



**MANAGING THROUGH THE CRISIS**  
**ANNUAL REPORT 2020**



## ANNUAL REPORT 2020

### ► COVER CONCEPT RATIONALE

#### MANAGING THROUGH THE CRISIS

Amidst a global landscape that has been transformed by the pandemic, MyCC recognises and prioritises the urgency to help Malaysian businesses weather the storm. The cover design illustrates various facets of MyCC's vision and expertise, with values such as ingenuity, strategy and collaboration rising to the forefront. Ultimately, it all culminates in the trust and assurance that companies will overcome the challenges of today and shine even brighter tomorrow.



#### MALAYSIA COMPETITION COMMISSION

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## MINISTER'S MESSAGE



“ Ever since the enforcement of the Competition Act 2010 and the establishment of the Malaysia Competition Commission (MyCC), MyCC has dedicated itself to advocating and investigating competition-related issues in the country. One of the priorities of the Ministry of Domestic Trade and Consumer Affairs (MDTCA) is to ensure that there are no elements of harm in the domestic economy, which may negatively affect the domestic trade as well as the consumer interests. Hence, it is important for the MDTCA through MyCC to ensure that the domestic economy is grounded by fair competition and continuous innovation through the enforcement of the Competition Act 2010.

”  
**YB DATO SRI  
ALEXANDER NANTA LINGGI**

**Minister of Domestic Trade and  
Consumer Affairs (MDTCA)**

**T**he Competition Act 2010 has brought many positive effects to the Malaysian economy. The Competition Act 2010 covers all the important aspects of competition policy and law. With Competition Law, anti-competitive behaviours which may prevent or restrict competition, such as horizontal and vertical agreements between market players within the business supply chains and the abuse of a dominant market position, will be actively scrutinised by MyCC.

The prohibition of these harmful anti-competitive behaviours is likely to affect Malaysia's economic growth and development in a positive manner. Increased competition within markets will force businesses to be more efficient and innovative in researching and developing new products and manufacturing techniques. With these, the price for consumer products will decrease, while the choices and availability of goods and services will increase, producing many benefits for the consumers directly.

I would like to congratulate MyCC for its active role in enforcing the Competition Act 2010 and ensuring that actions are taken to combat anti-competitive practices found in relevant markets in order to cultivate a healthy and competitive marketplace, to suit the needs of the emerging Malaysian economy. Having vibrant competition in our economy will increase our country's attractiveness for future domestic and foreign investments.

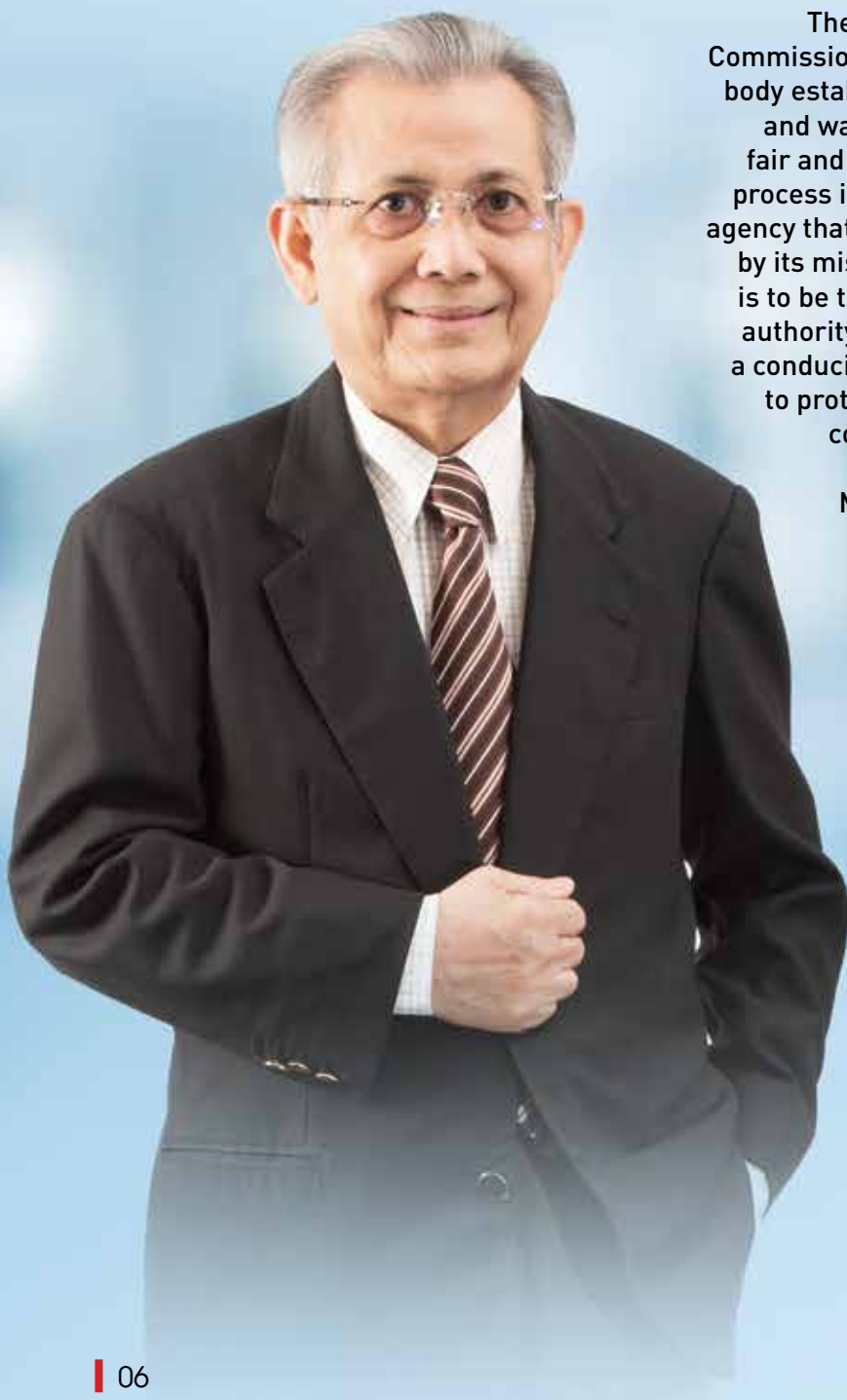
With that being said, Malaysia has jumped to a global ranking of 12 in the Ease of Doing Business global rankings, outranking

countries such as Canada (23rd), Germany (22nd), as well as Australia (14th). In the report, Malaysia is also ranked third in ASEAN after Singapore and Hong Kong SAR, China.

2020 has been a difficult year with the unfortunate COVID-19 pandemic. This, however, has forced the Malaysian economy to evolve and spur towards the digitalization of businesses, spearheading the advancement of technology. Even though the onset of the pandemic has led to potential growth for the economy and businesses in Malaysia, it also comes with tough challenges for regulators including MyCC. Fortunately for Malaysia, even when the nation is hit with challenges arising from the pandemic, MyCC continues to vigorously ensure that the current and emerging markets are free from anti-competitive conducts.

Given MyCC's mandate as the competition authority with significant competition powers, MyCC also carries the responsibility to maintain healthy and competitive markets. I believe that MyCC will be able to overcome the up and rising challenges in the midst of the pandemic, while strengthening and enhancing competition in Malaysia. For this reason, the government will continue in supporting and empowering MyCC in promoting their vision and mission. I look forward to the day where MyCC is the country's best and most active enforcement agency.

## CHAIRMAN'S MESSAGE



The Malaysia Competition Commission (MyCC) is a statutory body established on 1 April 2011 and was tasked to ensure the fair and conducive competition process in Malaysia. MyCC is an agency that is passionately driven by its mission and vision, which is to be the leading competition authority in Malaysia, ensuring a conducive competition culture to protect the interests of the consumers, businesses, and the economy of Malaysia. Ever since its establishment, MyCC has been actively raising awareness on the importance of complying with the Competition Act 2010 among businesses and society at large.



**YBHG. DATO' SERI  
MOHD HISHAMUDIN  
MD YUNUS**

*Chairman*



**M**yCC is an agency under the Ministry of Domestic Trade and Consumer Affairs (MDTCA) that has conducted numerous advocacy programmes as well as investigations to encourage fair competition cultures in Malaysia. Up to this day, MyCC serves as the Government's vital focal point on competition-related matters. Competition laws are a cornerstone of any modern economy. They serve to ensure that free markets operate fairly and prohibit any exploitative or exclusionary business activities that stifle healthy competition in the marketplace.

The year 2020 has indeed been an unfortunate event, not only to MyCC but also to everyone around the world. The COVID-19 outbreak happened unexpectedly, and sadly it has led the world's economy to a downturn. MyCC, without a doubt, was also affected by the pandemic. However, the keen passion of MyCC in carrying out its mission and vision helped MyCC to push through other hurdles and calamities standing in its way. Even during these harsh times, MyCC had organised 14 advocacy programmes involving both the public and private sectors to increase awareness about the importance of fair competition in the market. Despite the challenges faced during this pandemic, MyCC still proudly carried out its duty and successfully issued two Proposed Decisions against the 7 Warehouse Operators in Port Klang and the Langkawi Ro-Ro Operators. MyCC also issued a Final Decision against the General Insurance Association of Malaysia (PIAM) and its 22 members for engaging in an anti-competitive agreement.

