creating barriers to entry by imposing exclusivity clause on its business partners to an extent that may harm competition in the targeted market and cause other participating competitors to be less than efficient when competing against Dagang Net.



#### FINDING OF INFRINGEMENT

(SECTION 40)

#### Tuition and Daycare Centres

MyCC issued a Final Decision on 26 October 2018 against seven tuition and day care centres for infringing Section 4 of Act 712 by entering into an agreement on 12 May 2017 to collectively fix and standardise the fees charged by them in the SS19 Subang Jaya area.

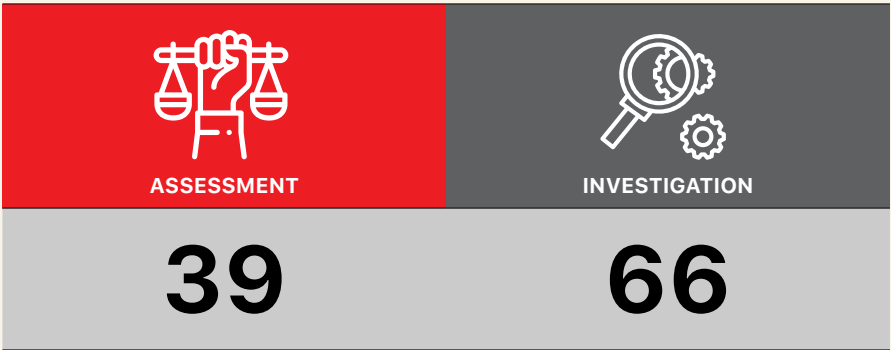
A financial penalty of RM33,068.85 was imposed on the seven tuition and day care centres. MyCC also issued other directives as follows:

- (i) to immediately cease and desist from the act of price fixing;
- (ii) to repudiate the price fixing agreement with immediate effect; and
- (iii) to enroll and complete the Commission's e-learning course on Competition Compliance for Small and Medium Enterprises (SMEs) within one month of the issuance of the Proposed Decision.

# INVESTIGATIONS AND **ENFORCEMENT**

## STATISTICAL SUMMARY OF INVESTIGATIONS AND EVALUATION 2018

The MyCC conducts investigations and assessment of enterprises in Malaysia as provided under the Act 712. A summary of the investigations and assessment are as follows:



YEAR	2012	2013	2014	2015	2016	2017	2018	TOTAL RECEIVED	TOTAL CLOSED
COMPLAINTS	8	69	80	75	51	64	138	485	385
MyCC INITIATIVES	2	10	13	6	9	6	0	46	41
MINISTERIAL DIRECTION	1	2	3	1	3	0	3	13	10

## INVESTIGATIONS AND **ENFORCEMENT**

### **COMPLAINTS**

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



Filling out the e-complaint form at the website **[www.mycc.gov.my/e-complaint](http://www.mycc.gov.my/e-complaint)**



Download or print the Complaint Form at **[www.mycc.gov.my](http://www.mycc.gov.my)** and submit the completed form to the MyCC by

- **E-mail:** **[complaints@mycc.gov.my](mailto:complaints@mycc.gov.my)**,
- **Fax:** **+603-2272 2293/+603-2272 1692**
- **Post:** **MyCC Office, Level 15, Menara SSM@Sentral, Kuala Lumpur**



Email complaint information to **[complaints@mycc.gov.my](mailto:complaints@mycc.gov.my)**



Contact the MyCC at **+603-2273 2277**



Walk in to **MyCC Office**

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# ADVOCACY PROGRAMMES

## ADVOCACY & PUBLIC AWARENESS PROGRAMME

In 2018, MyCC carried out a total of 30 advocacy programmes involving private and public sector nationwide in an effort to raise awareness on Act 712 and the roles of MyCC.

Taking a different approach in 2018, MyCC celebrated its seventh year by organising a series of events, choosing the theme **#BebasKartel** to highlight efforts at combating cartel practices and raising awareness on anti-competitive misconducts that should be addressed by all parties.

### **#BebasKartel MyCC@7**



**Road Tour - #BebasKartel with the Enforcement of Competition Act 2010**



**Roundtable Session on Competition Law Enforcement in Malaysia - #BebasKartel Mega Celebration 2018**



**#BebasKartel Essay Writing Competition 2018**



**#Bebaskartel Choral Speaking Competition 2018**



**#BebasKartel Photography Contest 2018**



**MyCC Cycle Cyberjaya 'Kayuh Kaw Kaw' 2018**

## ADVOCACY PROGRAMMES



### **#BEBASKARTEL ROAD TOUR WITH THE ENFORCEMENT OF THE COMPETITION ACT 2010**

In its effort to raise the knowledge and awareness of Act 712 among the public, MyCC forged ahead with the hosting of various events and programmes in order to foster a conducive economic environment for businesses and consumers.

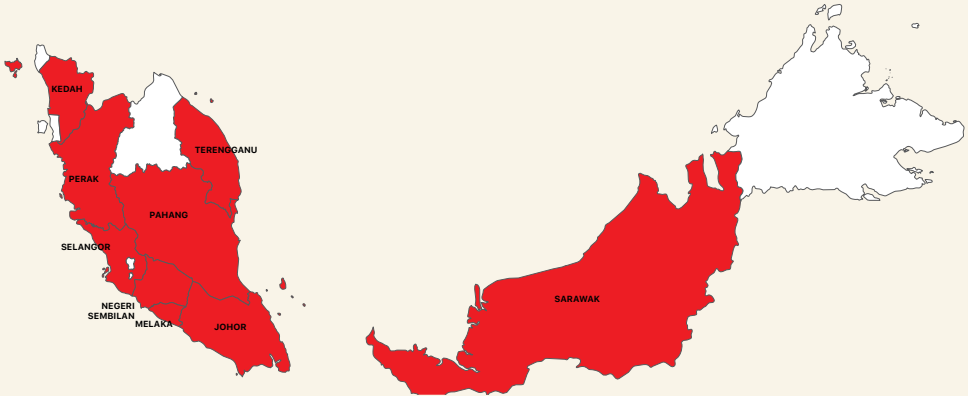
In conjunction with the MyCC's seventh anniversary in 2018, advocacy programmes were conducted that emphasised on the theme of “#BebasKartel with the Enforcement of Competition Act 2010” in nine Malaysian states involving Kedah, Terengganu, Perak, Pahang, Johor, Malacca, Selangor, Negeri Sembilan and Sarawak that recorded low percentages



of awareness and knowledge about Act 712 as revealed in an awareness study conducted by MyCC.

The tour series ran for one month from February to March, 2018. Briefings were organised and delivered by MyCC officials and targeted towards stakeholders such as Government agencies, business communities, consumer associations and students. Participants were introduced to the Competition Compliance Program e-Learning System for SMEs and were guided on how to use it to self-assess their own level of compliance and knowledge in regards to Act 712.

