



ASIAN ROUNDTABLE ON CORPORATE GOVERNANCE

**OFFICIAL PRESENTATION of the WHITE PAPER on
CORPORATE GOVERNANCE IN ASIA**

QUESTIONNAIRE

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Questions for Asian Roundtable Workshop

1. Please describe how the following factors affect the decision to pursue criminal, civil or administrative sanctions:

a. Efficacy of sanction/enforcement powers and procedures under applicable law

The entities listed on the Kuala Lumpur Stock Exchange (KLSE) have contractually undertaken to comply with the KLSE Listing Requirements (KLSE LR). Thus, they have agreed to subject themselves to enforcement action by KLSE, in the event of a breach of the KLSE LR. The KLSE LR provide for the various penalties or sanctions that may be imposed on a defaulting listed entity. KLSE LR have also equipped KLSE with the necessary powers to undertake enforcement, including, amongst others, the power to request attendance of relevant persons before KLSE, to be interviewed, power to record statements and to request for information. Hence, given that these powers have been contractually provided for, KLSE may exercise them without resorting to powers and procedures under the law. Therefore, the question of efficacy of sanction/enforcement powers and procedures under applicable law does not arise in respect of actions taken by KLSE against its regulated entities under the KLSE LR.

b. Value of successful enforcement action in deterring other potential wrongdoers

KLSE is empowered to mete out various types of penalties for a breach of the KLSE LR. One of the penalties that may be imposed is a public reprimand. Our feedback shows that the publishing of the public reprimand has a deterrent effect as shareholders or investors are then made aware of the breach and shareholders can query the company in question during its general meeting.

c. Your own resource constraints in investigating and pursuing an enforcement action

We have adequate resources to undertake investigation and enforcement of a breach of the KLSE LR. KLSE had undergone a process of restructuring to ensure that it had adequate capacity and capability to undertake these functions.

d. Capacity constraints (expertise, even-handedness, timelines) of courts

As stated in item a. above, the enforcement actions taken by KLSE are administrative in nature, supported by an undertaking by the listed entities to comply with the KLSE LR. Thus, the issue of capacity constraints of courts is irrelevant.

2. Please fill in the following tables for the latest year in which data are available:

Breakdown of investigations and enforcement actions by numbers (indicate whether data are approximate or actual):

Type of Action	Number of investigations underway	Number of investigation begun	Number of enforcement actions underway	Number of enforcement actions begun	Number of enforcement actions concluded with sanction	Number of enforcement actions concluded without
Criminal	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Civil	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Administrative*	257	694 (including investigations brought forward)	257	694 (including enforcement actions brought forward)	289	148

* For the period of 18 months ending 31 December 2002.

Breakdown of source of information (indicate whether data are approximate or actual):

Type of Action	% of investigations triggered by news reports*	% of investigations triggered by review of regulatory filing	% of investigations triggered by tip from another governmental agency	% of investigations triggered by tip from insider	% of investigations triggered by tip from investor	% of investigations triggered by tip from supplier or customer	% of investigations triggered by tip from competitor	% of investigations triggered by tip from another source
Criminal	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Civil	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Administrative	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

*Includes announcements made by public listed companies to the stock exchange (KLSE)

For each 100 public companies, what is the approximate number of personnel employed by the securities regulator:

Managers (taken to mean Heads of divisions only)	0.3
Investigators	3
Policy experts	2
Technical reviewers	3
Prosecutors	-
Support staff	4