While the general economy of Malaysia has undeniably plummeted during the pandemic, it has also given rise to the growth of the digital economy. Due to that, the National

Digital Economy and 4IR Blueprint have acknowledged the vital role of competition policy and law in regulating competition in the digital markets. For that, MyCC was tasked to advise and provide recommendations to the Policy Advisory Board of the National Digital Economy and 4IR Council on competition-related policies. MyCC is responsible to review the existing competition laws and policies in facilitating the digital economy growth under the Malaysia Digital Economy Blueprint (MyDigital) by 2023.

Aside from that, MyCC is also active in engaging with various competition authorities around the globe to have discussions and insights regarding the mergers and acquisitions (M&A) provision. The absence of merger control regulations has somehow disrupted MyCC's power to regulate changes in market structures. Currently, MyCC's power is limited to only regulating post-merger conduct. MyCC is currently working on amending the Competition Act 2010 to include the merger control regime to move forward by further strengthening its power as Malaysia's competition authority.

MyCC is an agency that has shown immense dedication and commitment to enforcing competition law and policy in the Malaysia economy. MyCC will unquestionably prepare itself with the right set of skills and strategies in facing future challenges. With the rise of the digital economy, MyCC is more than ever needs to play its role in protecting the competition process. I strongly believe that MyCC will achieve greater success in the year 2021 and raise Malaysia's economic potential to the next level.

# CHIEF EXECUTIVE OFFICER'S MESSAGE



“

The Competition Act 2010 (Act 712) came into force on 1 January 2012 to facilitate the development of Malaysia's economy through the promotion and protection of the process of competition. MyCC has been established for 9 years, and through these 9 years, MyCC has faced countless challenges in promoting competition and resolving competition-related issues.

”

**ENCIK ISKANDAR ISMAIL**

Chief Executive Officer



For a decade, MyCC has protected the practice of free and fair competition in Malaysia, and in doing so raised the nation on par with other open markets. Its role is to safeguard the process of free and fair competition in commercial markets in the interest of both consumers and businesses. The breadth of its functions includes investigation and enforcement, carrying out market reviews in relation to issues connected to competition in the Malaysian economy and issuing policy advice and guidelines concerning competition laws. The Commission also undertakes education and advocacy programmes to enhance awareness among the public about the importance of competition.

MyCC has been consistent in protecting the process of competition through conducting market reviews on relevant markets. This year, MyCC has completed its Market Review on Service Sector in Malaysia, particularly in the Wholesale and Retail Sector for Selected Products. This market review aims to identify issues, challenges, and anti-competitive practices in the wholesale and retail trade industry in Malaysia as well as to review any government legislation or policy that restricts competition or threatens the development of the industry in the selected sectors. We would like to thank all stakeholders involved, including the Government agencies who have made this market review a success by providing valuable feedback and suggestions during the public consulting period. In the year 2021, MyCC will be conducting a Market Review under the Competition Act 2010 for Selected Transportation Sectors in Malaysia (Port Logistics Ecosystem and Motor Vehicles Warranty).

MyCC places great importance on the local and international capacity-building programmes in developing best practices and enhancing competencies for its officers. At the same time, MyCC believes that we will be able to cultivate and develop experts on competition law in amplifying the enforcement regime in Malaysia through these programmes. Fortunate for MyCC, we are able to attend the ACF 15th Annual Conference, Europe – Asia Trade, Investment and Antitrust: Challenges and Opportunities at Valencia, Spain, as well as the 2020 Forum on Competition in Developing Countries in Manila, Philippines, before the rapid spread of COVID-19 in Malaysia. However, not all hopes are lost during the pandemic. MyCC remains assertive in taking the initiative to attend a number of international online programmes and meetings during the pandemic, namely the Virtual Training with the World Bank, APEC 13th Conference on Good Regulatory Practices (GRP13), and ASEAN - ERIA dialogue on Digital Trade, which indefinitely improved the workforces' level of expertise. MyCC will continue to strive and advance its competition powers despite this challenging period by participating in capacity-building programmes and attachments and further strengthening international cooperation.

MyCC has been consistent in strengthening its role as the competition authority by conducting advocacy programmes to educate the public regarding the Competition Act 2010 and the effect of competition on the economy for the benefit of society. Advocacy to MyCC served as the means to create awareness among the public, especially stakeholders comprising sector regulators, academicians, practitioners,

## CHIEF EXECUTIVE OFFICER'S MESSAGE

SMEs, government agencies and ministries. Despite the challenges faced by MyCC during this pandemic, 14 advocacy programmes were conducted, namely Professor Whish Lecture Series, "MyCC Classroom" with *Universiti Malaya* and Monash University, the 4th Annual Legal Asia 2020: The Paradigm Shift, "*Taklimat Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam*" for Integrity Units, Dewan Bandaraya Kuala Lumpur (DBKL), Briefing Session to Energy Commission on Competition Act 2010 and many others. These advocacy programmes have proved effective as MyCC has received 159 complaints which indicates the awareness among the public on the existence of the Competition Act in Malaysia. Out of all these complaints submitted, MyCC has also resolved 95 cases, proving the expertise and efficiency of MyCC as the competition regulator in Malaysia.

Not only that, MyCC has successfully issued two Proposed Decisions against the 7 Warehouse Operators in Port Klang and the Langkawi Ro-Ro Operators and one Final Decision against the General Insurance Association of Malaysia (PIAM) and its 22 members for engaging in anti-competitive agreements. These recently issued decisions mark a significant milestone for MyCC, and we will uphold the spirits and efforts of MyCC as the leading competition authority in Malaysia.

As we look ahead to the future, MyCC, as the national competition authority will be mindful in remaining relevant to its vision and mission.

I believe that MyCC will continue to improve itself and become one of the country's best enforcement agencies. MyCC pledges to continue its upward trajectory, to further advance and streamline pro-competitive measures as Malaysia advances forward with its digital economy aspirations. MyCC looks to further empower the market ultimately in the interest of consumers, businesses and the overall economic progress of the nation.

On behalf of the MyCC team, I would like to express my heartfelt gratitude to the Ministry of Domestic Trade and Consumer Affairs for always supporting MyCC, especially Minister YB Dato Sri Alexander Nanta Linggi for his charismatic and visionary leadership. I would also like to thank the Members of the Commission for their continuous effort in guiding MyCC. Last but not least, I would like to express my appreciation to all members of MyCC team, both the management team and staff, for their hard work and dedication in committing and giving their best in solving each and every task.

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# 04



## CORPORATE INFORMATION 07

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For more information, please go to:  
[www.mycc.gov.my](http://www.mycc.gov.my)



# INTRODUCTION

The Malaysia Competition Commission, known as MyCC is an enforcement authority that is mandated to enforce and protect the competitive process in Malaysia. It was established on 1 April 2011 under the Competition Commission Act 2010 [Act 713] with the mandate to implement and enforce the provisions of **Competition Act 2010 [Act 712]**. The Competition Act 2010 was designed to foster sustainable economic development through enhancing efficiency, innovation and competitive entrepreneurship. MyCC serves to empower the market in the interest of consumers, businesses and the overall economic progress of the nation. 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.



## VISION

To be the leading competition authority in Malaysia.



## MISSION

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



# FUNCTIONS AND POWERS OF 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.
- ▶ 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 MyCC.
- ▶ To conduct programmes in the course of performing the functions of MyCC.
- ▶ To collaborate with any other organisations or Government agencies for the purpose of performing MyCC's functions.
- ▶ To require the furnishing of information by enterprises to assist MyCC in the performance of its functions.

# WORKING COMMITTEE

## Audit and Risk Committee



The main responsibilities of the Audit and Risk Committee are to examine all the records, documents and reports pertaining to financial and non-financial matters; to advise the Members of the Commission on the performance of activities which are subject to audit examination; to ensure the appropriate procedures are in place to identify, assess and manage risk from a strategic and operational perspective; and to ensure compliance with procedures and processes that have been approved and put in place by the Commission.

## Investigation and Enforcement Committee

The Investigation and Enforcement Committee shall ensure that all investigations undertaken by the Investigation and Enforcement Division are carried out in accordance with Standard Operating Procedures (SOPs) and best practices to ensure the effective and efficient enforcement of the prohibitions of the Competition Act 2010 by the Commission.



## Advocacy and Communication Committee



The Advocacy and Communication Committee is established to ensure all sectors that need to be educated about the law are involved in the advocacy and communications plan, ensure messages delivered are consistent and ensure continuous publicity for the Commission.

## Economics Committee

The Economics Committee is established to examine and give direction on matters related to economic analysis, market review and policy advisory work. The Economics Committee provides policy advice and evaluates appropriate justification from economic perspective; provides guidance, advice and reviews on economic assessments, analysis and issues for investigation and exemption cases; and provides suggestions and proposes action plans for market review.