# ADVOCACY PROGRAMMES



NO	VENUE	DATE
1.	Grand Alora Hotel, Kedah	21 February 2018
2.	Grand Continental Hotel, Terengganu	21 February 2018
3.	Impiana Hotel, Perak	22 February 2018
4.	Vistana City Centre, Pahang	22 February 2018
5.	Pullman Hotel, Sarawak	23 February 2018
6.	New York Hotel, Johor	27 February 2018
7.	The Strait Hotel and Suite, Melaka	28 February 2018
8.	UiTM Shah Alam, Selangor	7 March 2018
9.	Royal Chulan Hotel, Negeri Sembilan	8 March 2018



## ADVOCACY PROGRAMMES



### #BEBASKARTEL CHORAL SPEAKING COMPETITION ON COMPETITION LAW 2018

On 28 March 2018, MyCC held its first ever Choral Speaking Competition on Competition Law themed #BebasKartel. This competition was organised in conjunction with MyCC's seventh anniversary.

Nurturing millennials on the idea of healthy competition and inculcating the idea of efficiency, innovation and entrepreneurship in students at the secondary level are important as they are the transformative agents for achieving the country's aspiration of becoming a first class nation. A deep awareness on healthy competition must be built from an early stage from the schooling period among the *rakyat*. As such, this event is fitting and



vital for developing interest and awareness among students about competition law in Malaysia, apart from helping to nurture talents in competition law for the future.

Choral speaking is an engaging and fun competition that promote teamwork, discipline and creativity among students. These attributes can clearly be seen in the impressive performance of the students that demonstrated their talent at Balai Budaya Tun Syed Nasir, Dewan Bahasa & Pustaka, Kuala Lumpur. This initiative is a collaboration initiated between MyCC and the Ministry of Education Malaysia.

SMK Jalan Bukit Kajang became the winner of the competition with SMK Convent Bukit Nanas and SM Sains Kuala Selangor emerging as the first and second runner ups respectively.

## ADVOCACY PROGRAMMES

### #BEBASKARTEL PHOTOGRAPHY CONTEST ON COMPETITION LAW 2018

MyCC continues its seventh anniversary celebration with a photography competition by inviting professional and non-professional photographers nationwide to participate in the competition. With the theme of #Bebaskartel, the competition had aimed to promote MyCC's social media, and to raise awareness about the cartel issue among the public. This will indirectly help the public gain a deeper understanding of competition law.



**MOHD SAMSI BIN SUMAIRI** (1<sup>st</sup> place)  
**Beef Cartel**  
 Competition in market



**CLEMENT CHOW KAY MEN** (2<sup>nd</sup> place)

#### **Lightbulb and chain**

Cartel free, unleash your creativity and broaden your opportunities



**WONG KID YIE** (3<sup>rd</sup> place)

#### **Choices at the market**

More competition on the ground

## ADVOCACY PROGRAMMES



### **#BEBASKARTEL "KAYUH KAW KAW" AND FUN RIDE FOR RAISING AWARENESS ON COMPETITION LAW**

On 31 March 2018, the MyCC has organised its inaugural "Cycle Cyberjaya #BebasKartel Kayuh Kaw-Kaw 2018" at Dataran Park and Ride, Cyberjaya, in conjunction with the seventh anniversary of the MyCC on 1 April 2018.

The main purpose of the event is to educate the public on Act 712 through the idea of a fun ride concept. A total of 500 participants from cycling clubs, members of the public, Government officials and the media. They took part in the 30km "#BebasKartel Kayuh Kaw Kaw" and 2km fun ride events. There was also



an exhibition of vintage bicycles and rickshaws that were specially brought in from Perak and Melaka for the event, which was officiated by YBhg. Datuk Muez Abd. Aziz, Deputy Secretary General, MDTCA.

This event indirectly encourages people to become more knowledgeable and aware about the importance of #BebasKartel.

## ADVOCACY PROGRAMMES



### #BEBASKARTEL MEGA CELEBRATION

The #Bebaskartel Celebration was held on 3 April 2018 at Hotel Le Meridien, Kuala Lumpur and was attended by 200 guests.

The event began with a "Roundtable Session on Competition Law Enforcement in Malaysia" that presented a panel of legal experts and representatives from regulatory agencies who discussed issues related to the implementation and enforcement of competition law in Malaysia, which also comprehensively showcased MyCC's roles and functions.

This event that was the highlight of MyCC's seventh anniversary celebration was officiated by Y.B. Dato 'Seri Hamzah Zainudin, former Minister of MDTCA. MyCC also launched the Advocacy and Communication Plan 2018-2020, which is the Commission's strategy in developing the framework to be implemented in the third phase of competition advocacy in the country. In addition, the latest MyCC corporate video was also launched at the event.

Among the highlights of the event was the awards presentation to the winners of the essays competition, photography competition, choral speaking and the 'MyCC Cycle Cyberjaya Kayuh Kaw Kaw', which were conducted from February to March 2018.



ADVOCACY PROGRAMMES



## ADVOCACY PROGRAMMES



### **FORUM ON BID RIGGING AND CARTEL IN GOVERNMENT PROCUREMENT**

MyCC had organised a special programme on bid rigging entitled "Bid Rigging and Cartel in Government Procurement" on 25 October 2018. The Forum was one of the ongoing efforts by MyCC in providing channels for Government officials to improve their understanding and instil awareness on the importance of the Act 712, as well as providing guidance on effective implementation of their duties and responsibilities in dealing with bid rigging issues. In addition, MyCC collaborated with the Malaysian Anti-Corruption Commission, the Ministry of Finance and the Accountant General Office to discuss on competition issues arising in public procurement.



### **ROUNDTABLE SESSION WITH ACADEMICS, REGULATORS, CHAMBERS, ASSOCIATION AND PRACTITIONERS**

MyCC also organised a "Roundtable Session with Academics, Regulators, Chambers, Association and Practitioners" officiated by YBhg. Dato' Seri Mohd Hishamudin Md Yunus, Chairman of MyCC on 7 November 2018 at the Le Meridien Hotel, Kuala Lumpur. The objective of the roundtable session was to obtain feedback on the roles, functions and effects from the enforcement of the Competition Law in Malaysia since its inception. Participants were comprised of sector regulators, law practitioners, academics, students, associations and enterprises.

## ADVOCACY PROGRAMMES



### **MoU SIGNING CEREMONY WITH UNIVERSITI UTARA MALAYSIA (UUM)**

MyCC signed an MoU with UUM on 27 November 2018. The cooperation through the MoU between MyCC and UUM is set to promote further education and research in competition law in Malaysia through the development of modules and subjects on competition law at the university. The MoU will also assist the MyCC in conducting training and advocacy programmes between the two parties.

