



Adlin Abdul Majid
Partner
Regulatory & Compliance
T: +603 6208 5816
E: aam@lh-ag.com



Chris Lim Sor Yeung
Associate
Regulatory & Compliance
T: +603 6208 5880
E: syl@lh-ag.com

15 MAY 2020

Section 17A of the MACC Act: On Time or Deferred Implementation?

Datuk Seri Azam Baki, the new Chief Commissioner of the Malaysian Anti-Corruption Commission (**MACC**) who was sworn in just last week, has announced that the MACC is studying a proposal to suspend the implementation of s 17A, an addition introduced through the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which seeks to impose corruption liabilities on corporate organisations.

Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (**MACC Act**) was initially scheduled to come into force on 1 June 2020. It was said that the proposal to put the enforcement date on hold arose due to demands from the corporate sector, considering the impact of the COVID-19 pandemic, which has affected not only the readiness of companies to put in place adequate anti-corruption plans and procedures, but also the continuity of business operations as a whole. The industry has requested for there to be a grace period of approximately one year to allow businesses to re-establish themselves before s 17A takes effect.

Swinging swiftly into action after taking office, Datuk Seri Azam gave his assurance that this proposed suspension will be considered in the best possible manner. He further mentioned that the concern lies in the fate of the companies involved. The views of certain parties will be taken into consideration before the MACC consults with the government for a decision on this proposal.

Given the probable extension before s 17A is implemented, companies should make use of the time available to review their business operations, to ensure adequate compliance with the requirements under the MACC Act in general, and the conditions

introduced by s 17A in particular. The review should cover high-risk areas such as procurement, dealings with third-party service providers and relationships with government officials. By reviewing and addressing issues arising from these high-risk areas, companies will be better prepared when s 17A comes into force.

Chris Lim Sor Yeung (syl@lh-ag.com)

If you have any queries, please contact the author or her team partner [Adlin Abdul Majid](mailto:aam@lh-ag.com) (aam@lh-ag.com).

Lee Hishammuddin Allen & Gledhill

Level 6, Menara 1 Dutamas
Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia

T +603 6208 5888
F +603 6201 0122/0136
E enquiry@lh-ag.com
W www.lh-ag.com

Published by the Regulatory & Compliance Practice

© Lee Hishammuddin Allen & Gledhill. All rights reserved. The views and opinions attributable to the authors or editor of this publication are not to be imputed to the firm, Lee Hishammuddin Allen & Gledhill. The contents of this publication are intended for purposes of general information and academic discussion only. It should not be construed as legal advice or legal opinion on any fact or circumstance.

[Feedback](#)

[Unsubscribe](#)