## Finance and Administration Committee



The Finance and Administration Committee is established to formulate principles and guidelines governing financial, administrative and human resource matters, including financial management control, accounting procedure, procurement process, general administration and human resource management for the Commission.

## Legal and Drafting Committee

The Legal and Drafting Committee is established in order to carry out the tasks in relation to legal advice and drafting provisions of the Competition Act 2010 [Act 712] and the Competition Commission Act 2010 [Act 713], as well as their subsidiary legislations including guidelines.



## Selection and Appointment Committee



The Selection and Appointment Committee is established to formulate principles and guidelines in governing human resource matters, focusing on selection and appointment of permanent and contract positions for Research Assistants and Officers for the Commission.

## SPECIAL COMMITTEE ON COMPETITION

**M**yCC has strong network support for its competition work and activities. This has been cultivated via its chairmanship role in the Special Committee on Competition. The Special Committee on Competition is a committee that has been established since 2012. The Committee comprises of representatives from various sectoral regulators. The Committee holds a meeting annually to discuss various issues affecting competition in markets involving different sectors covering key industries namely telecommunications, land and public transport, finance, electricity and water supply, aviation and intellectual properties.

### Committee Members



### Functions

- i. Review and discuss competition issues with sector regulators;
- ii. Ensure, where possible, harmonization of competition principles, interpretation and application of the law;
- iii. Conduct joint research and make recommendation on the development of competition policy and law including peer review of related competition policy and law framework in respective sectors;
- iv. Carry out joint educational activities and media campaigns on competition-related issues, if necessary, to the public;
- v. Provide necessary support to MyCC and vice versa to the respective sector regulators at national and international forums on competition;
- vi. Provide necessary technical support to MyCC and vice versa to the respective sector regulators;
- vii. Conduct joint advocacy programmes in the promotion of competition policy and law in Malaysia; and
- viii. Any other functions necessary for the promotion of competition policy and law in Malaysia.

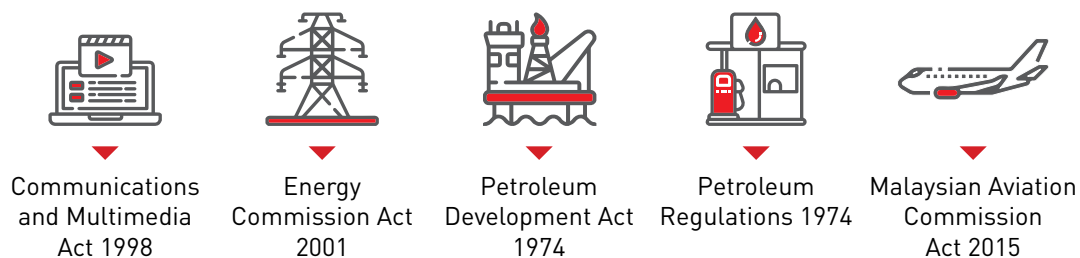
# SCOPE OF COMPETITION ACT 2010 [ACT 712]

Act 712 applies to all commercial activities conducted within and outside Malaysia which affect competition in any market within Malaysia.

Activities that are excluded from the scope of the Act 712 are:



Act 712 does not apply to commercial activities which are regulated under:





# MAIN PROHIBITIONS UNDER THE COMPETITION ACT 2010 [ACT 712]



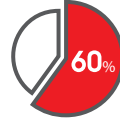
## ANTI-COMPETITIVE AGREEMENTS (Section 4)

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

An anti-competitive agreement, which may be either made open or secret (e.g. cartel), is one by which enterprises collectively agree not to compete or to collaborate with one another to reduce competition and distort market forces.

The following horizontal agreements are in every instance deemed to have the object of significantly reducing competition and are therefore prohibited:

- i. Price Fixing
- ii. Bid Rigging
- iii. Market Sharing
- iv. Limiting or Controlling Production
- v. Resale Price Maintenance
- vi. Exclusive Agreement



## ABUSE OF DOMINANT POSITION (Section 10)

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

Examples of Abuse of Dominance:

- i. Imposing Unfair Pricing or Conditions
- ii. Predatory Behaviour
- iii. Refusing to Supply
- iv. Tying and Bundling
- v. Buying Up Scarce Goods or Resources
- vi. Imposing Different Conditions

Financial  
penalty up to  
maximum of

**10%**



## FINANCIAL PENALTY

If 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 MyCC deems appropriate to bring the infringement to an end.

## Leniency Regime (Section 41)

The leniency regime established under Section 41 is available only to enterprise(s) which admits to an infringement in relation to horizontal agreements as outlined in Section 4(2) of the Act.

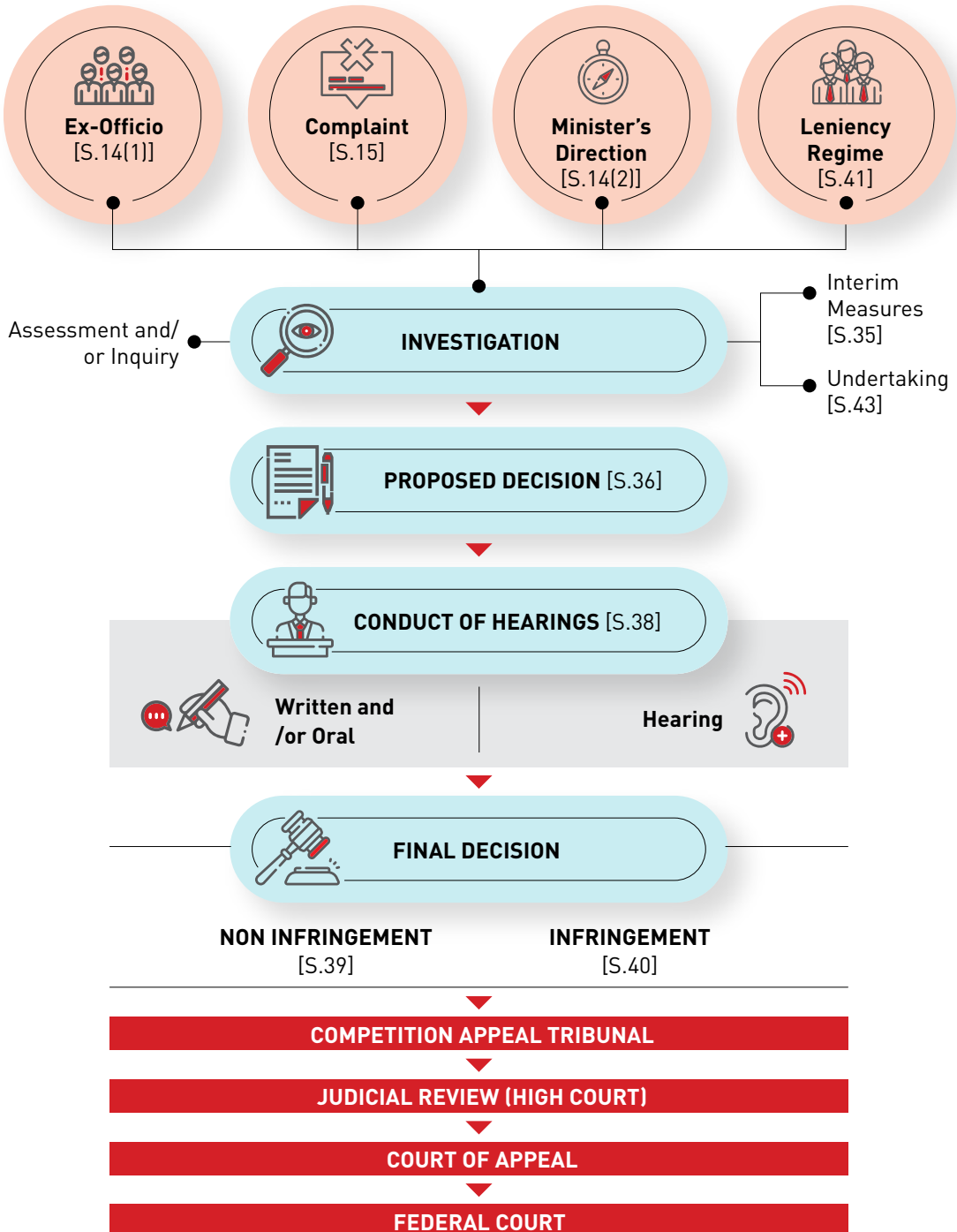
Section 41 requires the applicant not only to make an admission but also extend significant cooperation and assistance to the Commission. Once the two requirements are completed to the satisfaction of the Commission, the enterprise(s) will be granted up to 100 percent reduction of the financial penalties. Usually, the first enterprise to apply will be given the highest reduction in fine.

