



**MALAYSIA
COMPETITION
COMMISSION**
annual report 2012



**Promoting Competition,
Protecting You**

Featuring the traditional art form of origami, the design for the MyCC's Annual Report 2012 represents the Commission's status as an organisation still taking shape. The painstaking process involved in paper-folding represents the MyCC's focus on putting in place the building blocks required for strengthening the Malaysian competitive landscape. The art form also reflects the fruits of one's labour when creativity is unleashed, just as competition can reap rewards through innovation. Like the crane often featured in origami, it is the MyCC's main objective to build competition in the country to allow businesses to take flight.

DESIGN RATIONALE





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Minister's Foreword

YB DATO' SRI ISMAIL SABRI YAAKOB

Minister of Domestic Trade,
Co-operatives and Consumerism

It has been just one year and a half since the establishment of the Malaysia Competition Commission (MyCC) under the auspices of the Ministry of Domestic Trade, Co-operatives and Consumerism. I am pleased to note that the Commission has already made its mark in ushering in a new era of competitive business in Malaysia.

The MyCC was formed to ensure compliance to the Competition Act 2010 (CA 2010), which represents one component of the Competition, Standards and Liberalisation Strategic Reform Initiative under the Economic Transformation Programme. The Commission, therefore, plays an

integral role in encouraging and strengthening the culture of competition in Malaysia.

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

As Malaysia's authority on the Competition Act 2010, the MyCC showed great initiative in 2012, issuing its First Decision on its first completed case and publishing Guidelines which act as public reference on how the Commission interprets the CA 2010.

The MyCC's activities throughout the year should therefore signal to Malaysian businesses that the Commission will not hesitate to take swift action against offending companies, and that there is no room to flout the law. Companies must therefore place emphasis on innovation if they are to keep up with increasingly sophisticated consumer demand.

Taken together, the MyCC's activities are envisioned not just to ensure that all parties affected by the CA 2010 remain fully aware of its requirements, but of the overarching goal of competition law – that is, to foster a spirit of competition among Malaysian companies that will enable them to vie on the global stage.

Overall, the MyCC in 2012 demonstrated strong momentum in the education, advocacy and enforcement of the CA 2010. On behalf of the Government and the MyCC, allow me to reiterate that there is no longer room for anti-competitive practices in this country, and that the adoption of more innovative and efficient business activity can only result in freer and fairer markets for Malaysians.

A handwritten signature in black ink, appearing to read 'Ismail Sabri Yaakob', is positioned above the name of the Minister.

YB DATO' SRI ISMAIL SABRI YAAKOB

Minister of Domestic Trade,
Co-operatives and Consumerism



Chairman's Message

TAN SRI DATO' SERI SITI NORMA YAAKOB

Chairman

Ladies and gentlemen,

The enforcement of the Competition Act 2010 (CA 2010) in January 2012 heralded a new era for the Malaysian business landscape. In line with this, the Malaysia Competition Commission (MyCC), as the enforcing body of the Act and the chief advocate for competitive practices in Malaysia, spent an active year in 2012, leveraging the foundations laid for the Act in the previous year.

Let me be clear: The enforcement of the CA 2010 is no insignificant matter. The Act is expected to play a critical role in transforming Malaysian businesses towards greater global competitiveness. We believe that this can only bode well for Malaysian commerce, and that the implementation of the Act puts us in line with international standards.

As the custodian of the Act, one of the MyCC's most important functions is to communicate to Malaysian enterprises that conducting their businesses on a level playing field is a must. Competing in a healthy manner will in turn increase efficiency, quality and standards, and in the long run promote a stronger economy capable of competing on a global level.

By establishing the CA 2010, the Malaysian Government has already laid the building blocks to steer the country in this direction. This has been supplemented by a number of strategic reforms aimed at transforming Malaysia into a more competitive country through its initiatives under the National Transformation Programme.

It is also important to understand that competition issues are by no means straightforward challenges. Indeed, a quick survey of the global markets suggests that even some of the biggest and most sophisticated institutions can be complicit in anti-competitive behaviour, and foreign regulators of countries where

competition laws have long been in place still struggle with issues of interpretation and enforcement.

We must therefore remind ourselves that we are still at the early stages in the development of our own anti-competition framework and much work lies ahead of us. However, ensuring a competitive marketplace is not the sole provenance of the Commission, but one that requires the cooperation of all parties.

In the same vein, it must be highlighted that while the MyCC does not govern consumer rights, the Commission remains cognisant of the rakyat's needs in the marketplace. It is with this in mind that the MyCC will remain firm in its enforcement of the CA 2010. This, in turn, will support the growth of healthy markets and robust commercial entities. The Commission's efforts, however, must be reinforced with stakeholder engagement. As such, the MyCC will continue to conduct advocacy programmes to promote Malaysia's need for competition law. This will not only help educate stakeholders on the Act, but discourage companies from pleading ignorance in complying with competition law.

It is however incorrect to believe that we are antagonistic towards business; indeed, nothing could be further from the truth. Our goal is for companies to focus on innovation and efficiency, where only the best performers endure.

With that in mind, we are also constantly strategising ways to help businesses understand the Act to enable them to comply. One of those efforts, apart from hosting advocacy programmes, was the publishing of four guidelines in the past year: Guidelines on Market Definition, Complaints Procedures, Chapter 1 and 2 Prohibitions and also a Handbook for the General Public in addition to informational brochures.

Looking ahead, we will continue to engage stakeholders through our various advocacy and public consultation efforts, with special emphasis on competition issues related to Small and Medium Enterprises (SMEs) and trade associations and professional bodies, and also to educate stakeholders on the negative implications of bid-rigging.

As a newly-established Commission, we will also continue with our expansion plans and continuous institutional and capacity-building efforts. As with any other organisation, the workforce is the bedrock of the organisation's success, and I would like to express my gratitude to all employees of the MyCC for their dedication and hard work.

I would also like to thank the management team and my colleagues on the Board for their insight and contributions in keeping the Commission on track. In addition, I would also like to thank the Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC) for their cooperation and support, and to stakeholders and the public for their feedback and continued support.

I believe that with the continued cooperation and commitment from all stakeholders and the public, we will be able to work towards achieving a globally competitive status as a nation.

A handwritten signature in black ink, appearing to read 'Siti Norma Yaakob', written in a cursive style.

TAN SRI DATO' SERI SITI NORMA YAAKOB
MyCC Chairman



CEO's Message

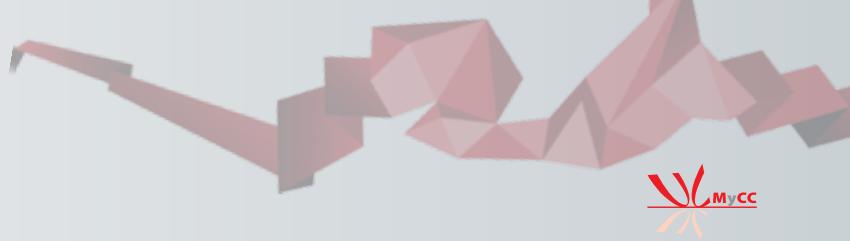
SHILA DORAI RAJ
Chief Executive Officer

Following the completion of the Malaysia Competition Commission (MyCC)'s first full year of operations, I am pleased to look back on the Commission's achievement of major milestones in 2012.

For an organisation still in its infancy, the MyCC made significant strides forward in 2012. The last 12 months did not just represent the Commission's first full year of operations, but demonstrate the tireless efforts involved in creating the framework for the enforcement of the Competition Act 2010 (CA 2010) on Jan 1, 2012.