In addition, the Research Grant Program encourages more researchers to produce short-term research studies on competition policy and law.



### **CONFERENCE ON THE CHALLENGES IN ENFORCING COMPETITION LAW IN MALAYSIA**

The MyCC in collaboration with the Malaysian Bar had organised a "Conference on the Challenges in Enforcing Competition Law in Malaysia" at Raja Aziz Addruse Auditorium in Kuala Lumpur on 27 November 2018. The conference was officiated by YB Datuk Seri Saifuddin Nasution Ismail, Minister of MDTCA and is a MyCC initiative to raise awareness among the target audience of legal practitioners, lawyers, academics, and students about the role of MyCC and implementation of the Act 712 in Malaysia. This conference was an effective platform for providing greater exposure on competition policies and law where knowledge and experience were delivered directly by speakers who are experts in competition matters.

## ADVOCACY PROGRAMMES

### ADVOCACY ACTIVITIES 2018



<b>25 JANUARY 2018</b>	Istana Hotel, Kuala Lumpur	Seminar on "Combatting Procurement Fraud and Corruption in the Public & Private Sectors Seminar 2018" - Latest Updates on Malaysia Competition Act 2010 from MyCC with Case Studies on Action Taken" (*organised by Aram Gopal Sdn Bhd)
<b>21 FEBRUARY 2018</b>	Grand Alora Hotel, Kedah	#bebaskartel Tour Series with Enforcement of Act 712
<b>21 FEBRUARY 2018</b>	Grand Continental Hotel, Terengganu	#bebaskartel Tour Series with Enforcement of Act 712
<b>27 FEBRUARY 2018</b>	New York Hotel, Johor	#bebaskartel Tour Series with Enforcement of Act 712
<b>28 FEBRUARY 2018</b>	The Strait and Suite, Melaka	#bebaskartel Tour Series with Enforcement of Act 712
<b>07 MARCH 2018</b>	UiTM Shah Alam, Selangor	#bebaskartel Tour Series with Enforcement of Act 712
<b>08 MARCH 2018</b>	Royal Chulan Hotel, Negeri Sembilan	#bebaskartel Tour Series with Enforcement of Act 712
<b>28 MARCH 2018</b>	Dewan Bahasa and Pustaka, Kuala Lumpur	Choral Speaking Contest on #bebaskartel
<b>31 MARCH 2018</b>	Park & Ride Cyberjaya, Selangor	"Kayuh Kaw Kaw" #bebaskartel
<b>03 APRIL 2018</b>	Le Meridien Hotel, Kuala Lumpur	"Roundtable Session on Competition Law Enforcement in Malaysia" during #BEBASKARTEL Mega Celebration 2018
<b>25 APRIL 2018</b>	University Malaya, Kuala Lumpur	"MyCC Classroom" with UM
<b>25 APRIL 2018</b>	Universiti Kebangsaan Malaysia, Bangi, Selangor	"MyCC Classroom" with UKM
<b>02 MAY 2018</b>	iCOOP College, Petaling Jaya, Selangor	"MyCC Classroom" with Kolej iCOOP (MKM)
<b>14 MAY 2018</b>	Taylor's University, Subang Jaya, Selangor	"MyCC Classroom" with Taylor's University



## ADVOCACY PROGRAMMES



<b>5 JULY 2018</b>	Bayview Hotel Georgetown, Penang	Briefing to Consumers Association of Penang (CAP)
<b>12 JULY 2018</b>	Auditorium Dato' Abdul Majid, MKM	Briefing <i>"Manfaat Akta Persaingan 2010 Kepada Koperasi"</i>
<b>10 AUGUST 2018</b>	Everly Hotel, Putrajaya	"MyCC Role in Ensuring Competition in Procurement" with UMW Training Centre
<b>16 AUGUST 2018</b>	Royale Chulan Hotel, Kuala Lumpur	International Malaysia Law Conference 2018
<b>5 SEPTEMBER 2018</b>	INTAN, Kuala Lumpur	Briefing Market Structure (Overview of MyCC & Market Review)
<b>18 SEPTEMBER 2018</b>	Universiti Utara Malaysia, Sintok, Kedah	"MyCC Classroom" with UUM
<b>5 OCTOBER 2018</b>	UiTM Shah Alam, Selangor	"MyCC Classroom" with UiTM, Faculty of Communications and Media
<b>12 OCTOBER 2018</b>	International Islamic University Malaysia (IIUM), Kuala Lumpur	"MyCC Classroom" with IIUM, Ahmad Ibrahim Kulliyah of Laws (AIKOL)
<b>25 OCTOBER 2018</b>	Hotel-Bangi Putrajaya, Bangi, Selangor	Forum <i>"Menghadapi Cabaran Tipuan Bida dan Monopoli dalam Sektor Awam"</i>
<b>7 NOVEMBER 2018</b>	Le' Meridien Hotel, KL Sentral, Kuala Lumpur	Roundtable Session with Academics, Regulators and Practitioners
<b>27 NOVEMBER 2018</b>	Raja Aziz Addruse Auditorium, Bar Council, Kuala Lumpur	<i>"Majlis Menandatangani Memorandum Persefahaman"</i> bersama UUM & UPM & Conference On The Challenges In Enforcing Competition Law In Malaysia
<b>27-28 NOVEMBER 2018</b>	Intercontinental Hotel, Kuala Lumpur	MIER Conference 2018 – National Economic Outlook Conference 2019-2020
<b>3 DECEMBER 2018</b>	UPM Serdang, Selangor	CA @ Universiti Putra Malaysia Faculty of Economics and Management

# INTERNATIONAL PROGRAMMES

## INTERNATIONAL CAPACITY BUILDING PROGRAMMES

MyCC had organised several capacity building programmes for Members of the Commission and MyCC officers which also benefited officials from other agencies including MDTCA who were also invited to attend and participate in the programmes.



## ASEAN TELECOMMUNICATIONS AND COMPETITION REGULATION WORKSHOP

MyCC co-hosted the ASEAN Telecommunications and Competition Regulation Workshop which was organised on 25-26 April 2018 at the Cititel Hotel Mid Valley, Kuala Lumpur. The programme is jointly organised by the MyCC together with the ASEAN Secretariat and the Australian Competition and Consumer Commission (ACCC) under the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) Competition Law Implementation Programme (CLIP). The programme was attended by 40 officials from various competition agencies in the ASEAN region and senior officials from telecommunications regulatory agencies responsible for the enforcement of competition laws in the sector. The programme has successfully exposed participants on issues of competition in the telecommunications sector in the ASEAN region as well as strengthened cooperation between competition agencies and telecommunications regulatory agencies in the ASEAN Member States.