## ENFORCEMENT PROCEDURE

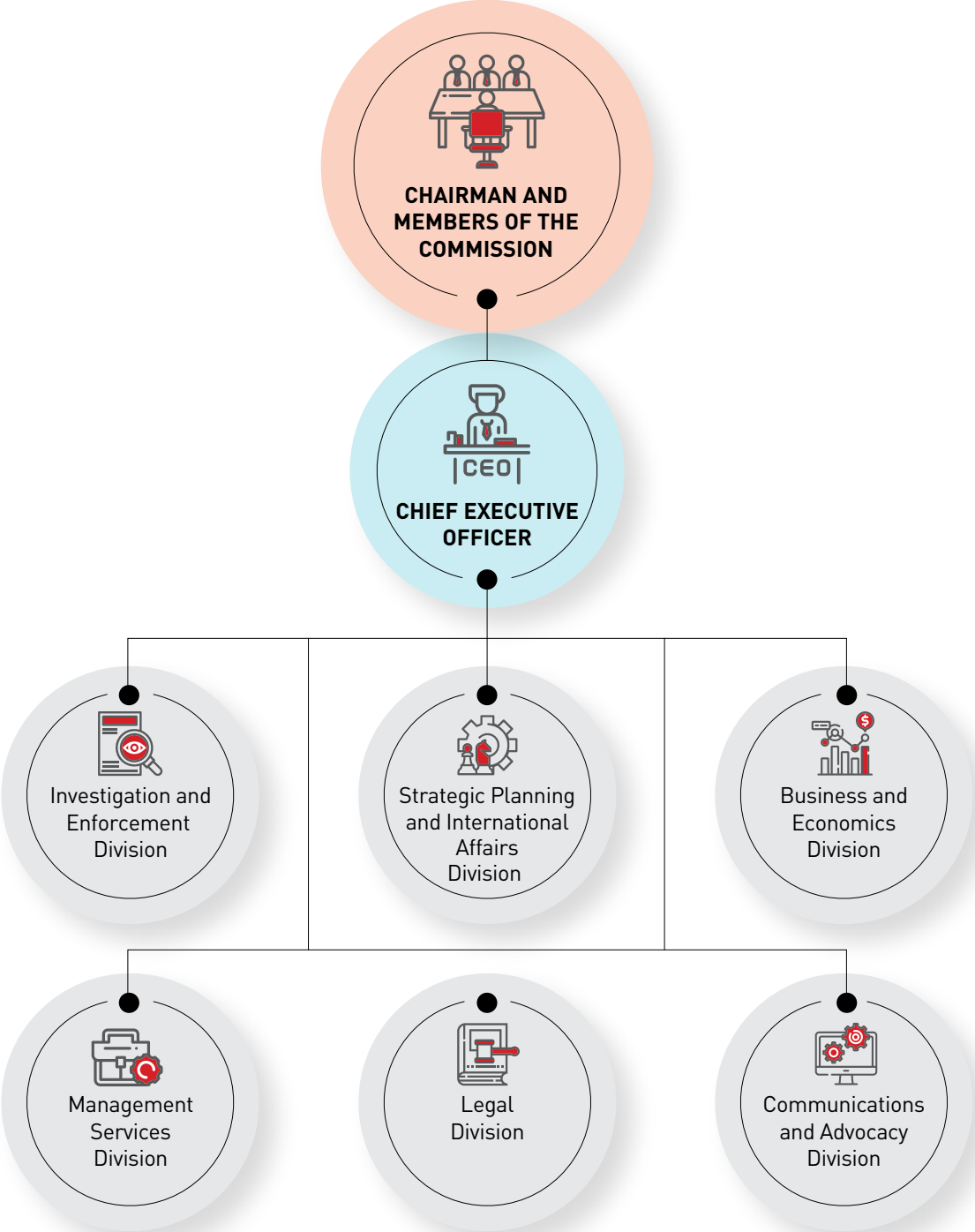
### MyCC as a Quasi-Judicial Body

- MyCC conducts investigation    ► MyCC makes decision    ► MyCC enforces the decision

# OVERVIEW OF ENFORCEMENT PROCEDURE



# ORGANIZATION CHART



## FUNCTION OF EACH DIVISION



### INVESTIGATION AND ENFORCEMENT DIVISION

As the name suggests, the Investigation and Enforcement Division (IED) plays the role of assisting the Commission in enforcing the Competition Act 2010 [Act 712]. The division first carries out the screening and assessment of all complaints, Ministerial Directions and information obtained on its own initiative (ex-officio). All assessments done are then duly reported to the Commission before they are either closed or escalated to investigation stage. The primary function of the IED is to carry out investigations by obtaining relevant evidence through market intelligence and research, search and seizure (dawn raids) exercises and the taking of witnesses' statements.



### MANAGEMENT SERVICES DIVISION

The Management Services Division (MSD) is responsible for the process of administering and coordinating resources effectively and efficiently in an effort to achieve the goals of the organization. The functionality of MSD is to ensure an effective systematic operation of general administration in management within financing, procurement, maintenance, staff trainings, secretarial and security as required and in compliance with MyCC's needs.



### STRATEGIC PLANNING AND INTERNATIONAL AFFAIRS DIVISION

The Strategic Planning and International Affairs Division (SPIAD) is a division under MyCC which contains four (4) units, namely the policy unit, secretariat unit, strategic planning unit and international affairs unit. The policy unit is tasked to provide, review and discuss on ongoing policy matters in Malaysia, which focuses mainly on Government policies, regulations and other laws relating to competition concerns. The secretariat unit is tasked to organize Commission meetings, Committee meetings, and all matters related to internal meetings of MyCC.

The strategic planning unit is tasked to outline MyCC's short-term and long-term goals and targets that cover all divisions in MyCC. An annual mid-term review and retreat will be held to deliberate through all targets set by the Commission, with the liberty to modify, add, remove, review or retain the goals. The international affairs unit is tasked to coordinate and cooperate with international organizations and other competition agencies on engaging international communications, meetings, programmes, sharing of information, study visits, secondments, attachments, input gathering and administering international negotiations and international agreements.



## LEGAL DIVISION

The Legal Division (LD) of MyCC primarily provides advice on the application of competition laws, both internally and externally. The team conducts research and liaises with consultants, other government agencies, the Attorney General's Chambers (AGC), ministries particularly the Ministry of Domestic Trade and Consumer Affairs (MDTCA); as well as public and private companies to come up with legal opinions on competition law matters. One of the main tasks of the LD is on the amendments exercise to the competition laws which is also to include the merger regime. The LD also drafts and reviews agreements, Memorandums of Understanding (MoUs), letters as well as monitors the legal obligations of MyCC. In addition, the team assists and oversees work done by external counsels representing MyCC in court proceedings.



## BUSINESS AND ECONOMICS DIVISION

The Business and Economics Division (BED) entails three (3) scopes under the CA 2010, which are: (1) Exemptions [Section 5-9], (2) Market Review [Section 11 & 12] and (3) Calculation of Financial Penalty [Section 40]. Fundamentally, BED conducts market inquiry pertinent to current anti-competitive practices; with the addition of providing economic advice to the Commission during particular meeting or negotiation. The division conducts economic analysis and assessment on specific sectors under respective study and investigation; accompanied by the market review and studies of the level of competition in particular sectors. In particular, BED scans and observes current economic issues that are related to anti-competitive practices.



## COMMUNICATIONS AND ADVOCACY DIVISION

Under Communications and Advocacy Division (CAD), the division is conjoined of two (2) units: Advocacy and Communications units. Advocacy covers activities under Section 16 of Act 713, which focuses on both public and private programmes organised by the MyCC. The programmes offered and promoted by the MyCC are primarily to generate public awareness of the MyCC and enforcement matters. The Communications unit's prime objective is to focus on the media aspect of the organisation; which includes social media, website, public external communication, media monitoring and the supporting base of the MyCC in promoting local and international programmes. Furthermore, the department regularly updates via external channels of communication towards the general public on the MyCC's achievements relating to advocacy and enforcement news.



## MEMBERS OF THE COMMISSION

**TN. MOHD HASSAN  
B. AHMAD**

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

**DR. NASARUDIN  
BIN ABDUL  
RAHMAN**

**DATO' JAGJIT SINGH  
A/L BANT SINGH**

**DATUK  
TAY LEE LY**



**ISKANDAR  
BIN ISMAIL**

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

**DR. NOR MAZNY  
BINTI ABDUL MAJID**

**TN. ANIL  
ABRAHAM**

**DATO' ISKANDAR  
HALIM BIN HJ.  
SULAIMAN**

**DATO DR.  
MADELINE  
BERMA**



## MEMBERS OF THE COMMISSION

**T**he Commission comprises the Chairman, five members representing the Government and four members representing the private sector. The Prime Minister upon the recommendation from the Minister of Domestic Trade and Consumer Affairs (MDTCA) appoints the Chairman and the members of the Commission. Each member serves a three-year term subject to a maximum of two consecutive terms. The Members of the Commission represent multiple fields of legal, economic, financial, trade and consumer interests. Meanwhile, the MyCC's administration and management work and activities are led by the CEO and supported by the senior management team.

01



◀  
**DATO' SERI  
MOHD HISHAMUDIN BIN MD YUNUS**  
(CHAIRMAN)

Dato' Seri Mohd Hishamudin Md Yunus is a law graduate from the University of London who has previously 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 law journals.