Chief among them included the issuance of the Commission's first Final Decision against an anti-competitive agreement made by the Cameron Highlands Floriculturist Association. The MyCC's swift action in issuing the Final Decision on Dec 6 2012 underpins the Commission's effort in fostering competitive businesses for the benefit of the economy.

In addition to this, the MyCC is also empowered to issue guidelines on the implementation and enforcement of competition laws, and conduct general studies on issues related to competition in Malaysia. To this end, the Commission issued four Guidelines covering Market Definition, Anti-Competitive Agreement and Complaints Procedures, and Abuse of Dominant Position. These guidelines aim to help Malaysian businesses and the public understand the requirements of the CA 2010, so that all parties may adhere to and appreciate the implications of the new law.



The MyCC also launched the Competition Act 2010: Handbook for General Public 2010 in July 2012 which represented a vital element in educating the public on the importance of competitive practices.

Advocacy therefore remains an integral part of the MyCC's role in the medium-term, as we strive to foster a robust culture of competition in Malaysia, while promoting consumer protection. In the last year, a total of 37 advocacy programmes were conducted including seminars for public officials and Small and Medium Enterprises (SMEs).

The Commission's prime function, however, is to receive complaints and investigate any possible infringement of the Competition Act 2010, with the MyCC empowered to determine the outcome of those investigations and impose penalties in the event of an infringement.

In 2012 alone the MyCC has received 12 complaints; some were out of jurisdiction, while others merited investigations. A request for block exemption and two for individual exemptions were also received. With growing awareness of the Act by businesses and the public in general, it can be anticipated that the number of complaints and exemption requests will incessantly increase.

In order to ensure smooth operations of the Commission and to meet the growing demands of the public, in the pipeline are further institutional-building and continuous staff capacity-building. In addition to taking part in related workshops and trainings, relevant employees will be sent to on-the-job attachment programmes to other more established competition authorities abroad. Meanwhile, Commission members will continue to take part in training sessions and study visits to other Commissions to enable further knowledge sharing and establish ties for further capacity-building for both Commission members and employees of the MyCC.

The coming year will also see the MyCC focusing on competition issues related to SMEs, anti-competitive conduct by trade associations and professional bodies, and bid-rigging.

As SMEs form 97% of businesses in Malaysia, we see a need to specifically engage the industry especially via advocacy to dispel any misconception that the Act curbs the growth of SMEs. The Act is for the long-term benefit of all businesses and it is crucial for all enterprises including SMEs to understand the Act to ensure compliance and for the enterprises' own continued overall growth.

Meanwhile, professional services have an important role to play in improving the competitiveness of the economy with the result that their quality and competitiveness have important spillover effects. The elimination of anti-competitive restrictions in this sector would mean that consumers could be presented with better quality services on more advantageous terms. Hence we are looking to conduct a market review on this industry to determine whether the current practices are in compliance with the Act. A public consultation on the findings will be held to ensure open dialogue. We understand that associations need clarity on which and why some of their common practices are anti-competitive.

The other area of focus, which is bid-rigging, is deemed of utmost importance as bid rigging increases costs and lowers quality for public purchasers and ultimately for taxpayers. Competition agencies are committed to stamping it out by taking tough and targeted enforcement actions. Businesses need to be made aware that bid-rigging is against the Act and that it has an adverse impact on the economy in the long term.

In working towards creating more understanding and acceptance of the Act, one of our major advocacy efforts will be the hosting of the country's first Competition Law Conference, targeted for September 2013. A distinguished line-up of international speakers and experts will be engaged, and the legal and business fraternities and government agencies will find that they stand to benefit the most from attending this conference.

The MyCC also plans to release more advocacy materials such as the Guidelines for Business and a Compliance Handbook.

In addition, another media training session is in the pipeline to ensure that as one of the key stakeholders, the media is able to disseminate accurate information on the Act and also work together with the Commission and the public as a watchdog on competition issues.

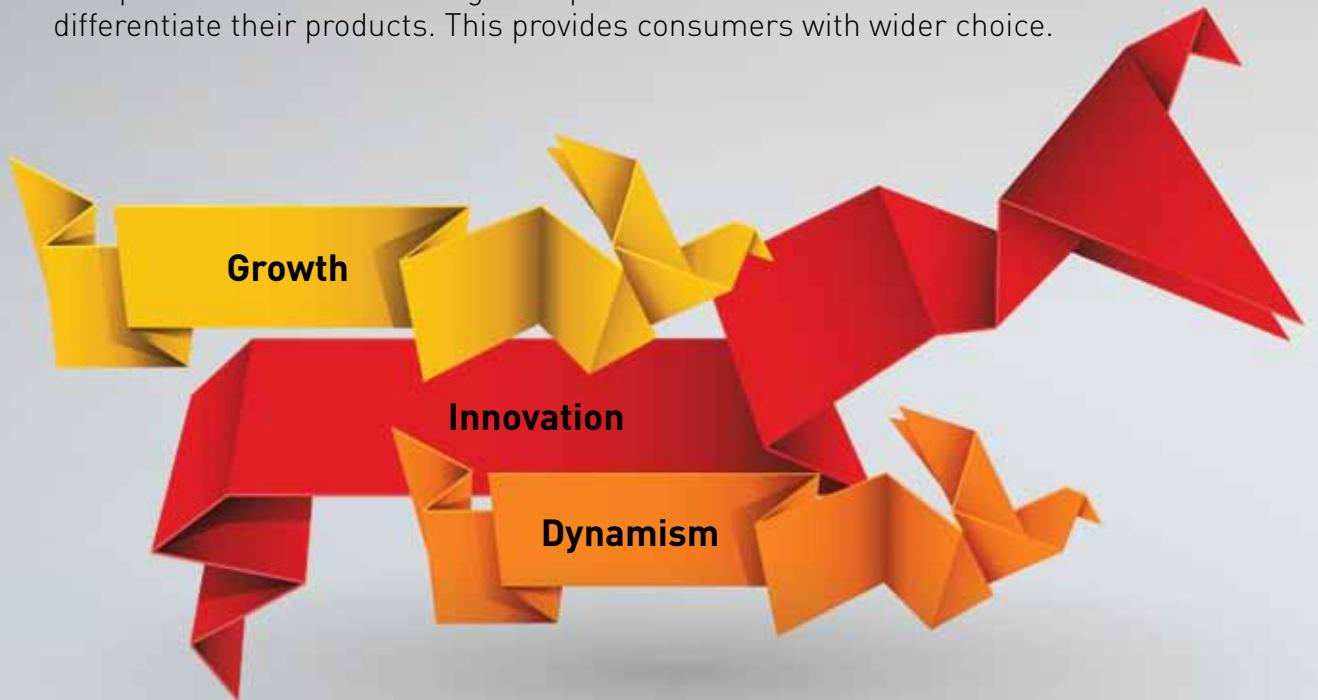
As the year progresses, the MyCC continues to take shape and to forge a path towards a more competitive Malaysia. While we are cognisant of the challenges ahead, the increasing awareness of the Act in the country is heartening to note. If all stakeholders continue to work together with us, not just in complying with the Act but also in identifying and addressing issues, we will indeed move closer towards our goal of being a globally competitive nation.



SHILA DORAI RAJ
MyCC Chief Executive Officer

MORE COMPETITION, MORE CHOICE

Competitive markets encourage companies to innovate in order to differentiate their products. This provides consumers with wider choice.