## INTERNATIONAL PROGRAMMES



### INTERNATIONAL ATTACHMENT PROGRAMMES

In 2018, MyCC participated in the Competition Law Implementation Program (CLIP)'s annual secondment and study program for ASEAN Member States (AMS) at the Australian Competition and Consumer Commission (ACCC) in Canberra, Australia. MyCC officials, Farha Nabiha Mustaffa and Nurul Afiqah Soohaimi was seconded to the ACCC for 10 weeks starting from 16 July to 21 September 2018. This program provided officers the opportunity to gain practical on-the-job experience through ACCC. The program also helped strengthen the seconded officers' capabilities in case management and investigation processes. The seconded officers were also sponsored by ACCC to study competition law and economics online through the University of Melbourne's Global Masters of Competition and Consumer Law program.



### WORKSHOP ON ECONOMIC ANALYSIS IN COMPETITION LAW

A workshop session with a competition economist expert, Prof. Dr. Hung Hao Chang, who is a former Commissioner of the Taiwan Fair Trade Commission (TFTC) was held from 14 to 16 August 2018. The workshop was attended by Members of the Commission, Members of the Competition Appeal Tribunal as well as MyCC officers. This capacity building initiative aims to strengthen expertise in economic analysis and assessment of anti-competitive cases.

## INTERNATIONAL PROGRAMMES



### **OECD/KPC COMPETITION LAW WORKSHOP ON MARKET DEFINITION**

MyCC and the Malaysian Aviation Commission (MAVCOM) co-hosted the Competition Law Workshop on Market Definition organised by the Organisation for Economic Co-operation and Development (OECD)/Korea Policy Center (KPC) on 5-7 September 2018 at Maya Hotel, Kuala Lumpur. The programme was attended by 70 participants from MyCC, MAVCOM and other competition agencies within the Asian region as well as competition expert speakers from KPC, OECD, European Union and United Kingdom. The programme helped to build participants' understanding on product definition and the geographic market concerned in relation to competition cases, particularly involving abuse of dominant positions and mergers and acquisitions. The programme also provided a platform for participants to learn techniques and steps for carrying out analysis related to economic markets definition, thus enabling the sharing of research and competition-related cases by competition experts.






### **WORKSHOP ON INVESTIGATIVE STRATEGIES AND TECHNIQUES TO FIGHT BID RIGGING CARTELS**

On 27-28 November 2018, MyCC in collaboration with the Korea Fair Trade Commission (KFTC) organised a workshop on Investigative Strategies and Techniques to Fight Bid Rigging Cartels at the Malaysian Investment Development Authority (MIDA) in Kuala Lumpur. This workshop was a platform for an exchange of views with the experts from KFTC on issues related to bid rigging. The workshop also aimed to gain a better understanding of the techniques, strategies and best practices to strengthen MyCC's enforcement of addressing bid rigging in Malaysia.

## INTERNATIONAL PROGRAMMES




### PARTICIPATION IN INTERNATIONAL CAPACITY BUILDING PROGRAMMES 2018

In 2018, MyCC attended 26 international programmes that include workshops, seminars, and conferences encompassing competition policy and law. Attendance at these programmes benefitted MyCC officers in terms of obtaining knowledge that helps in the implementation of competition law in Malaysia, as well as through the exchange of information and experience with participants from other countries.

		
<b>17 - 18 JANUARY</b>	<b>BRUNEI DARUSSALAM</b>	Sub Regional Workshop on the Selection and Prioritisation of Sectors or Industries for Market Studies
<b>01 - 02 FEBRUARY</b>	<b>MAKATI CITY, PHILIPPINES</b>	The 2018 Manila Forum on Competition in Developing Countries ("Manila Forum")
<b>01 - 02 MARCH</b>	<b>PORT MORESBY, PAPUA NEW GUINEA</b>	APEC Workshop on "Merger Control Regimes"
<b>09 - 10 MARCH</b>	<b>SINGAPORE</b>	Seventh Annual Law Leaders Asia-Pacific Conference 2018
<b>20 - 23 MARCH</b>	<b>NEW DELHI, INDIA</b>	ICN Annual Conference 2018
<b>20 - 22 MARCH</b>	<b>MANILA, PHILIPPINES</b>	AANZFTA Competition Law Implementation Program (CLIP)- Module 1 : Cartel Investigations Workshop
<b>18 - 19 APRIL</b>	<b>SURABAYA, INDONESIA</b>	Workshop on Developing The Capacity to Negotiate Competition Policy Provision In Free Trade Agreements (FTAs)
<b>25 - 26 APRIL</b>	<b>KUALA LUMPUR</b>	ASEAN Telecommunications and Competition Regulation Workshop
<b>02 - 04 MAY</b>	<b>SEOUL, KOREA</b>	2018 ICN-OECD/KPC Competition Economics Workshop for Chief / Senior Economists
<b>31 MEI - 01 JUNE</b>	<b>SEOUL, KOREA</b>	American Bar Association Section of Antitrust Law: Antitrust in Asia
<b>26 - 28 JUNE</b>	<b>MANILA, PHILIPPINES</b>	AANZFTA Competition Law Implementation Program (CLIP) – Module Two: Cartel Investigations Workshop
<b>03 - 06 JULY</b>	<b>BALI, INDONESIA</b>	The Economics of Competition Law Enforcement
<b>09 - 20 JULY</b>	<b>BRUGES, BELGIUM</b>	The Competition Summer School