Dato' Seri Mohd Hishamudin Md Yunus has also served as 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 Rights 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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**DATO' JAGJIT SINGH  
A/L BANT SINGH**

Dato' Jagjit is the founding partner of a legal firm, Jagjit Ariff & Co. He holds a Masters of Law with Merit (Commercial and Corporate Law-Intellectual Property) degree from King's College, University of London. His expertise is in the laws and practical and procedural aspects of intellectual property matters. Dato' Jagjit Singh was a former Judge and has served the Malaysian Judicial and Legal Service for 28 years in various positions, including Senior Federal Counsel, Deputy Treasury Solicitor, Legal Advisor to the Ministry of Health, Deputy Public Prosecutor and Senior Assistant Parliamentary Draftsman.

He is also a member of the Special Copyright Task Force of the Ministry of Domestic Trade and Consumer Affairs (MDTCA) 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 Head of Research Division at the Attorney General's Chambers Malaysia (AGC). Prior to serving at the AGC, she is the Legal Advisor of the Ministry of Domestic Trade and Consumer Affairs (MDTCA) since December 2013. She has served in the Judicial and Legal Service for 30 years. As the Legal Advisor of MDTCA, she is also the Head of the Legal Division of MDTCA and is involved in the drafting of legislations under the supervision of MDTCA. Among the legislations are Companies Act 2016 [Act 777], Interest Scheme Act 2016 [Act 778], Control of Supplies (Amendment) Act 2015, Price Control and Anti-Profiteering Act (Amendment) 2014, Price Control and Anti-Profiteering Act (Amendment) 2017,

Cooperatives Commission (Amendment) Act 2014, Companies Commission (Amendment) Act 2014, Weight and Measures (Amendment) Act 2017, Trade Descriptions (Amendment) Act 2017, Consumer Protection (Amendment) Act 2017 and 2019, Trade Marks Bill 2019, Trade Descriptions (Amendment) Bill 2019 and Companies (Amendment) Bill 2019.

Before serving at the MDTCA, Datuk Tay 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.



## MEMBERS OF THE COMMISSION

04



**TN. MOHD HASSAN B. AHMAD**

Mohd Hassan Ahmad is the Deputy Under-Secretary of the Fiscal and Economics Division, Ministry of Finance. He holds a Bachelor of Accounting from Universiti Putra Malaysia (UPM) 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. He holds several positions throughout his tenure in the ministry.

05



**DR. NASARUDIN  
BIN ABDUL RAHMAN**

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

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

## MEMBERS OF THE COMMISSION

06



**DATO' IR. HJ. MOHD JAMAL  
BIN 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 designations at different organisations such as the Economic Planning Unit, Hulu Selangor District Water Supply Department, JKR Selangor State.

He has also held 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. Dato' Ir. Hj. Mohd Jamal was twice awarded the Excellent Service Award as well as the JKR Special Achievement Award 2010 during the span of his public service career.

07



**DATO' ISKANDAR HALIM  
BIN HJ. SULAIMAN**

Dato' Hj. Iskandar Halim bin Hj. Sulaiman received his Bachelor's Degree in Sociology from Universiti Sains Malaysia (USM). He served as an Inspector of Enforcement at the Ministry of Trade and Industry (MITI) in 1981 and has accumulated 38 years of experience in the field of enforcement.

Dato' Hj. Iskandar Halim bin Hj. Sulaiman served as the Enforcement Director at Perlis and Sarawak Branches, before being brought back to the Head Office in 2005 as the Director of the Intellectual Property Protection Unit. In 2017, Dato' Iskandar was appointed as the Deputy Director of Enforcement (Special Operations Branch) before being commissioned as the Ministry of Domestic Trade and Consumer Affairs (MDTCA) Enforcement Director. Throughout his services, Dato' Iskandar was awarded the Excellent Service Award three times.

## MEMBERS OF THE COMMISSION

08



### DR. NOR MAZNY BINTI ABDUL MAJID

Dr. Nor Mazny has been in the Administrative and Diplomatic Service since 1995 for almost 24 years, assigned and responsible in various posts. In 1994, Dr. Nor Mazny received her Bachelor of Laws (LLB) from International Islamic University Malaysia (IIUM) and subsequently earned her Master's in Information Technology Law from the University of Strathclyde, United Kingdom, in 2002. Following that, she obtained her PhD from Victoria University, Australia, in 2012.

Dr. Nor Mazny started her career as an Assistant Secretary at the Ministry of Entrepreneur Development, and later on, moved to the Ministry of Finance. She was then assigned to the Ministry of Energy, Green Technology and Water as the Senior Principal Assistant Secretary from 2010 to 2011. She is presently the Deputy Director General of Policy and Development, Legal Affairs Division in the Prime Minister's Department since 2015, after being the Director of the same division from 2011.

## MEMBERS OF THE COMMISSION

09



**DATO DR. MADELINE BERMA**

Dato Dr. Madeline obtained her Bachelors of Economics from Universiti Kebangsaan Malaysia (UKM) in 1982; and later completed her Master of Arts at the University of Wisconsin-Madison, USA, in 1986. Subsequently, she received her PhD from the University of Hull, England, in 1997. Dr. Madeline is credited strongly for her 35 years of academic experience, in which she held various positions during her years under UKM.

Currently, Dato Dr. Madeline is a Commissioner at the Human Rights Commission of Malaysia and is a consultant under NuMind Plus Training and Consultancy. Her past publications and research specialises in the field of development economics, which includes areas of poverty, inequality, rural development, women development and marginalized communities. She was awarded with three (3) distinctive recognitions, which are Pingat Ahli Bintang Kenyalang (ABK), Sarawak Women in Education special award, and Tokoh Wanita Sempena Hari Pekerja (CUEPACS).

10



**TN. ANIL ABRAHAM**

Mr. Anil Abraham is currently the Head of the Group Legal Department at Malaysian Resources Corporation Berhad (MRCB). Prior to MRCB, he worked for Usaha Tegas and MEASAT. He is a qualified solicitor in England, and practiced Corporate Law at two international law firms in London. Mr. Anil holds a Bachelor and Master's of Laws from King's College London; and completed his Master's in Business Administration at École Supérieure des Sciences Economiques et Commerciales (ESSEC).

## CHIEF EXECUTIVE OFFICER



### ISKANDAR BIN ISMAIL

Iskandar Ismail was appointed as the Chief Executive Officer for MyCC on 15th October 2018 after serving as the Director of Investigation and Enforcement Division for more than 5 years. He graduated from the International Islamic University with LLB (Hons) in 1997 and holds an LLM in International and Comparative Law from the George Washington University Law School, Washington DC. Admitted to the High Court of Malaysia as an advocate and solicitor, he has served at Bank Negara Malaysia as a Prosecuting Officer for 7 years. Prior to joining MyCC, he was an Assistant Trial Attorney with the United Nations for the International Criminal Tribunal for Rwanda in Tanzania for 8 years.

During his tenure as Chief Executive Officer and the Director of the Investigation and Enforcement Division, Iskandar has led and overseen the investigation of many of MyCC's landmark cases such as Malaysian Airline

Systems Bhd and AirAsia Berhad, Container Depot Operators in Penang, MyEG Services Bhd, the General Insurance Association of Malaysia (PIAM) and its 22 members, Dagang Net Technologies Sdn. Bhd. and several others. As the Chief Executive Officer, he also oversees cases involving Grab and the first bid rigging case in Malaysia involving 8 IT companies. He also led the Market Review on Food Sector and the Market Review on Service Sector (Wholesale and Retail for Selected Products) which received widespread attention and positive impact from various parties. He has also been frequently invited as a speaker at several local and foreign conferences, forums and seminars given his experience and practical knowledge in the investigation and enforcement of Competition Law. Iskandar was also appointed as the Chairman of the ASEAN Expert Group on Competition (AEGC) Meeting representing Malaysia for 2019.

# MALAYSIA COMPETITION COMMISSION MEETING 2020

## Malaysia Competition Commission Meeting (MCCM) 2020 - Management

No	Member of Commission	MCCM No. 1/2020	MCCM No. 2/2020	MCCM No. 3/2020	MCCM No. 4/2020	MCCM No. 5/2020	MCCM No. 6/2020	MCCM No. 7/2020	Total
	Date	24 Jan	24 Feb	28 Apr	28 Jul	14 Sept	11 Nov	15 Dec	
1.	Dato' Seri Mohd Hishamudin bin Md Yunus	✓	✓	✓	✓	✓	✓	✓	7/7
2.	Dato' Jagjit Singh a/l Bant Singh	✓	✓	✓	✓	✓	✓	✓	7/7
3.	Datuk Tay Lee Ly	✓	✓	✓	✓	✓	✓	✓	7/7
4.	Tn. Mohd Hassan bin Ahmad	✓	X	✓	✓	✓			4/5
5.	Dr. Nasarudin bin Abdul Rahman	✓	X	✓	✓	✓		✓	5/6
6.	Dato' Ir. Haji Mohd Jamal bin Sulaiman	✓	✓	✓	✓	✓	✓	✓	7/7
7.	Dato' Iskandar Halim bin Hj. Sulaiman	✓	X	✓	X	✓	✓	✓	5/7
8.	Dr. Nor Mazny binti Abdul Majid	✓	✓	✓	✓	✓	✓	✓	7/7
9.	Dato' Dr. Madeline Berma	✓	✓	✓	✓	✓	✓	✓	7/7
10.	Tn. Anil Abraham				✓	✓	✓	✓	4/4
Total		9/9	6/9	9/9	9/10	10/10	8/8	9/9	