About the Malaysia Competition Commission

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

Commission's Main Functions

The Competition Commission Act 2010 empowers the MyCC to carry out functions such as implement and enforce the provisions of the Competition Act 2010, issue guidelines in relation to the implementation and enforcement of the competition laws, act as advocate for competition matters; carry out general studies in relation to issues connected with competition in the Malaysian economy or particular sectors of the Malaysian economy; inform and educate the public regarding the ways in which competition may benefit consumers in, and the economy of Malaysia.

Vision & Mission Statement

VISION

We shall be the authority nurturing and driving a conducive competition culture.

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

MISSION

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

COMPETITION: **LETTING INNOVATION** **TAKE FLIGHT**







The Competition Act 2010

In order for Malaysian companies to compete on the global stage, they must be able to compete in free markets in the domestic sphere. The Competition Act 2010 (CA 2010/the Act), which covers all domestic commercial activities and those outside the country which impact the Malaysian market, therefore drives companies to innovate and compete on a basis beyond pricing.

Malaysia is currently one out of only five of ASEAN's 10 member countries which has introduced competition law. However, with the remaining ASEAN countries expected to implement the law in the near future, the CA 2010 plays an important role for businesses and consumers alike, ensuring a fair and efficient marketplace. The Act also sends a clear signal to companies that unfair market practices will no longer be tolerated and that they must raise their game to stay relevant in the global market.

Scope of the Competition Act 2010

The Act applies to goods and cover a range of products such as buildings and other structures, vessels and vehicles, utilities such as water and sewerage, minerals, and agricultural and farm produce. The Act's main regulations cover anti-competitive agreements which may prevent, restrict or distort competition in the market. These activities, which are prohibited by the CA 2010, comprise among others, price-fixing agreements, exercising control over supply, and bid-rigging.

The Act also prohibits abuse of dominant position, where one or more enterprises freely exercise significant power to adjust prices, output or trading terms without constraint from competitors or potential competitors.

While the Act contributes to consumer protection through the promotion of competitive practices, some activities remain outside the scope of the law, including:

- Activities involving an exercise of government authority
- Activities carried out pursuant to the principle of solidarity
- Purchasing of goods or services not intended for resale or resupply
- Agreement or conduct that complies with the law

- Collective bargaining or collective agreement between employers and trade unions on behalf of employees
- Services of general economic interest, which cover public utilities, or having the character of a revenue-producing monopoly

Additionally, the Act does not cover commercial activities regulated by the Communications and Multimedia Act 1998 and the Energy Commission Act 2001.

Investigation

The MyCC may investigate an enterprise, competitor, supplier, customer, individual or any other business or trader suspected of involvement in anti-competitive practices or abuse of dominant position. These investigations may arise from the Commission having reason to suspect enterprises of infringing the Act, or from complaints lodged by the general public.

Complaints must be lodged with the Commission through submission of formal complaint forms. All information received by the MyCC will be afforded strict confidence.

The complaint form is available for download from the MyCC website at www.mycc.gov.my and can be emailed to complaints@mycc.gov.my.

Infringement and Penalties

The Commission is empowered to take a number of measures on companies found to infringe the Act. These include requiring enterprises to cease the infringement immediately and taking any other steps as specified by the Commission.

The MyCC may also impose a financial penalty or give any other direction as it deems appropriate. Financial penalties will not exceed 10% of the worldwide turnover of an enterprise over the period during which an infringement occurred.



The Competition Commission

Established in April 2011, the Malaysia Competition Commission (MyCC) is tasked with enforcing the Competition Act 2010 (CA 2010/the Act). Its main function is to protect the competitive process in commercial markets for the benefit of businesses, consumers and the economy.

In performing its function, the Commission carries out a range of initiatives. These include issuing guidelines on the implementation and enforcement of the CA 2010, advocating competition, performing general studies in relation to competition in the Malaysian economy or specific sectors of the economy, and informing and educating the public on how competition benefits consumers and the economy.

The MyCC office has been operational since 1 June, 2011. To support the Commission in implementing its functions, the Commission has established six working committees which are individually headed by a member of the MyCC. The committees also include representatives from the private and public sectors.

The working committees comprise:

- Finance and Procurement Committee
- Human Resources Committee
- Advocacy Committee
- Publicity and Communication Committee
- Internal Guidelines Committee
- External Guidelines Committee

Members of the Commission

The MyCC comprises a Chairman and government representatives from the Ministry of Domestic Trade, Co-operatives and Consumerism, the Economic Planning Unit, the Prime Minister's Department, the Attorney-General and the Ministry of International Trade and Industry. The Commission also includes five members from the private sector. Collectively, the Commission's members represent fields such as law, the economy, the corporate sector, industry, trade, public administration as well as competition and consumer protection.

Powers of the MyCC

The MyCC is governed by the Competition Commission Act 2010, which has empowered the Commission to ensure compliance to the CA 2010, investigate complaints on anti-competitive behaviours, carry out market reviews and impose penalties on companies found to infringe the competition law.

It may also impose fees or charges for services provided, cooperate with any corporation or government agency and request information from enterprises to assist in the performance of its functions, perform tasks incidental to its functions and powers, and provide loans, scholarships and advances to its employees.

Commission Members



Tan Sri Dato' Seri Siti Norma Yaakob
Chairman
Former Chief Judge of Malaya and served as a High Court Judge, an Appeal Court Judge and a Federal Court Judge



Dato' Saripuddin Kasim
Secretary-General
Ministry of Domestic Trade, Co-operatives & Consumerism



Tan Sri Abdul Gani Patail
Attorney-General of Malaysia



Tan Sri Dato' Dr Michael O.K. Yeoh
Ketua Pegawai Eksekutif
Chief Executive Officer
Asian Strategy & Leadership Institute (ASLI)



Prof Dato' Dr S. Sothi Rachagan
Vice-President (Academic Affairs)
Nilai University



Prof Datin Dr Hasnah Haron
Dean
Faculty of Graduate School of Business
Universiti Sains Malaysia



Datuk Dr Rahamat Bivi Yusoff
Director-General
Economic Planning Unit



Datuk Dr Rebecca Fatima Sta Maria
Secretary-General
Ministry of International
Trade and Industry



Rangunath Kesavan
Legal Practitioner
Former President of Malaysian
Bar Council



Abd Malek Ahmad
Executive Director of an IT and
3-D animation firm

Organisation Structure



MALAYSIA COMPETITION COMMISSION

**Chairman & Members
of the Commission**

**Chief
Executive Officer**

**Investigation
and
Enforcement**

**Strategic
Planning and
International
Affairs**

**Legal
Unit**

**Management
Services**

**Corporate
Communication
Unit**

INNOVATION THROUGH COMPETITION

Competition encourages companies to improve the quality of their products through innovation. This attracts customers through a wider and better range of products, and helps businesses grow financially.



Milestones

Oct 2005 ▶

- 26 October: Cabinet approves the final draft of the Fair Trade Practices Policy (FTPP).
- The Ministry of Domestic Trade, Co-operatives and Consumerism (the Ministry) forms CG25, a consultative group made up of key government agencies, chambers, associations and members of civil society to discuss aspects of draft bills based on the FTPP. Some aspects of the draft bills were reviewed following feedback gathered from consultations with CG25.

- Engagement with stakeholders to discuss final changes to the FTPP, which focused solely on competition.