## INTERNATIONAL PROGRAMMES

### PARTICIPATION IN INTERNATIONAL CAPACITY BUILDING PROGRAMMES 2018 (continued)

		
<b>16 JULY - 21 SEPTEMBER</b>	<b>AUSTRALIA</b>	Oversea Secondment Program di Australian Competition & Consumer Commission (ACCC)
<b>26 - 28 JULY</b>	<b>SINGAPORE</b>	ASEAN Law Association (ALA) Law Conference
<b>06 - 07 AUGUST</b>	<b>SINGAPORE</b>	Sub Regional Workshop on "Big Data and Competition Law"
<b>11 AUGUST</b>	<b>PORT MORESBY, PAPUA NEW GUINEA</b>	FTAAP Capacity Building Workshop on Competition Chapter in FTAs / EPAs
<b>14 - 16 AUGUST</b>	<b>BANGKOK, THAILAND</b>	AANZFTA Competition Law Implementation Program (CLIP) – Investigations Module Three: Masterclass
<b>05 - 07 SEPTEMBER</b>	<b>KUALA LUMPUR</b>	OECD/KPC Competition Law Workshop on Market Definition (Hosted by MAVCOM)
<b>26 - 27 SEPTEMBER</b>	<b>BALI, INDONESIA</b>	Regional Antitrust Seminar on E-Commerce and Competition
<b>12 OCTOBER</b>	<b>SINGAPORE</b>	ICN AEWG ASEAN Competition Officials Workshop on Business Compliance with Competition Law
<b>30 - 31 OCTOBER</b>	<b>BRUNEI DARUSSALAM</b>	Construction and Competition Regulation Workshop
<b>06 - 08 NOVEMBER</b>	<b>HANOI, VIETNAM</b>	AANZFTA Competition Law Implementation Program (CLIP) – Module Four: Cartel Investigations Workshop: Investigating Abuse of Dominance
<b>07 - 08 NOVEMBER</b>	<b>TOKYO, JEPUN</b>	2018 ICN Merger Workshop
<b>27 - 28 NOVEMBER</b>	<b>KUALA LUMPUR</b>	Workshop on Investigative Strategies and Techniques to Fight Bid Rigging Cartels
<b>29 - 30 NOVEMBER</b>	<b>PARIS, PERANCIS</b>	The 17 <sup>th</sup> OECD Global Forum on Competition

## INTERNATIONAL PROGRAMMES

### INTERNATIONAL MEETINGS IN 2018



<b>31 JANUARY</b>	<b>MAKATI CITY, PHILIPPINES</b>	Manila Forum / Heads of ASEAN Competition Agencies Meeting
<b>3 MARCH</b>	<b>PORT MORESBY, PAPUA NEW GUINEA</b>	APEC 2018 First Senior Officials' Meeting (SOM1) and Related Meetings - Competition Policy and Law Group (CPLG)
<b>05 - 06 MARCH</b>	<b>SINGAPORE</b>	21 <sup>st</sup> AEGC & Related Meetings
<b>28 AUGUST</b>	<b>SYDNEY, AUSTRALIA</b>	AANZFTA Heads of Agency Roundtable
<b>29 - 30 AUGUST</b>	<b>SYDNEY, AUSTRALIA</b>	14 <sup>th</sup> East Asia Top Level Official's Meeting on Competition Policy (EATOP) & The 11 <sup>th</sup> East Asia conference on Competition
<b>08 - 11 OCTOBER</b>	<b>SINGAPORE</b>	The 22 <sup>nd</sup> Meeting of The ASEAN Experts Group on Competition and Related Meetings (AEGC), The First Meeting of the ASEAN Competition Enforcer's Network (ACEN), The 5 <sup>th</sup> Joint Consultations between The AEGC and Development Partners, 1 <sup>st</sup> Sub-Project Steering Committee (PSC) Meeting for the ASEAN-German Cooperation Project & The 9 <sup>th</sup> Meeting of the AANZFTA Committee on Competition
<b>28 NOVEMBER</b>	<b>PARIS, PERANCIS</b>	2 <sup>nd</sup> Meeting of High Level Representatives of Asia-Pacific Competition Authorities

# PUBLICITY AND PUBLIC RELATIONS

Various publicity and promotional activities were undertaken by MyCC throughout 2018 to raise awareness among enterprises on the importance of competition in any business market. The initiatives undertaken include exhibitions, conducting interviews for the mass media such as radio, television and newspaper, as well as engagement sessions that help define MyCC's functions and roles to the media practitioners.

MyCC had also issued press releases via print and electronic media regarding cases and issues related to competition and conducted online publicity via its official social media and portals, besides publishing books and brochures related to Act 712 that assist companies and the public learn more about the Act.

## PARTICIPATION IN PROGRAMMES BY THE MINISTRY AND ITS AGENCIES

MyCC also involved in programmes organised by the Ministry and its agencies throughout 2018, which include among others:





## PUBLICITY AND **PUBLIC RELATIONS**



### **OTHER PROGRAMMES BY THE MyCC**

Several programmes were conducted in 2018 to further strengthen MyCC's publicity and public relations initiatives, such as a Corporate Social Responsibility Programme specially organised for the poor and needy students of Sekolah Kebangsaan Seri Cheras, Kuala Lumpur.

On 8 November 2018, MyCC conducted an engagement session for members of the media to expose them on MyCC's functions and roles as part of an overall effort to ensure that the general public and other stakeholders gain accurate information about MyCC and Act 712.

### **TALKS AND INTERVIEWS**

MyCC also held a series of talks and interviews that were featured in Malaysia Hari Ini, Utusan Malaysia, New Straits Times, The Star and Nasional FM regarding MyCC's functions and roles, as well as covering the latest issues and developments on MyCC and competition laws in Malaysia.



### **MEDIA STATEMENTS**

A total of 13 press releases were issued by the MyCC regarding the Proposed Decisions against seven tuition and day care centres and Dagang Net Technologies Sdn Bhd, issues related to competition, appointment of MyCC's Chairman, Members of the Commission and Chief Executive Officer as well as advocacy programmes conducted by MyCC throughout 2018.

### **WEBSITE AND SOCIAL MEDIA PLATFORM**

MyCC also shared its publicity and public relations activities through website and social media to disseminate the latest information to the public.

Official Website of the MyCC:

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

The MyCC Social Media:

   @themyc







**LAPORAN KETUA AUDIT NEGARA  
MENGENAI PENYATA KEWANGAN  
SURUHANJAYA PERSAINGAN MALAYSIA  
BAGI TAHUN BERAKHIR 31 DISEMBER 2018**

**Laporan Mengenai Penyata Kewangan**

**Pendapat**

Penyata kewangan Suruhanjaya Persaingan Malaysia telah diaudit oleh wakil saya yang merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2018 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 18.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Suruhanjaya Persaingan Malaysia pada 31 Disember 2018 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**

Pengauditan telah dilaksanakan berdasarkan Akta Audit 1957 dan *International Standards of Supreme Audit Institutions*. Tanggungjawab saya diuraikan selanjutnya di perenggan Tanggungjawab Juruaudit 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 *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 *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 *International Standards of Supreme Audit Institutions*, saya menggunakan pertimbangan profesional dan mengekalkan keraguan profesional sepanjang pengauditan. Saya juga:

- a. Mengenal 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 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.

#### **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 untuk disimpan oleh Suruhanjaya Persaingan Malaysia telah disimpan dengan sempurna menurut peruntukan Akta.

**Hal-hal Lain**

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

  
(FARIZAH BINTI HARMAN)  
b.p. KETUA AUDIT NEGARA  
MALAYSIA

PUTRAJAYA  
10 SEPTEMBER 2019





**PENYATA Pengerusi dan Seorang Anggota Suruhanjaya Suruhanjaya  
Persaingan Malaysia**

Kami **DATO' SERI MOHD HISHAMUDIN BIN MD YUNUS 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 2018** dan hasil kendaliannya serta perubahan kedudukan kewangannya bagi tahun berakhir pada tarikh tersebut.