**Malaysia Competition Commission Meeting (MCCM) 2020 - Cases**

No	Member of Commission	MCCM No. 1/2020	MCCM No. 2/2020	MCCM No. 3/2020	MCCM No. 4/2020	MCCM No. 5/2020	MCCM No. 6/2020	MCCM No. 7/2020	Total
	Date	24 Jan	24 Feb	28 Apr	27 Jul	14 Sept	11 Nov	15 Dec	
1.	Dato' Seri Mohd Hishamudin bin Md Yunus	✓	✓	✓	✓	✓	✓	✓	7/7
2.	Dato' Jagjit Singh a/l Bant Singh	✓	✓	✓	✓	✓	✓	✓	7/7
3.	Datuk Tay Lee Ly	✓	✓	✓	✓	✓	✓	✓	7/7
4.	Tn. Mohd Hassan bin Ahmad	✓	X	✓	✓	X			3/5
5.	Dr. Nasarudin bin Abdul Rahman	✓	✓	✓	✓	✓		✓	6/6
6.	Dato' Ir. Haji Mohd Jamal bin Sulaiman	✓	✓	✓	✓	✓	✓	✓	7/7
7.	Dato' Iskandar Halim bin Hj. Sulaiman	✓	✓	✓	X	✓	X	X	4/7
8.	Dr. Nor Mazny binti Abdul Majid	✓	✓	✓	✓	✓	✓	✓	7/7
9.	Dato' Dr. Madeline Berma	X	X	✓	✓	✓	✓	X	4/7
10.	Tn. Anil Abraham				✓	X	✓	✓	3/4
<b>Total</b>		<b>8/9</b>	<b>7/9</b>	<b>9/9</b>	<b>9/10</b>	<b>8/10</b>	<b>7/8</b>	<b>7/9</b>	



# 05



## MILESTONES 27



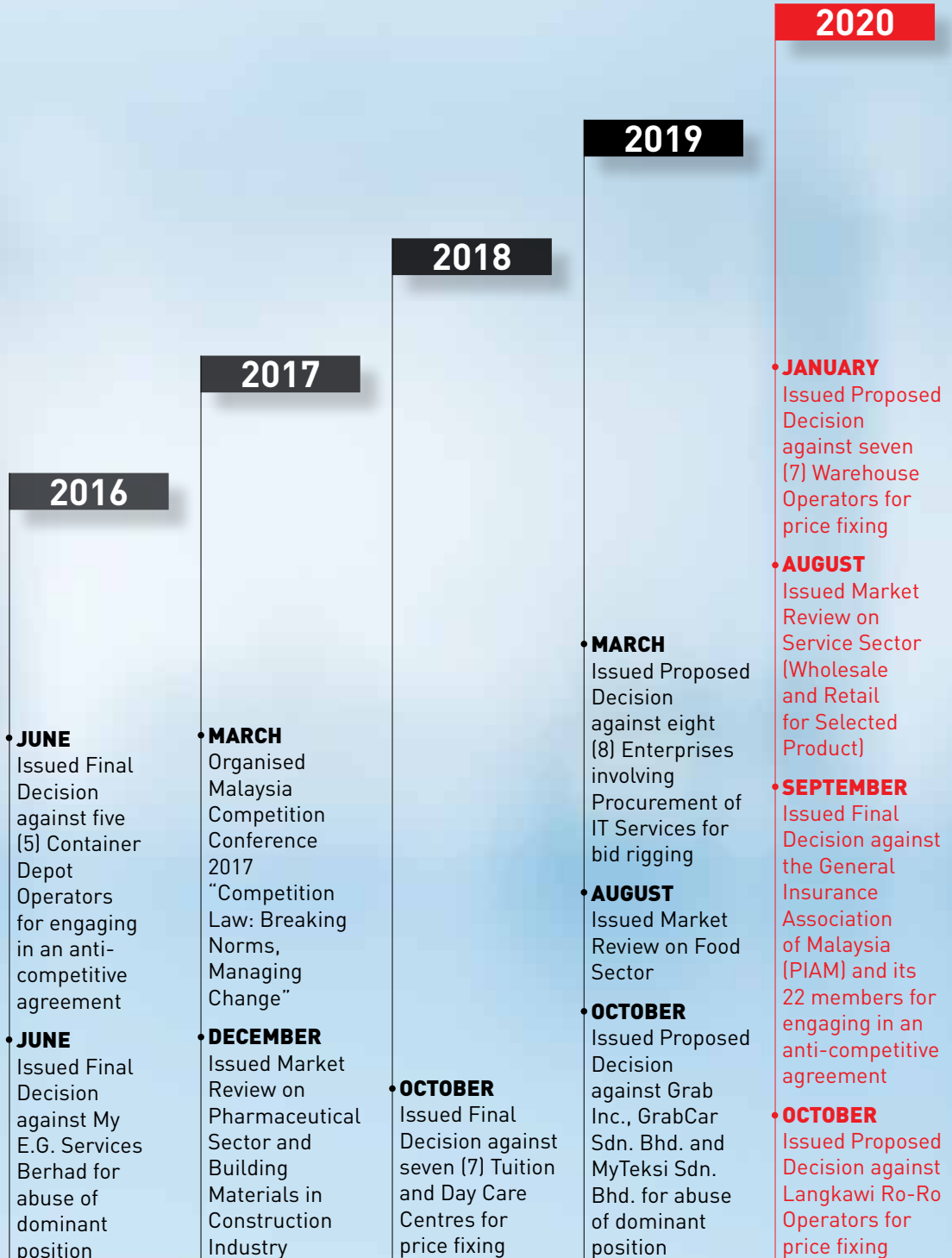


For more information, please go to:

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

# MILESTONES 2010-2020





# 06



## 2020 IN REVIEW 31

- i. Enforcement Activities
- ii. Policy Advice
- iii. Market Review
- iv. Advocacy Programmes
- v. International Programmes
  - ▶ Capacity Building
  - ▶ Meetings
- vi. Working Visits
- vii. MyCC in News



For more information, please go to:  
[www.myccl.gov.my](http://www.myccl.gov.my)

# ENFORCEMENT ACTIVITIES

In the year 2020, MyCC has conducted several investigations and enforcements against several enterprises for the infringement of Act 712.



## PROPOSED DECISION [Section 36]

### i. Langkawi Ro-Ro Operators

On 14 September 2020, MyCC issued a Proposed Decision against three Ro-Ro operators and two of the parent companies for an alleged infringement of Section 4 prohibition under Act 712 concerning the fixing of fares for vehicle transportation via ro-ro vessels in Langkawi pursuant to Section 36 of Act 712. The proposed penalty amounted to RM 4,850,661.07.

### ii. Seven (7) Warehouse Operators in Port Klang

On 9 January 2020, MyCC had issued a Proposed Decision against 7 Warehouse Operators in relation to the fixing of long length and heavy-lift surcharges in the provision of cargo warehouse services in Port Klang pursuant to Section 36 of Act 712. The proposed penalty amounted to RM1,102,791.19.



## FINDING OF INFRINGEMENT [Section 40]

### i. General Insurance Association of Malaysia (PIAM) and its 22 members

On 14 September 2020, MyCC had issued the Final Decision against PIAM and its 22 members ("Parties") pursuant to Section 40 of Act 712.

MyCC finds that the Parties have infringed the Section 4 prohibition by participating in an agreement which had, as its object, the prevention, restriction or distortion in relation to the market of parts trade and labour charges for PIAM Approved Repairers Scheme workshops from 1.1.2012 to 17.2.2017.

A financial penalty amounted to RM173,655,300 was imposed on the 22 insurance companies. Nevertheless, MyCC views that the COVID-19 pandemic constitutes an unprecedented challenges with severe socio-economic consequences that may impair the sustainability of businesses. Therefore, taking into account the impact of economic situation arising due to the outbreak of global COVID-19 pandemic, MyCC grants a reduction of 25% of the financial penalty imposed on the infringing Parties.