◀ **Sept - Oct 2009**

Apr 2010 ▶

- 2 April: Cabinet approves new policy and bill.
- 12 April: The new policy and bill are tabled and read in the Lower House of Parliament.

- 2 June: The Competition Act 2010 receives Royal Assent.
- 10 June: The Competition Act 2010 is gazetted. An 18-month grace period is established for companies to comply with the new law and for the Ministry to establish the Competition Commission.

◀ **June 2010**

Sept 2010 ▶

- The Ministry establishes an interim competition unit to prepare for the set-up of the Commission. Additionally, an implementation competition committee is established to assist the interim competition unit's initial programmes, which included the formation of the Commission and conducting advocacy programmes.

Feb - Apr 2011 ▶

- A Competition Lab is formed to assess issues that could expedite a firm implementation of the Competition Act 2010. The Lab is comprised of members from the public and private sectors.
- 1 April: Tan Sri Dato' Seri Siti Norma Yaakob is appointed Chairman of the Competition Commission.

- 1 May: Nine other members are appointed to the Commission.

◀ May 2011

June 2011 ▶

- Shila Dorai Raj is appointed Chief Executive Officer of the Commission. Other Commission officers are also appointed.

- The Commission drafts three guidelines and conducts six public consultations to evaluate feedback from stakeholders.

◀ Dec 2011

Jan 2012 ▶

- The Competition Act 2010 comes into force.

- 2 May: Release of guidelines on Complaints Procedures, Market Definition and Anti-competitive Agreements.

◀ May 2012

Jul 2012 ▶

- 16 July: Launch of the Commission's Handbook for General Public.
- 16 July: The Commission conducts a market review of the domestic broiler market.
- 23 July: Investigation commences into Cameron Highlands Floriculturist Association (CHFA) for price-fixing.
- 26 July: Release of guidelines on Abuse of Dominant Position.

- 24 October: Issuance of proposed decision against CHFA for contravening Section 4(2) of the Act.

◀ Oct 2012

Dec 2012 ▶

- 6 December: Issuance of final decision against CHFA.

BUILDING **INNOVATIVE BUSINESSES**



Competition law promotes innovation in the marketplace. An innovative business is a sustainable business, providing consumers with a variety of products that keep them coming back. Companies which can compete in the local marketplace are also stronger on the global stage.



Year in Review

Looking Back

As the Malaysia Competition Commission's (MyCC) first full year of operations, the year in review was an active period for the Commission as the Competition Act 2010 (CA 2010) came into force on 1 January, 2012.

In addition to carrying out the Commission's main functions of enforcing the Act, much of the MyCC's activities during the year centred on conducting advocacy programmes to promote competition law in Malaysia.

Advocacy

Following the launch of the MyCC's two-year advocacy strategy plan in 2012, the Commission successfully undertook a total of 37 advocacy programmes during the year, engaging the public and private sectors through activities held nationwide. The number of programmes held also surpassed the 20 programmes initially planned for the year.

The advocacy programmes saw the Commission reaching out to the spectrum of competition law stakeholders, covering the judiciary, the Government and private sector representatives.

These programmes also included a two-day Bid-Rigging Seminar with Government agencies held in September and a talk with Small and Medium-sized Enterprises (SMEs) the Commission co-hosted with SME Corporation Malaysia (SME Corp). The talk was held in Kuala Lumpur in November and featured Dr Michael Schaper, the Deputy Chairman of the Australian Competition and Consumer Commission, as a guest speaker.

Among the highlights of the advocacy strategy plan for the year included the 7th East Asia Conference on Competition Law and Policy (7th EAC) and the 8th East Asia Top Level Officials' Meeting (8th EATOP) Programme. The Commission co-organised the programme in collaboration with the Asian Development Bank Institute (ADBI) and the Japan Fair Trade Commission (JFTC). Held in Kuala Lumpur, this was Malaysia's maiden hosting of the EATOP and the country's second time hosting the EAC.



MyCC Chairman, Tan Sri Dato' Seri Norma Yaakob (right) and MyCC Chief Executive Officer, Shila Dorai Raj

The EAC and EATOP, held on 2 and 3 May 2012, focused on issues related to cartels and methods to combat cartels. Cartels are seen as a central element prohibiting competition in markets. Hence, combating cartels forms an essential issue that must be addressed by competition authorities in ensuring competitive markets and healthy business practices.



The EAC was open to industry and academic experts, receiving a total of 250 participants, while the EATOP was held as a closed-door meeting for representatives from each East Asian competition agency. An estimated 40 delegates from Japan, South Korea, Chinese Taipei, Mongolia, Singapore, Myanmar, Vietnam, Brunei, Thailand, Indonesia, Cambodia, Laos and the Philippines attended the EATOP.

Present at the gala dinner launching the conferences on 2 May were the Deputy Minister of Domestic Trade, Co-operatives and Consumerism, YB Datuk Rohani Abdul Karim, and Tan Sri Dato' Seri Siti Norma Yaakob, Chairman of the MyCC and MyCC CEO, Shila Dorai Raj. The conferences were also attended by JFTC Chairman, Kazuhiko Takeshima, and ADBI's CBT Director, Dr Yuqing Xing, and around 40 foreign delegates from East Asian countries.



The MyCC was also represented at the conferences by Dato' Saripuddin Kasim, who is also Secretary-General of the MDTCC, Rangunath Kesavan, Abdul Malek Ahmad and Prof Dato' Dr S. Sothi Rachagan.



At the 7th East Asia Conference on Competition Law & Policy 2nd May 2012





Left to right : Deputy Minister of Domestic Trade, Co-operatives and Consumerism, YB Datuk Rohani Abdul Karim, MyCC Chairman, Tan Sri Dato' Seri Siti Norma Yaakob and JFTC Chairman, Kazuhiko Takeshima at the 7th EAC & 8th EATOP Gala Dinner on 3rd May 2012

Publications

Aside from its primary role as enforcer of the Competition Act 2010, the MyCC recognises that its responsibility in creating awareness and educating businesses and the public on the law will make up one of its key functions while competition law remains a new element to the Malaysian economic landscape.

In aid of this, the Commission released four Guidelines on the application and implications of the Act in 2012 and commenced drafting three more. The launch of these Guidelines is aimed at ensuring all stakeholders understand the law and serve as reference to how the Act should be interpreted. The Guidelines also assist in establishing the processes in the implementation of the Act.

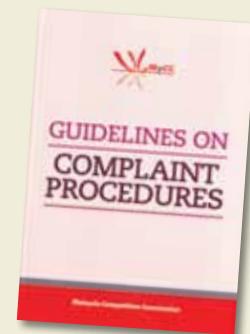
The Guidelines are available for download on the MyCC's website.

The Guidelines released in 2012 comprise:

- Guidelines on Complaints Procedures
- Guidelines on Market Definition
- Guidelines on Chapter 1 Prohibition (Anti-competitive Agreements)
- Guidelines on Chapter 2 Prohibition (Abuse of Dominant Position)

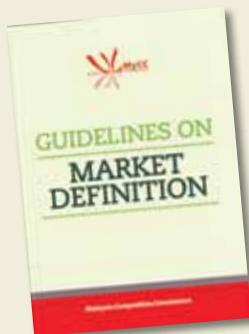
Guidelines on Complaints Procedures

Complaints form a crucial component to the MyCC's role in enforcing the Act, as they serve as a starting point for the Commission to take action. The Guidelines on Complaints Procedures, released on 2 May 2012, outline the complaints process to ensure the Commission receives complaints through the appropriate channels. It is also aimed at ensuring complainants provide relevant and sufficient information which will allow the Commission to take the appropriate action.