Bagi pihak Lembaga,

**DATO' SERI MOHD HISHAMUDIN BIN MD YUNUS**

**PENGERUSI  
SURUHANJAYA PERSAINGAN MALAYSIA**

**TARIKH: 29 0605 2019  
TEMPAT: KUALA LUMPUR**

Bagi pihak Lembaga,

**MOHD HASSAN BIN AHMAD**

**ANGGOTA  
SURUHANJAYA PERSAINGAN  
MALAYSIA**

**TARIKH: 29 0605 2019  
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 Akuan Berkanun, 1960.

Sebenarnya dan sesungguhnya )  
diakui oleh penama di atas )  
di ..... KUALA LUMPUR ..... )  
pada ..... 29 AUG 2019 ..... )

.....  
**ISKANDAR BIN ISMAIL**  
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

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM
<b>NON- CURRENT ASSETS</b>			
Property, Plant and Equipment	6	985,215	919,240
<b>Total of Non-Current Assets</b>		985,215	919,240
<b>CURRENT ASSETS</b>			
Deposits and Prepayments	7	223,090	216,576
Accrued Interest		446,214	482,400
Other Debtors		9,350	72,201
Cash and Cash Equivalents	8	21,874,918	19,431,100
<b>Total Current Assets</b>		22,553,572	20,202,277
<b>TOTAL ASSETS</b>		23,538,787	21,121,517
<b>EQUITY</b>			
Accumulated Surplus		16,553,654	18,064,057
<b>TOTAL EQUITY</b>		16,553,654	18,064,057
<b>NON-CURRENT LIABILITIES</b>			
Deffered Government Grants		439,296	557,260
<b>Total Non-Current Liabilities</b>		439,296	557,260
<b>CURRENT LIABILITIES</b>			
Accruals and Provision		64,058	46,108
Creditors	9	6,481,779	2,454,092
<b>Total Current Liabilities</b>		6,545,837	2,500,200
<b>TOTAL LIABILITIES</b>		6,985,133	3,057,460
<b>TOTAL EQUITY AND LIABILITIES</b>		23,538,787	21,121,517

The accompanying notes form an integral part of the financial statement.

## STATEMENT OF INCOME

### FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 RM	2017 RM
<b>INCOME</b>			
Allocation from the Government	10	6,927,863	2,755,746
Fixed Deposit Interest	11	503,897	772,086
Exemption Application Fees		200,000	100,000
Bank Interest		15,125	20,017
Seminar Fees		4,210	417,648
Fines and Penalties		33,069	152,042
Other Contributions		656	2,500
Adjustment of Payables Written Off		-	10,000
Sales of Vehicles and Printed Copies		34,090	-
<b>Total Income</b>		<b>7,718,910</b>	<b>4,230,039</b>
<b>EXPENSES</b>			
Emoluments		4,295,761	4,161,571
Travel and Accommodation		122,586	154,567
Utilities and Communication		241,110	243,329
Rental		1,041,721	1,043,179
Depreciation	6	380,664	328,974
Administrative Expenses	12	106,109	129,570
Services Expenses		286,838	327,520
Salaries and Allowances for Members of Commission		595,262	560,553
Entertainment, Honorarium and Contributions		50,309	38,947
Development Expenses	13	1,990,990	1,974,330
Development Expenses – Market Review and E-Learning Programme	14	117,963	1,285,946
<b>Total Expenses</b>		<b>9,229,313</b>	<b>10,248,486</b>
<b>Deficit Before Tax</b>		<b>(1,510,403)</b>	<b>(6,018,447)</b>
<b>Income Tax</b>	15	<b>-</b>	<b>-</b>
<b>DEFICIT</b>		<b>(1,510,403)</b>	<b>(6,018,447)</b>

The accompanying notes form an integral part of the financial statement.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Accumulated Surplus RM
<b>Balance as at 1 January 2017</b>	24,082,504
Deficit	(6,018,447)
<b>Balance as at 31 December 2017</b>	18,064,057
Deficit	(1,510,403)
<b>Balance as at 31 December 2018</b>	16,553,654

The accompanying notes form an integral part of the financial statement.

## STATEMENT OF CASH FLOW

### FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 RM	2017 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficit	(1,510,403)	(6,018,447)
Adjustment:		
Depreciation	380,664	328,974
Fixed Deposit Interest	(503,897)	(772,086)
DEFICIT BEFORE CHANGES OF WORKING CAPITAL	(1,633,636)	(6,461,559)
Surplus in Deposits and Prepayments	(6,514)	(9,125)
Deficit / (Surplus) in Other of Debtors	62,851	(48,538)
Surplus in Other Payables	3,927,673	2,314,001
NET CASH FORM OPERATING ACTIVITIES	2,350,374	(4,205,221)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(446,639)	(181,274)
Fixed Deposit Interest	540,083	785,741
NET CASH FROM INVESTMENT ACTIVITIES	93,444	604,467
(DECREASE) IN NET CASH AND CASH EQUIVALENTS	2,443,818	(3,600,754)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	19,431,100	23,031,854
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>21,874,918</b>	<b>19,431,100</b>
<b>CASH AND CASH EQUIVALENTS REPRESENTED BY:</b>		
Cash and Bank Balances	5,839,352	1,342,843
Fixed Deposits	16,035,566	18,088,257
	<b>21,874,918</b>	<b>19,431,100</b>

The accompanying notes form an integral part of the financial statement.

# 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). MyCC is an agency of the Ministry of Domestic Trade and Consumer Affairs and is an independent body to enforce the Competition Act 2010. As at 31 December 2018, the Commission has 65 officers under its employment.
- 1.2 MyCC is located at Level 15, Menara SSM @ Sentral No.7, Jalan Stesen Sentral 5, 50623 Kuala Lumpur Wilayah Persekutuan.
- 1.3 MyCC Financial Statements are for the period from 1 January 2018 to 31 December 2018.
- 1.4 All accounting policies are in accordance with basic accounting principles.
- 1.5 MyCC's functional currency is in Ringgit Malaysia ("RM") where all operations and transactions are performed in RM. For the purpose of these financial statements, all operations and transactions are recorded in RM, which is the MyCC's functional currency.

## 2 MAIN ACTIVITY

MyCC main functions are to implement and enforce the provisions of the Competition Act 2010, issue guidelines in relation to the implementation and enforcement of competition law, support all competition-related matters, carry out public research with regards to competition related issues in the Malaysians economy or specific economic sector in Malaysia, as well as to educate the public regarding the ways in which competition may bring benefit to consumers and the economy of Malaysia.