STATISTICAL SUMMARY 2020



INVESTIGATION

15

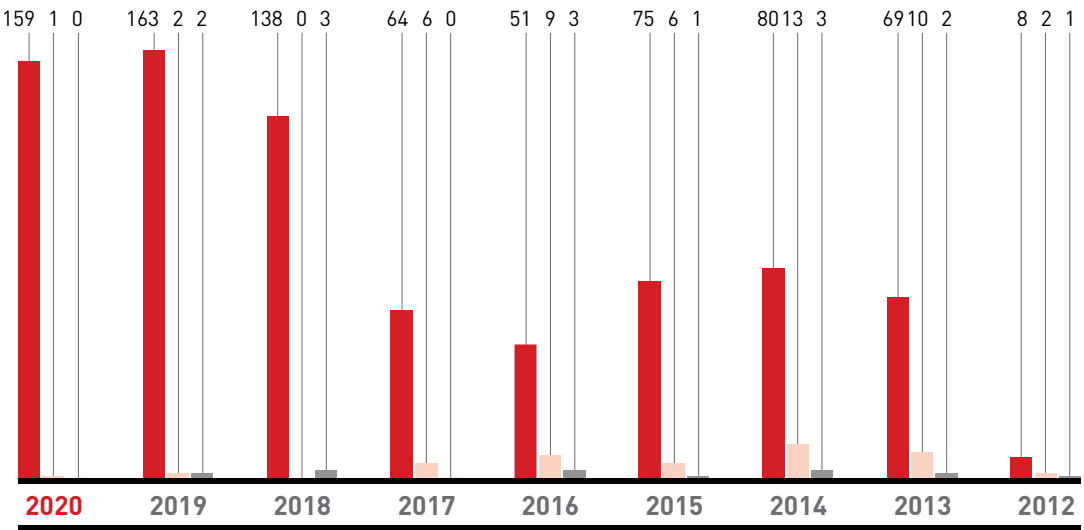


ASSESSMENT

117

	ACTIVE	CLOSED
Complaint	159	95
Ex-Officio	1	NIL
Ministerial Direction	NIL	NIL

TOTAL STATISTICS OF 2012-2020



Complaint	
Total Received	807
Total Closed	609

Ex-Officio	
Total Received	49
Total Closed	44

Ministerial Direction	
Total Received	15
Total Closed	11

## POLICY ADVICE

The advisory works undertaken by the MyCC are in the forms of policy advice, legal opinions and advice, as well as economic advice.

In 2020, the MyCC provided a total of six (6) policy advices related to competition issues to ministries and Government agencies in Malaysia.

The MyCC has provided policy recommendations and advices to the following Ministries/ government agencies:

01

Fisheries  
Development  
Authority of Malaysia  
(LKIM)

02

Ministry of Domestic  
Trade and Consumer  
Affairs (MDTCA)

03

Ministry of Finance  
(MOF)

04

Ministry of  
International Trade  
and Industry (MITI)

05

Ministry of Water,  
Land and Natural  
Resources (KETSA)

06

Malaysian Cocoa  
Board (MCB)

# MARKET REVIEW

## MARKET REVIEW ON SERVICE SECTOR (WHOLESALE AND RETAIL FOR SELECTED PRODUCTS)



### Overview

The Malaysia Competition Commission (MyCC) has successfully completed the Market Review on Service Sector (Wholesale and Retail for Selected Products) in 2020. On 19 August 2020, the study was officially published after the launching of the market review by the Minister of Domestic Trade and Consumer Affairs, YB Dato Sri Alexander Nanta Linggi at the Majestic Hotel, Kuala Lumpur. The report on the market review is open for public reference and can be downloaded from MyCC's website.

MyCC's power to conduct a market review is subjected to Section 11 of Competition Act 2010 (CA 2010), whereby MyCC, at its own initiative, or upon the request of the Minister, is empowered to conduct a review on any market to determine whether any feature or combination of features of the market may prevent, restrict or distort competition in the market.

This study focuses on the Wholesale and Retail Trade (WRT) sector in Malaysia by focusing on four (4) selected product categories namely;



Processed food and  
beverages



Personal care and  
toiletries



Household cleaning  
products



Clothing

## MARKET REVIEW

Taking approximately a total of 14 months and with the restrictions imposed because of the COVID-19 pandemic, the Market Review on Service Sector was conducted from 1 July 2019 to August 2020 with the involvement of key stakeholders such as government agencies, industry and consumer associations, academicians and others.

To ensure an inclusive and high impact market review, a Focus Group Discussion (FGD) session was held on 8 October 2019 at the Sunway Putra Hotel, Kuala Lumpur. Furthermore, physical public consultation sessions were held on 27 February 2020 at the Hilton Hotel, Kuching and 3 March 2020 at the Doubletree by Hilton Hotel, Kuala Lumpur. In addition, an online public consultation session was held for 3 weeks to give an opportunity for the stakeholders in the wholesale and retail trade industry to provide additional insights and input to MyCC in order to improve research outcomes and to achieve the desired objectives.

The market review examined 12 possible competitive concerns in the industry. Based on industry survey and in-depth interviews with industry players, out of the 12 theories, eight (8) possible competitive concerns were observed in Malaysia. The summary of the competitive concerns are as follows:

01	Downstream buyer power of large supermarkets;	05	Exclusive distribution;
02	Suppliers of product have market power;	06	Price fixing;
03	Bundling;	07	Price flexing; and
04	Collusion by firms at some level of the supply chain;	08	Loss leader.

The market review findings have also identified seven (7) market-driven issues and six (6) regulatory-driven issues. In summary, the main findings of this study are as follows:

MARKET-DRIVEN ISSUES	REGULATORY-DRIVEN ISSUES
High cost of operation	Frequent review of statutory minimum wage
Back margin/trading terms	Logistics issues for products shipped from the Peninsular to Sabah/Sarawak
E-Commerce proliferation	Introduction of digital tax
Difficulty in finding local labour	Limited awareness of Competition Act 2010
Prevalent high logistics cost in Sabah, Sarawak and rural areas	Lack of understanding of Price Control Anti-Profitteering Act 2011 among retailers
Inability for local SME suppliers to adhere to requirements	Statutory reporting requirement for only foreign players
Inconsistency with SME supplies	

## MARKET REVIEW

As part of the findings, MyCC has proposed recommendations to further improve the competition process within the four (4) selected product categories to support the Government's efforts in addressing the cost of living and ease of doing business in Malaysia. The report has suggested some preliminary recommendations as follows:

- 01 Facilitating structural reforms to ensure efficiency and resiliency;
- 02 Fostering a competitive environment towards industry best practices;
- 03 Establishing progressive policies and regulations with long term positive impact; and
- 04 Enhancing industry government platforms that promotes understanding and collaboration.

### VVIP/VIPs

NO.	NAME	POSITION	MINISTRY
1.	YB Dato Sri Alexander Nanta Linggi	Minister	MDTCA
2.	YBhg. Datuk Rosol Wahid	Deputy Minister	MDTCA
3.	YBrs. Dr. Alauddin b. Sidal	Deputy Secretary General (Domestic Trade)	MDTCA

### Objectives

This market review was conducted to achieve the following objectives:



## MARKET REVIEW

### Achievements

Among the achievements for this program are as follows:

01

MyCC conducted a launching ceremony to disseminate the results of this study which was attended by 200 participants representing government agencies, representatives of foreign embassies in Malaysia, academics and lawyers, industry players, industry associations and consumers, media and the general public

02

YB Minister of the MDTCA presented the results of this study to the cabinet members in a Cabinet Meeting on 28 October 2020

03

MyCC has also presented the results of this study to a special committee conducted by the MDTCA, meetings with relevant government agencies and seminars from August 2020 to date



MARKET REVIEW

04

This study has been used as reference by 225 parties such as government agencies, universities, industry players, foreign competition authorities, industry and consumer associations and others since its launch until now

05

MyCC conducted advocacy programmes to disseminate the results of this study with a more targeted approach involving 27 stakeholders such as Ministries, government committees, industry, associations and think tanks in addition to 15 media companies from September to December 2020

06

Representatives in the Expert Panel Committee formed by MyCC for this study have taken note of the results of this study for the improvement of policies related to the wholesale and retail trade sector in the future

07

MyCC has always been committed to improving the efficiency and competitiveness of the wholesale and retail trade sector in today's COVID-19 pandemic situation with a proposal for the industry to adopt an e-commerce-based business model to replace physical on-premise business





## INTERNATIONAL PROGRAM

Internationally, MyCC is also actively involved in conferences, workshops, meetings and capacity building overseas. As the member of the ASEAN Experts Group on Competition (AEGC), International Competition Network (ICN), Organization for Economic Co-operation and Development (OECD), United Nations Conference on Trade and Development (UNCTAD) and others, MyCC often accepts invitations to overseas programs as speakers, participants, meeting members and even moderators.

Malaysia, as with many other countries around the world, faced devastating effects of the COVID-19 pandemic in 2020. Restrictions in the movement of people had forced meetings to be arranged and done online via various virtual meeting applications. Despite such circumstances, MyCC has successfully held 3 international collaborations programs, attended a total of 14 programs and 9 meetings at the international level which include forums, workshops, secondment programs and other capacity building programs. MyCC has also hosted one lecture series and held a working visit to the Philippines in early 2020.