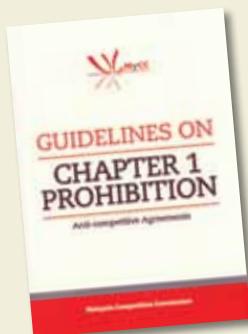
Guidelines on Market Definition

Published on 2 May 2012, the Guidelines on Market Definition represent another building block in the implementation of competition law. This is vital as defining a market is necessary in determining the level of competition. The Guidelines on Market Definition, therefore, cover the Commission's procedures in defining markets, including the factors taken into consideration when defining a market, such as pricing and product.



Guidelines on Chapter 1 Prohibition (Anti-competitive Agreements)

To assist in ensuring market understanding of actions which hinder competitive business practices, the MyCC released the Guidelines on Chapter 1 Prohibition (Anti-competitive agreements). These Guidelines, which govern agreements made between enterprises and decisions by associations, explain the factors considered by the MyCC in deciding whether an agreement is anti-competitive. The Guidelines also define types of agreements which are prohibited by the Act as they are deemed harmful to competition.



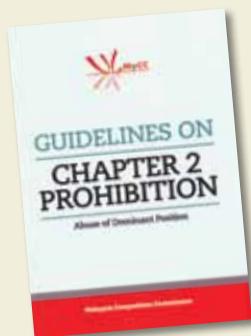
Competition Act 2010 : Handbook for General Public

In addition to releasing the Guidelines, the Commission also published the Competition Act 2010 : Handbook for General Public on 16th July 2012, aimed at educating the public on the importance of competition law, key issues on competition which the public should be aware of as part of their consumer rights. The Handbook also serves to inform the public on the roles and responsibilities of the MyCC, as well as the role that the public can play in promoting competition in the country.



Guidelines on Chapter 2 Prohibition (Abuse of Dominant Position)

Released on 26 July 2012, the Guidelines on Chapter 2 Prohibition (Abuse of Dominant Position) cover the Commission's interpretation of dominance, the definition of the abuse of dominance and the actions which constitute abuse, circumstances of abuse in separate markets and whether abuse can be justified. The Guidelines also explain other competitive factors, apart from market share, which the Commission will consider in assessing dominance.





Left to right : Deputy Secretary General of Domestic Trade, Co-operatives and Consumerism (DTCC), Dato' Daud bin Tahir, Deputy Minister of DTCC, Dato' Tan Lian Hoe, MyCC Chairman, Tan Sri Dato' Seri Siti Norma Yaakob, MyCC Chief Executive Officer, Shila Dorai Raj at the Competition 2010: Handbook for General Public launch on 16th July 2012



With Members of the Commission at the Competition 2010: Handbook for General Public launch

Market Review

The MyCC also conducted a market review of the broiler market during the year, following feedback from the public that the sector showed possible anti-competitive elements. A report, entitled *Review of the Domestic Broiler Market*, studied the structure of the market and interactions of broiler enterprises and suppliers at ex-farm, wholesale and retail levels.

The *Review of the Domestic Broiler Market* underwent public consultation in July and an interim report was tabled to the MDTCC (Ministry of Domestic Trade, Co-operatives and Consumerism) in August.

Policy Advice

The Commission also provided policy advice on numerous issues ranging from procurement, price controls, barriers to market entry, information sharing, to compliance issues to ministries and Government agencies during the year. The ministries and Government agencies comprised:

- Bank Negara Malaysia
- Energy Commission
- Ministry of International Trade and Industry
- Petroliam Nasional Bhd
- Ministry of Domestic Trade, Co-operatives and Consumerism
- Ministry of Tourism
- Malaysian Automotive Association
- Ministry of Health
- Land Public Transport Commission
- Inland Revenue Board/Ministry of Finance

Cases

A major milestone achieved by the MyCC during the year was the passing of its first Final Decision, meted out on the Cameron Highlands Floriculturist Association (CHFA). The Commission issued the decision in December, finding the CHFA guilty of price-fixing.

The Commission also received 12 complaints from businesses in 2012, in addition to one request for a block exemption and two requests for individual exemptions.

The MyCC's arrival at its first Final Decision represents a significant achievement for the Commission due to its short time in existence. In most instances, newly-established competition commissions will take some time to complete cases and reach decisions as resources are focused on public advocacy and education of competition law.

It must be noted however, that the time taken by the MyCC to complete its Final Decision should not serve as a benchmark for future cases. This is as each case is unique and will require varying time and resources to complete.

Additionally, the Commission must ensure investigations are carried out thoroughly, from verifying the validity of complaints to issuing a Final Decision. As such, advocacy and education will remain a key focus for the MyCC in the medium-term, in order for companies and the public to be fully aware of the processes involved in governing competition.

Special Committee on Competition

During the year, the MyCC also spearheaded the establishment of the Special Committee on Competition, hosting its inaugural meeting in May and a second meeting in December.

The Committee brings together representatives from sectoral regulators to support the enforcement of competition law, discuss common issues and ensure consistency in the application of the CA 2010.

These regulators comprise the Malaysian Communications and Multimedia Commission (MCMC), the Energy Commission (EC), the National Water Services Commission (SPAN), the Land Public Transport Commission (SPAD), Bank Negara Malaysia – the Malaysian central bank (BNM), and the Securities Commission (SC).

In addition to providing a forum for discussion and cooperation, the Committee also works to ensure that the terms and principles on competition introduced by the MyCC's regulatory counterparts and excluded from the CA 2010 are consistent with the Act.

Institutional Building

Following the MyCC's expansion since it first commenced operations on 1 June 2011, the Commission moved to a new office at Menara SSM@Sentral. The premises now houses the offices of the Commission's Chairman, Commissioners and CEO, in addition to its Strategic Planning and International Affairs, Investigation and Enforcement; and Management Services Divisions, as well as the Legal and Corporate Communication Units.



The new MyCC office at Level 15, Menara SSM@Sentral

Website

The MyCC also revamped its website, www.mccc.gov.my, during the year. The website acts as a source of reference on national competition matters and links MyCC with other parties interested in disseminating and sharing information related to the Commission's activities.



The MyCC website

Equipping the MyCC

As part of the MyCC's own efforts to equip itself with expertise to enforce competition law, the Commission embarked on a number of working visits, training and international meetings throughout the year. The Commission's participation in these events also aims to strengthen cooperative ties and foster knowledge-sharing between jurisdictions where competition law is more established.

In 2012, these activities comprised:

Working Visits

In an effort to improve the MyCC's networking ties with competition regulators in other countries, as well as to develop Malaysia's best practices in competition law, the Commission went on the following working visits throughout the year:

- Office of Fair Trade, UK, in April
- Australian Competition and Consumer Commission, Australia, in June
- Study visit under the auspices of the ASEAN Experts Group on Competition (AEGC) to the Federal Cartel Office, Monopolies Commission, Dusseldorf Regional High Court, Federal Network Agency, Centre for the Protection Against Unfair Competition, Germany, in October

International Meetings

The Commission participated in numerous international meetings in 2012. These meetings aim to equip the Commission with the expertise needed to carry out its responsibilities, while also representing a forum for discussion on competition issues.