## 3 DISCLOSURE OF FINANCIAL STATEMENTS

MyCC Financial Statements for the year ended 31 December 2018 have been approved by the Members of the Commission on 29 August 2019.

## 4 SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Basis of Accounting

The Financial Statements of MyCC have been prepared using conventional historical cost and in accordance with the Malaysian Private Entities Reporting Standard (MPERS) which has been approved by the Malaysian Accounting Standards Board (MASB)

## NOTES TO THE FINANCIAL STATEMENTS

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 4.2 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation for Property, Plant and Equipments are calculated based on a straight line basis 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 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 of an asset is the value of its use and the greater the net selling price as measured by the use of the asset, the estimated future cash flows discounted to its present value.

An impairment loss is charged to the income statement, unless there has been a reversal of the depreciation. Impairment loss are recognised only when the carrying amount of the asset does not exceed the amount that could have been determined in the absence of the impairment loss.

#### 4.4 Cash and Cash Equivalent

Cash and Cash Equivalent includes cash in hand, bank balance and fixed deposits at financial institutions.

#### 4.5 Financial Assets

Financial assets are recognised in the statement of financial position when MyCC is a party to the contractual provisions of the instrument.

At the outset of the recognition, financial assets are measured at transaction costs, including transaction costs for financial assets not measured at fair value through profit or loss, unless the agreement constitutes, in effect, a financing transaction for the counterparty to arrangements.

## NOTES TO THE FINANCIAL STATEMENTS

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 4.5 Financial Assets (continued)

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

#### 4.6 Financial Liabilities

Financial liabilities are recognised in the financial statements when MyCC is party to the contractual provisions of the instrument.

At the beginning of the recognition, financial liabilities are measured at transaction prices, including transaction costs for financial liabilities, not measured at fair value through profit or loss, unless the agreement constitutes, on the impact of a financing transaction for the Commission on arrangements.

Following initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured at cost less impairment.

#### 4.7 Impairment of Financial Assets

At each balance sheet date, MyCC reviews the carrying value of financial assets to determine whether any indication of impairment exists. If any indication exists, impairment value is obtained by comparing the carrying value with the recoverable value. The recoverable amount is the higher of the net selling price and the estimated fair value using discounted cash flow estimates. The recoverable amount will be determined for each asset or otherwise it will be determined by the cash-generating unit owned by the asset.

An impairment loss is recognised in the income statement as an expense in the period in which it is incurred.

An impairment reversal of a recognised asset in the previous year will be recorded if there is any indication that the impairment loss recognised in the previous year no longer exists or has decreased. Such reversal is recorded until the actual amount of the asset to be determined (after deduction of depreciation and amortization) if no impairment loss has been previously recorded. The reversal of value is recorded immediately in the income statement.



## NOTES TO THE FINANCIAL STATEMENTS

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 4.8 Government Grant

Government grants that are not subject to certain future performance conditions are measured at the fair value of the asset received or will be received and recognised in income when the grant proceeds are received.

Government grants subject to certain future performance conditions are recognised at fair value in income only when the performance conditions have been met.

Government grants received before the income recognition criteria are met are recognised as liabilities.

#### 4.9 Income Recognition

MyCC has received operating grant of RM6,809,900 (2017: RM1,469,800) to covers financial liabilities and did not received development expenditure for development of the Eleventh Malaysia Plan (RMK11) from the Ministry of Domestic Trade and Consumer Affairs for 2018 ( 2017: RM1,250,000.00).

Government grants received for the purpose of expenditure on management and development are made and accounted for as income when the terms of the grant have been met.

Interest income is recognised on the basis of time distributions and effective rates that extend beyond the maturity period.

The Exemption Application Fee received is from a business entity applying for an exemption from the Competition Act 2010.

Bank interest income is recognised on an accrual basis.

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

Penalties and Penalties Include financial penalties imposed on companies or companies for violating the terms of the Competition Act 2010 (Act 712). The amount of financial penalty imposed shall not exceed 10% of the total income of the company or company during the period in which the violation occurred.

#### 4.10 Employee Benefit

##### i Short Term Benefits

Salaries, allowances, remuneration, incentives and social security contributions are recognised as an expense in the year in which the related services are provided to employees.

## NOTES TO THE FINANCIAL STATEMENTS

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 4.10 Employee Benefit (continued)

##### ii Fixed Contribution Plan

Employees Provident Fund Contributions ("EPF") contributions must be legally deducted in Malaysia. Contributions are recognised as an expense in the Income Statement.

#### 4.11 Financial Risk Management Policy

The Competition Commission's financial risk management policy of Malaysia is aimed at ensuring sufficient financial and non-financial resources to operate smoothly. MyCC will consider and evaluate the risks of financial management raised from time to time.

##### i Interest Rate Risk

MyCC finances its operations with internal funds and is therefore not exposed to interest rate risk from bank loans.

##### ii Credit Risk

MyCC does not deal with material credit and is therefore not exposed to credit risk.

##### iii Foreign Exchange Risk

MyCC does not have foreign currency transactions and therefore is not exposed to foreign exchange risk.

##### iv Liquidity Risk

MyCC practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to create sufficient cash and cash equivalents to meet working capital requirements.

##### v Legal Action Risk

Subsection 3 (3) of the Competition Commission Act 2010 (Act 713) provides that the Commission may be sued in its name while Subsection 3 (4) empowers the Commission to enter into contracts. MyCC may be subject to legal action by a third party if the Commission breaches the contract or any procedure under Act 712 and Act 713.

## NOTES TO THE FINANCIAL STATEMENTS

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 4.12 Contingent Liability

There is a possibility of transferring economic benefits to third parties if an appeal is made to the MyCC's decision. Accordingly, information of contingent circumstances as required under 'Section 21 Probability' is not disclosed on the grounds that it may affect the outcome of the legal proceedings.

#### 4.13 Goods and Services Tax (GST)

Each revenue, expense and assets are recognised net of GST. The GST amount is not claimed and recognised as an expense or as part of the cost of acquisition of the asset until June 30, 2018.

#### 4.14 Provisions

Liability provisions are recognised when MyCC has current liabilities as a result of past events and this enables the outflow of resources that include economic benefits that will be required to clarify the liabilities and the estimated amounts to be made. Provisions are reviewed at the date of the financial statements and revised to reflect the current best estimate. When the timing effect of monetary value is negligible, the provision is deducted using the current pre-tax rate shown, where applicable, the specific risk to liability. When deductions are used, an increase in the allowance as a result of the period is recognised as a financial expense. Provisions for restructuring costs are recognised within the period in which MyCC becomes lawful or committed to pay.