- APEC Competition Policy and Law Group and Friends of the Chair Meeting, Russia, in February
- The Organisation for Economic Co-operation and Development's (OECD) 11th Global Forum on Competition (GFC), Paris, France, in February
- 11th International Competition Network (ICN) Annual Conference, Rio De Janeiro, Brazil, in April
- 12th Intergovernmental Group of Experts (IGE) on Competition Law and Policy, United Nations Conference on Trade and Development (UNCTAD), Geneva, Switzerland, in July
- High Level Meeting on Competition, Indonesia, in June
- 7th Seoul International Competition Forum, Korea, in September

As part of its efforts to foster regional cooperation in issues related to competition, the Commission also actively participated in meetings held by the (AEGC) throughout the year. These meetings comprised:

- 9th AEGC Meeting in Brunei, held in April
- 10th AEGC Meeting in Brunei, held in November
- AEGC Capacity Building Workshop on the “Impact and Benefits of Competition Policy and Law on Businesses in ASEAN” in Brunei, also held in November

Other Involvements

The Commission also participated or fielded guest speakers for the following events during the year:

January

- Competition Law Training Programme under the Economic Partnership Programme between Japan and Malaysia, Japan

February

- 1st AANZFTA-AEGC Capacity Building Workshop: Australia and New Zealand’s Experiences in Implementing Competition Policy & Law, Thailand

March

- Consultative Workshop to Review the Draft Competition Law and the Revised Consumer Law, Lao PDR
- Technical Assistance Workshops on Modes of Enhancing the Effectiveness of Competition Policies, Regulatory Framework, and Communication Strategy, Presentation and Media by the European Union Workshops, Shah Alam
- Global Competition Forum, Live Law Leaders Asia-Pacific, Singapore
- Workshop on Investigational and Analytical Skill for Assessing Market Power & Competitive Effects, Indonesia

Year in Review

June

- Advocacy Workshop by the Australian Competition and Consumer Commission and New Zealand Commerce Commission, Australia
- Roundtable session with Professor Richard Whish, professor of law at King's College London and an expert on competition policy, Kuala Lumpur

July

- Roundtable session with Professor Eleanor Fox, Walter J Derenberg professor of trade regulation, New York University School of Law, specialising in anti-trust, markets, economic development and globalisation, Kuala Lumpur

September

- Workshop on Bid-rigging for Public Officials, Putrajaya

November

- A talk titled "Does Competition Law Help or Hinder SMEs" co-hosted with SME Corp featuring Dr Michael Schaper, Deputy Chair of the Australian Competition and Consumer Commission (ACCC), as guest speaker, Kuala Lumpur



From left : Deputy Chair of the Australian Competition and Consumer Commission (ACCC), Dr Michael Schaper and MyCC Chief Executive Officer, Shila Dorai Raj



The MyCC Iftar Programme with underprivileged children from Rumah Kebajikan Al-Khausar, Bangi with the Minister of Domestic Trade, Co-operatives and Consumerism, Y.B Dato' Sri Ismail Sabri as a guest of honour

Flower growers sorry for hike

Cameron Highlands group to meet Competition Commission over price-fixing issue

Flower growers in Cameron Highlands are sorry for a price hike in their products, but they are determined to stick to their guns. The growers' association is set to meet the Competition Commission (MyCC) on Monday to discuss the issue. The growers claim that the price hike is necessary to cover the cost of raw materials and labor. They also claim that the price hike is necessary to ensure that they can continue to produce quality flowers. The MyCC is expected to investigate the issue and may impose penalties if it finds that the growers have engaged in price-fixing.

Ensuring no foul play in chicken prices

Essential items and their prices will be monitored

The Competition Commission (MyCC) is monitoring the prices of essential items to ensure that there is no foul play in the market. The MyCC is particularly concerned about the prices of chicken, which has seen a significant increase in recent months. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also monitoring the prices of other essential items, such as rice, oil, and sugar, to ensure that they are affordable for consumers.

Gloves off in 2013 declares Competition Commission CEO

Competition Commission CEO



The Competition Commission (MyCC) CEO has declared that the gloves are off in 2013. The CEO is expected to lead the MyCC in its efforts to promote competition and protect consumers. The MyCC is expected to investigate a number of cases of anti-competitive behavior in 2013, including price-fixing and market sharing. The MyCC is also expected to take action against businesses that engage in anti-competitive practices.

MAS, AirAsia, AirAsia X kena kemuka dokumen tambahan

MyCC mahu dapatkan perincian terperinci atas rancangan penatruan saham

The Competition Commission (MyCC) has demanded additional documents from MAS, AirAsia, and AirAsia X regarding their proposed share restructuring. The MyCC is concerned that the restructuring may involve anti-competitive practices, such as market sharing or price-fixing. The MyCC is expected to investigate the issue and may impose penalties if it finds that the companies have engaged in anti-competitive behavior. The MyCC is also expected to take action against the companies if it finds that they have not provided the necessary information.



The MyCC is expected to investigate the issue and may impose penalties if it finds that the companies have engaged in anti-competitive behavior. The MyCC is also expected to take action against the companies if it finds that they have not provided the necessary information.

Shila to whip 'em into line

Shila to whip 'em into line

Shila is expected to whip the industry into line. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

若不影响市场竞争力量 法令允商家交换资讯

MyCC kaji punca 5 juta ayam limusnah

The Competition Commission (MyCC) is considering allowing businesses to exchange information if it does not affect market competition. The MyCC is also investigating the cause of the loss of 5 million chickens. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

Under competition law, information sharing between businesses is not wrong

Under competition law, information sharing between businesses is not wrong. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

MyCC接8项违反竞争法投诉

MyCC接8项违反竞争法投诉

The Competition Commission (MyCC) has received 8 complaints of anti-competitive behavior. The MyCC is expected to investigate the issues and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.



The MyCC is expected to investigate the issues and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

More education needed on Act?

More education needed on Act?

More education is needed on the Competition Act. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

MyCC kaji punca 5 juta ayam limusnah

MyCC kaji punca 5 juta ayam limusnah

The Competition Commission (MyCC) is investigating the cause of the loss of 5 million chickens. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

Waiver sought

Waiver sought

A waiver is being sought for exemption from the Competition Act. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

MyCC siast kemungkinan wujud salah guna kuasa monopoli

MyCC siast kemungkinan wujud salah guna kuasa monopoli

The Competition Commission (MyCC) is investigating the possibility of misuse of monopoly power. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

Isu penggabungan MAS-AirAsia

Isu penggabungan MAS-AirAsia

The issue of the merger between MAS and AirAsia is being investigated. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

MyCC chairmen: Probe on MAS-AirAsia share swap

MyCC chairmen: Probe on MAS-AirAsia share swap

The MyCC chairmen are probing the MAS-AirAsia share swap. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

MyCC terima tujuh aduan antipersaingan

MyCC terima tujuh aduan antipersaingan

The MyCC has received seven anti-competitive complaints. The MyCC is expected to investigate the issues and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

Buku Panduan Akta Persaingan 2010

Buku Panduan Akta Persaingan 2010

The 2010 Competition Act Guidebook is being released. The MyCC is expected to investigate the issue and may impose penalties if it finds that there has been price-fixing or other anti-competitive behavior. The MyCC is also expected to take action against the industry if it finds that it has not provided the necessary information.

卡斯特列為刑事案 依斯邁沙比重議

卡斯特列為刑事案 依斯邁沙比重議

**BUILDING
COMPETITION,
PROTECTING
CONSUMERS**



A paper bird sculpture, likely a crow or raven, is perched on a dark branch. The bird is constructed from various shades of brown and tan paper, with sharp, angular folds that define its form. It is positioned on the right side of the page, facing left. The background is a solid, light beige color.

FINANCIAL STATEMENTS

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Certificate
of the
**Auditor-
General**



**SIJIL KETUA AUDIT NEGARA
MENGENAI PENYATA KEWANGAN
SURUHANJAYA PERSAINGAN MALAYSIA
BAGI TAHUN BERAKHIR 31 DISEMBER 2012**

Saya telah mengaudit Penyata Kewangan Suruhanjaya Persaingan Malaysia bagi tahun berakhir 31 Disember 2012. Pihak pengurusan bertanggungjawab terhadap Penyata Kewangan ini. Tanggungjawab saya adalah mengaudit dan memberi pendapat terhadap Penyata Kewangan tersebut.

Pengauditan telah dilaksanakan mengikut Akta Audit 1957 dan berpandukan piawaian pengauditan yang diluluskan. Piawaian tersebut menghendaki pengauditan dirancang dan dilaksanakan untuk mendapat kepastian yang munasabah sama ada Penyata Kewangan adalah bebas daripada kesilapan atau ketinggalan yang ketara. Pengauditan ini termasuk memeriksa rekod secara semak uji, menyemak bukti yang menyokong angka dan memastikan pendedahan yang mencukupi dalam Penyata Kewangan. Penilaian juga dibuat terhadap prinsip perakaunan yang digunakan, unjuran signifikan oleh pengurusan dan persembahan Penyata Kewangan secara keseluruhan. Saya percaya pengauditan yang dilaksanakan memberi asas yang munasabah terhadap pendapat saya.

Pada pendapat saya, Penyata Kewangan ini memberi gambaran yang benar dan saksama terhadap kedudukan kewangan Suruhanjaya Persaingan Malaysia pada 31 Disember 2012 serta hasil operasi dan aliran tunai untuk tahun tersebut adalah selaras dengan piawaian perakaunan yang diluluskan.

(NIKRUL TARMIZI BIN AWALLUDIN)
b.p. KETUA AUDIT NEGARA
MALAYSIA

PUTRAJAYA
19 OGOS 2013



**PENYATA Pengerusi dan seorang Ahli Lembaga Pengarah
Suruhanjaya Persaingan Malaysia**

Statements
by the
Members

Kami, TAN SRI DATO' SERI SITI NORMA YAAKOB dan ENCIK ABD. MALEK BIN AHMAD yang merupakan Pengerusi dan salah seorang Ahli Lembaga Pengarah Suruhanjaya Persaingan Malaysia dengan ini menyatakan bahawa, pada pendapat Lembaga Pengarah, Penyata Kewangan yang mengandungi Lembaran Imbangan, 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 2012 dan hasil kendaliannya serta perubahan kedudukan kewangannya bagi tahun berakhir pada tarikh tersebut.

Bagi pihak Lembaga,

A handwritten signature in black ink, appearing to read 'Siti Norma Yaakob', written over a dotted horizontal line.

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

TARIKH: 5 Ogos 2013
TEMPAT: KUALA LUMPUR

Bagi pihak Lembaga,

A handwritten signature in black ink, appearing to read 'Abd. Malek Bin Ahmad', written over a dotted horizontal line.

ABD. MALEK BIN AHMAD
ANGGOTA
Suruhanjaya Persaingan
Malaysia

TARIKH: 5 Ogos 2013
TEMPAT: SELANGOR

Statutory Declaration

PENGAKUAN OLEH PEGAWAI UTAMA YANG BERTANGGUNGJAWAB KE ATAS PENGURUSAN KEWANGAN SURUHANJAYA PERSAINGAN MALAYSIA

Saya, SHILA DORAI RAJ, pegawai utama yang bertanggungjawab ke atas pengurusan kewangan dan rekod-rekod perakaunan SURUHANJAYA PERSAINGAN MALAYSIA dengan ikhlasnya mengakui bahawa Lembaran Imbangan, Penyata Pendapatan, Penyata Perubahan Ekuiti dan Penyata Aliran Tunai dalam kedudukan kewangan yang berikut ini berserta dengan nota-nota kepada Penyata Kewangan di dalamnya mengikut sebaik-baik pengetahuan dan kepercayaan saya, adalah betul dan saya membuat ikrar ini dengan sebenarnya mempercayai bahawa ia adalah benar dan atas kehendak-kehendak Akta Akuan Berkanun, 1960.

Sebenarnya dan sesungguhnya)
diakui oleh penama di atas)
di Petaling Jaya)
pada 02 AUG 2013)

Shila Dorai Raj
.....
SHILA DORAI RAJ
KETUA PEGAWAI EKSEKUTIF,
SURUHANJAYA PERSAINGAN
MALAYSIA



17-2, Block E1, Jalan PJU 1/42,
Dataran Prima, 47301 Petaling Jaya
Selangor Darul Ehsan

Balance Sheet

As at 31 December 2012



	Note	2012 RM	2011 RM
ASSETS			
Property, Plant And Equipment	4	1,115,144	367,679
CURRENT ASSETS			
Deposits and Prepayments	5	218,870	24,038
Accrued Interest		162,036	12,450
Fixed Deposit	6	18,228,440	3,002,795
Cash and Bank Balances	7	5,973,481	4,161,117
		24,582,827	7,200,400
CURRENT LIABILITIES			
Other Payables and Accruals		504,489	83,738
NETT CURRENT ASSETS			
		24,078,338	7,116,662
		25,193,482	7,484,341
FINANCED BY :			
Accumulated Launching Grant		25,193,482	7,484,341
		25,193,482	7,484,341

Income Statement

For the Financial Year Ended 31 December 2012

	Note	2012 RM	2011 RM
INCOME			
Allocation from the Government of Malaysia		25,200,000	10,578,605
Fixed Deposit Interest	8	375,232	47,975
Exemption Application Fees		200,000	-
Bank Interest		96,806	32,730
Conference Fees		12,128	-
Disposal sale of Office Equipment / Materials		3,640	-
TOTAL INCOME		25,887,806	10,626,580
EXPENSES			
Emoluments		996,290	407,724
Travel and Accommodation		143,548	341,069
Utilities and Communication		65,007	25,426
Rental		734,764	111,241
Depreciation	4	77,416	24,301
Administration Expenses	9	1,933,233	29,752
Service Expenses		304,687	173,030
Salaries and Allowances for Members of the Commission		698,853	399,735
Entertainment, Honorarium and Contributions		38,698	4,419
Development Expenditure	10	3,186,169	1,625,542
TOTAL EXPENSES		8,178,665	3,142,239
NET INCOME		17,709,141	7,484,341

Statement of **Changes in Equity**

For the Financial Year Ended 31 December 2012



	2012
	RM
As at 1 June 2011	–
Net Income	7,484,341
Balance as at 31 December 2011	7,484,341
Net Income	17,709,141
Balance as at 31 December 2012	25,193,482

Cash Flow Statement

For the Financial Year Ended 31 December 2012

	2012	2011
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income	17,709,141	7,484,341
Adjustment:		
Depreciation	77,416	24,301
Fixed Deposit Interest and Bank Interest	(472,038)	(47,975)
NET INCOME BEFORE WORKING CAPITAL CHANGES	17,314,519	7,460,667
Increase in Other Receivables	(344,418)	(36,488)
Increase in Other Payables	420,751	83,738
NET CASH FLOW FROM OPERATING ACTIVITIES	17,390,852	7,507,917
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(824,881)	(391,980)
Interest received from Fixed Deposit and Bank	472,038	47,975
NET CASH FLOW FROM INVESTING ACTIVITIES	(352,843)	(344,005)
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,038,009	7,163,912
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,163,912	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24,201,921	7,163,912
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and Bank Balances	5,973,481	4,161,117
Fixed Deposit	18,228,440	3,002,795
	24,201,921	7,163,912

Notes to the Financial Statements



1. General Information

- 1.1 Malaysia Competition Commission (MyCC) was established on 1 June 2011 under the Competition Commission Act 2010 (Act 713).
- 1.2 The financial statements of the Malaysia Competition Commission for the Financial Year Ended 31 December 2012 were approved by the Members of the Commission through a resolution on 5 August 2013.