### 5 ACCOUNTING ESTIMATES AND VALUATION

#### 5.1 Accounting Budget

Asset and liability measurement requires management to make estimates based on monitoring and other assumptions that it considers appropriate. Some of the things that are subject to budget uncertainty include measuring:

##### i Depreciation of Property, Plant and Equipment

Cost of Property, Plant and Equipment are depreciated using a straight-line depreciation method or other method that affects the economic benefits accrued over the period of use of property, plant and equipment. Estimates are used in the selection of depreciation methods, useful life and residual values of the Property, Plant and Equipment. The actual economic benefits used from real estate, plant and equipment may differ from those expected and this could have an adverse effect on the disposal of the property, plant and equipment.

## NOTES TO THE FINANCIAL STATEMENTS

### 5 ACCOUNTING ESTIMATE AND VALUATION (CONTINUED)

#### 5.1 Accounting Budget (continued)

##### ii Income Tax Computation

Consideration is important in determining MyCC's current and pending taxes as the final tax for MyCC as a whole is uncertain. Once the final taxable payment has been determined by the authorities, the amount has a probability of being different from the initial tax due. These differences can affect current and deferred tax at the time the calculation is made. MyCC will take into account the difference whether it is over or under current tax or withholding tax at the time the difference is identified.

### 6 PROPERTY, PLANT & EQUIPMENT

	Motor Vehicles RM	Furniture and Office Equipment RM	Books RM	Computers RM	Total RM
<b>Cost</b>					
Balance as at 1 January 2018	669,366	257,734	276,313	1,045,453	2,248,866
Addition in the current year	320,430	11,585	-	114,624	446,639
Asset Disposal	(171,176)	-	-	-	(171,176)
Balance as at 31 December 2018	818,620	269,319	276,313	1,160,077	2,524,329
<b>Accumulated Depreciation</b>					
Balance as at 1 January 2018	579,362	116,763	124,441	509,060	1,329,626
Current Year Depreciation	94,086	26,932	27,631	232,015	380,664
Asset Disposal	(171,176)	-	-	-	(171,176)
Balance as at 31 December 2018	502,272	143,695	152,072	741,075	1,539,114
<b>Net Book Value</b>	316,348	125,624	124,241	419,002	985,215

## NOTES TO THE FINANCIAL STATEMENTS

### 6 PROPERTY, PLAN & EQUIPMENT (CONTINUED)

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

### 7 DEPOSIT AND PREPAYMENT

	2018 RM	2017 RM
Electricity Deposit	77,469	73,931
Other Deposit and Collateral	145,621	142,622
Prepayment	-	23
Total Deposit and Prepayment	223,090	216,576

## NOTES TO THE FINANCIAL STATEMENTS

### 8 CASH AND CASH EQUIVALENT

	2018 RM	2017 RM
<b>a) Cash and Bank Balance</b>		
Cash In Hand	3,991	2,701
CIMB Current Account (Operating)	5,012,024	449,050
CIMB Current Account (Development)	823,337	891,092
	5,839,352	1,342,843
<b>b) Fixed Deposit</b>		
Bank Kerjasama Rakyat Malaysia	13,577,457	13,943,961
Malaysia Building Society Berhad	2,458,109	4,144,296
	16,035,566	18,088,257
Cash and Cash Equivalent	21,874,918	19,431,100

### 9 RECEIVABLES

	2018 RM	2017 RM
Other Installment	4,206	-
Receivables - Others	65,373	181,892
Receivables - MyEG	6,412,200	2,272,200
Total Receivables	6,481,779	2,454,092

Receivable amounting to RM 6,412,200 was a fine payment due on MyEG.

## NOTES TO THE FINANCIAL STATEMENTS

### 10 GOVERNMENT GRANT

	2018 RM	2017 RM
Operating Grant	6,809,900	1,469,800
Development Grant	117,963	1,285,946
	6,927,863	2,755,746

### 11 FIXED DEPOSIT INTEREST

	2018 RM	2017 RM
Bank Kerjasama Rakyat Malaysia	391,678	568,619
Malaysia Building Society Berhad	112,219	203,467
	503,897	772,086

The interest rates for fixed deposits are between 3.45% - 4.30% and the period of savings is between 1 day and 12 months.

### 12 ADMINISTRATIVE EXPENSES

	2018 RM	2017 RM
Petrol	31,759	38,106
Office Expenses	74,350	91,464
	106,109	129,570



## NOTES TO THE FINANCIAL STATEMENTS

### 13 DEVELOPMENT EXPENDITURE

	2018 RM	2017 RM
Capacity Building Training	369,974	445,231
Advocacy Programmes	564,301	482,721
Investigation and Enforcement	146,556	129,790
Media and Communication Planning	519,300	625,113
Legal	106,788	110,993
Research (Guidelines/Market Study)	46,590	22,892
ICT dan Website Development	237,481	157,590
	1,990,990	1,974,330

### 14 DEVELOPMENT EXPENDITURE - MARKET STUDY AND E-LEARNING PROGRAM

	2018 RM	2017 RM
Pharmaceutical Market Study	-	442,769
Building Materials Market Study	5,715	593,177
Food Sector Market Study	112,248	-
Program E-Learning	-	250,000
	117,963	1,285,946

## NOTES TO THE FINANCIAL STATEMENTS

### 15 INCOME TAX

Adjustment of income tax expense on pre-tax loss at the statutory income tax rate to income tax expense at the MyCC's effective tax rate for the year ended December 31, 2018 and the differences for the preceding year are as follows:

	2018 RM	2017 RM
Pre - tax Loss	(1,510,403)	(6,018,447)
Taxes on statutory income tax rates	(362,497)	(1,444,427)
Spending is not deductible	91,359	78,954
Negative business losses	271,138	1,365,473
	-	-

### 16 KEY MANAGEMENT PERSONNEL

The principal management is the person who has the authority and responsibility to direct, direct and direct the MyCC's activities directly and indirectly.

The total emoluments and allowances on behalf of the main management for the year ended December 31, 2018, and the differences for the preceding year are as follows:

	2018 RM	2017 RM
Amount of Emoluments and Allowances	645,318	687,936
	645,318	687,936

### 17 LEGAL CASE

- 17.1 On December 20, 2018, the High Court granted a judicial review application by MyCC for the case of Malaysia Airline System Berhad (MAS) and AirAsia Berhad (AirAsia) against the Competition Appeal Tribunal decision. Accordingly, MAS and AirAsia are required to pay the financial penalty of RM10,000,000 plus cost of RM10,000 each. Both parties have filed an appeal against the High Court's decision to the Court of Appeal.
- 17.2 MyEG has paid a daily fine of RM4,140,000 on 23 July 2018 to the MyCC as decided by the Competition Appeal Tribunal. The judicial review hearing was heard by the High Court on 11 December 2018 and was rejected. MyEG has filed an appeal against the High Court's decision to the Court of Appeal.