2. Primary Objective

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

3. Significant Accounting Policies

3.1 Basis of Preparation

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

- 3.2 The Malaysia Competition Commission received a development grant under the Tenth Malaysia Plan (10MP) from the Government of Malaysia for the amount of RM25,200,000 to meet the financial liabilities and capital expenditure of the Commission.

Notes to the Financial Statements (Continued)

3. Significant Accounting Policies (continued)

3.3 Property, Plant and Equipment

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

Motor vehicles	20%
Office equipment and furniture	10%
Books	10%
Computers	10%

3.4 Depreciation of Assets

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

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

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

3.5 Cash and Cash Equivalents

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

3. Significant Accounting Policies (continued)

3.6 Income Recognition

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

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

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

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

3.7 Financial Risk Management Policies

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

i. Interest Rate Risk

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

ii. Credit Risk

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

Notes to the Financial Statements (Continued)

3. Significant Accounting Policies (continued)

3.7 Financial Risk Management Policies (continued)

iii. Foreign Exchange Risk

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

iv. Liquidity Risk

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

3.8 Employee Benefits

i. Short Term Benefits

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

ii. Defined Contribution Plan

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

3.9 Income Tax

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

4. Plant, Property and Equipment

Cost	Motor Vehicles	Office Equipment and Furniture	Books	Computers	Total
	RM	RM	RM	RM	RM
Balance as at 1 January 2012	336,466	22,361	16,988	16,165	391,980
Additions in the Current Year	182,900	144,089	73,385	424,507	824,881
Balance as at 31 December 2012	519,366	166,450	90,373	440,672	1,216,861

Accumulated Depreciation

Balance as at 1 January 2012	23,027	729	25	520	24,301
Depreciation in the Current Year	67,393	3,052	4,053	2,918	77,416
Balance as at 31 December 2012	90,420	3,781	4,078	3,438	101,717
Net Book Value	428,946	162,669	86,295	437,234	1,115,144

Cost	Motor Vehicles	Office Equipment and Furniture	Books	Computers	Total
	RM	RM	RM	RM	RM
Balance as at 1 June 2011	-	-	-	-	-
Additions in the Current Year	336,466	22,361	16,988	16,165	391,980
Balance as at 31 December 2011	336,466	22,361	16,988	16,165	391,980

Accumulated Depreciation

Balance as at 1 June 2011	-	-	-	-	-
Depreciation in the Current Year	23,027	729	25	520	24,301
Balance as at 31 December 2011	23,027	729	25	520	24,301
Net Book Value	313,439	21,632	16,963	15,645	367,679

Notes to the Financial Statements (Continued)

5. Deposits and Prepayments

	2012	2011
	RM	RM
Car park rental deposit	-	1,320
Electricity deposit	76,851	5,000
Other deposit and collateral	137,821	13,520
Prepayments	4,198	4,198
	218,870	24,038

6. Fixed Deposit

	2012	2011
	RM	RM
Bank Kerjasama Rakyat Malaysia	8,693,517	3,002,795
Malaysia Building Society Berhad	9,534,923	-
	18,228,440	3,002,795

Interest rate for fixed deposits is 3.20% - 3.50% with a retention period of 1 to 6 months.

7. Cash and Bank Balances

	2012	2011
	RM	RM
Cash in hand and at banks	5,973,481	4,161,117

8. Fixed Deposit Interest

	2012	2011
	RM	RM
Bank Kerjasama Rakyat Malaysia	236,010	15,245
Malaysia Building Society Berhad	139,222	-
	375,232	15,245

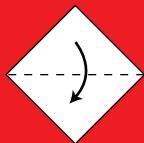
9. Administration Expenditure

	2012	2011
	RM	RM
Petrol Fuel	21,454	4,699
Office Expenses	1,880,244	25,053
Other Taxes	25,557	-
Stamp Duty	5,978	-
	1,933,233	29,752

10. Development Expenditure

	2012	2011
	RM	RM
Capacity Development Training	543,329	56,430
Advocacy Programs	732,688	440,734
ICT and Website Development	231,851	24,732
Media and Communication Planning	1,120,607	648,505
Research	557,694	455,141
	3,186,169	1,625,542

How to make an origami crane



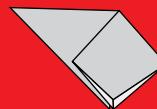
1.
Start with a standard A4 paper and then cut it into a square. Fold the square in half diagonally.



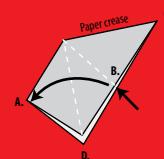
2.
Fold in half from left to right again.



3.
Spread the pocket out from the inside and fold to make a small square.



4.
Your paper should look like this. Now turn it over to start step Five.



5.
Fold Point B onto Point A, while at the same time folding the paper crease inward so that Point C is touching Point D.



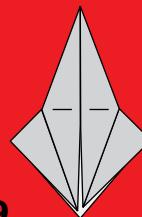
6.
Here's the tricky part. Fold left and right corners toward the centre line along the red valley line and then fold the top corner along the blue valley line.



7.
Note: The folds from step 6 are only to create a crease. Your paper should look like this.



8.
Now, open the pocket by pulling the bottom corner up and folding inward along the crease. Some creases will become inverted.



9.
The figure should look like this. Be careful to score the edges and corners cleanly. Turn over and do the same (Step 6,7,9)



10.
Fold in the lower flaps made in step 9. Now you have the base. You've come halfway, and the rest is downhill.



11.
Making sure you have the right side up, valley fold on the dotted lines using the top layer only.



12.
The figure should look like this. Turn over.



13.
Do the same as step 11. Getting hard? Don't give up. You're almost there!



14.
Reverse fold dotted lines to form the head.



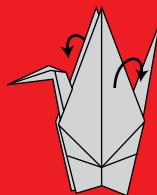
15.
Slightly open the side and bring the head part up like this.



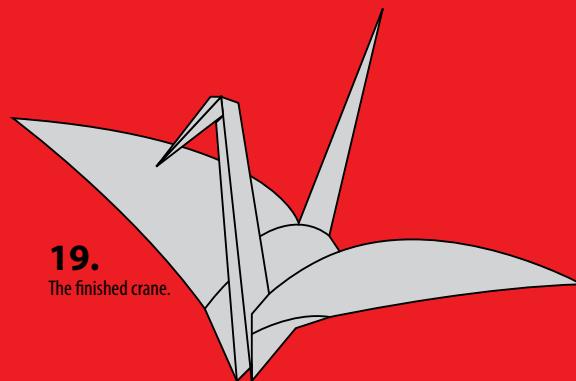
16.
Bring up at this point and press down. Do the same to form the tail on the other side.



17.
Reverse fold at dotted lines to form the beak. You can select the length of the beak.



18.
Bend the wings down and out into the proper position. You can bow in from the bottom.



19.
The finished crane.

Cut along the dotted line