### International Collaborations

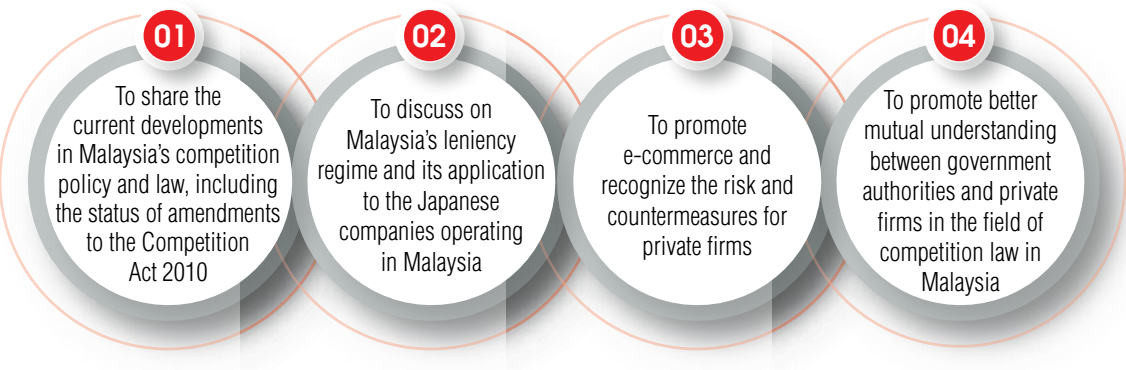
#### Workshop on Recent Competition Issues in Malaysia



MyCC in collaboration with the Japan International Cooperation Agency (JICA) and the Japan Fair Trade Commission (JFTC) organized the Workshop on Recent Competition Issues in Malaysia on 4 March 2020 at Corus Hotel, Kuala Lumpur. The workshop was attended by Japanese industry players, local enforcement bodies, sector regulators, university lecturers as well as Japanese entrepreneurs that are doing businesses in Malaysia.

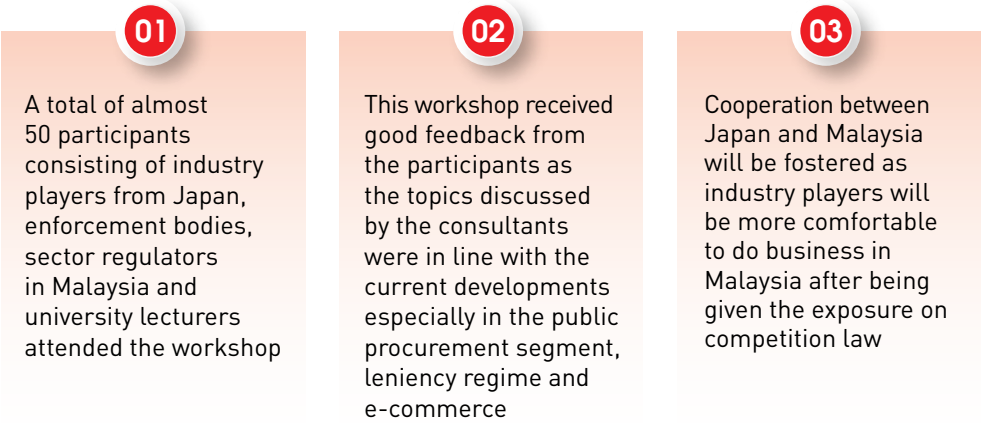
Objectives

This workshop was conducted to achieve the following objectives:



Achievements

Among the achievements of conducting this workshop are as follows:



## INTERNATIONAL PROGRAM

### UNCTAD Briefing to MyCC on Defending Competition During COVID-19 and Other Related Matter

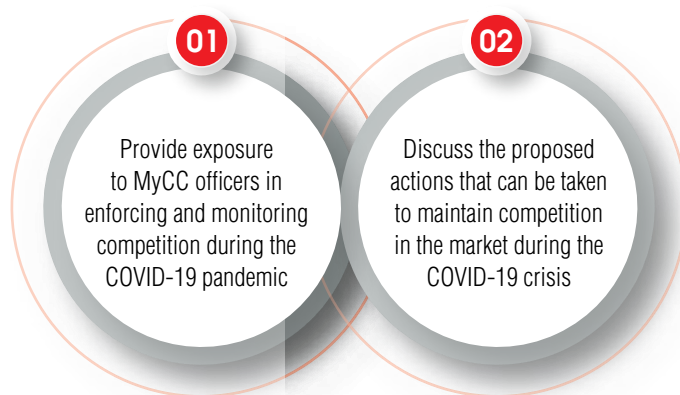
In surviving the new norms, the process of competition in the market remains a priority for MyCC to ensure that the prices of goods are always affordable and the industry players remain competitive. The spread of this COVID-19 pandemic has also led competition authorities around the world to review the enforcement of competition laws especially in providing flexibility for anti-competitive activities in the market to avoid greater losses to society, enterprises and even the national economy.

Thus, MyCC in collaboration with the United Nations Conference on Trade and Development (UNCTAD) has organized this briefing program virtually on 12 May 2020. This program was attended by all MyCC officers and Research Assistants.

The briefing program was conducted by the Legal Officer in the Consumer Policy and Competition Division of UNCTAD, Dr. Pierre Horna as well as competition law expert from UNCTAD, Ms. Akari Yamamoto.

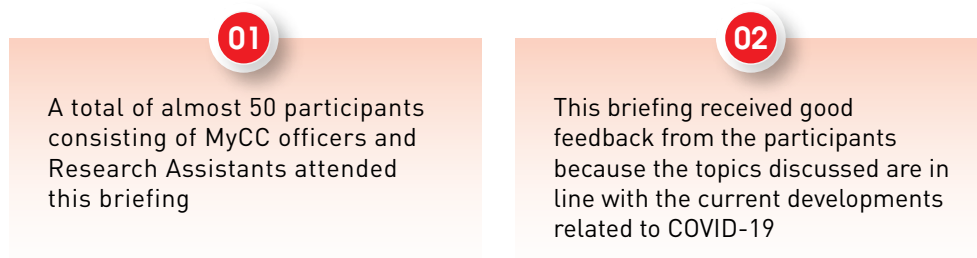
#### Objectives

This briefing program was conducted to achieve the following objectives:



#### Achievements

Among MyCC achievements for this program are as follows:



## INTERNATIONAL PROGRAM

NO.	PROGRAMME/PROJECT	DATE	COLLABORATING ORGANIZATION
1.	JICA-JFTC Workshop on Recent Competition Issues in Malaysia	4 March	1. Japan International Cooperation Agency (JICA) 2. Japan Fair Trade Commission (JFTC)
2.	Virtual Training with the World Bank	13-30 April	1. World Bank Group 2. US Department of Justice
3.	Briefing to MyCC on Defending Competition During COVID-19 and Other Related Matters	12 May	1. United Nations Conference on Trade and Development (UNCTAD)

### Capacity Building

NO.	PROGRAMME	DATE	VENUE
1.	Professor Whish Lecture Series	14 January	Kuala Lumpur, Malaysia
2.	ACF 15 <sup>th</sup> Annual Conference, Europe – Asia Trade, Investment and Antitrust: Challenges & Opportunities	20-21 January	Valencia, Spain
3.	2020 Forum on Competition in Developing Countries	30-31 January	Manila, Philippines
4.	JICA-JFTC Workshop on Recent Competition Issues in Malaysia	4 March	Kuala Lumpur, Malaysia
5.	Virtual Training with the World Bank	13-30 April	Online via Webex
6.	OECD/KPC Workshop on Competition Roles in the Health Sector	16-17 & 20-21 July	Online

## INTERNATIONAL PROGRAM

NO.	PROGRAMME	DATE	VENUE
7.	GCR Live Singapore: 9 <sup>th</sup> Annual Asia-Pacific Law Leaders Conference 2020	3-4 September	Online
8.	AANZFTA CLIP/CAP Competition and Consumer Protection in Digital Markets	9 September	Online
9.	ICN Virtual Annual Conference 2020	14-17 September	Online
10.	OECD/KPC/ADB/PCC Workshop on Competition Economics for ASEAN Competition Authorities on Merger	5,7,8,9 October	Online
11.	OECD/KPC/ADB/PCC Workshop on Competition Economics for ASEAN Competition Authorities on Abuse of Dominance	19, 21, 22, 23 October	Online
12.	ASEAN-ERIA Dialogue on Digital Trade	28 October	Online
13.	APEC 13 <sup>th</sup> Conference on Good Regulatory Practices (GRP13)	25-26 November	Online
14.	OECD 19 <sup>th</sup> Global Forum on Competition	7-10 December	Online

## INTERNATIONAL PROGRAM

### International Meeting

NO.	PROGRAMME	DATE	VENUE
1.	Consultation Meeting on the PCC's Merger Regime	29 January	Manila, Philippines
2.	1 <sup>st</sup> AEGC Online Meeting	9 June	Online
3.	4 <sup>th</sup> Meeting of High-Level Representatives of Asia-Pacific Competition Authorities	15 July	Online
4.	2 <sup>nd</sup> AEGC Online Meeting	21 July	Online
5.	3 <sup>rd</sup> AEGC Online Meeting	6 August	Online
6.	4 <sup>th</sup> AEGC Online Meeting	3-4 September	Online
7.	25 <sup>th</sup> ASEAN Experts Group on Competition and Other Related Meetings	20-22 October	Online
8.	1 <sup>st</sup> AANZFTA Competition Committee Discussion on Consumer Protection Provisions under the AANZFTA Competition Chapter	18 November	Online
9.	5 <sup>th</sup> Meeting of High-Level Representatives of Asia-Pacific Competition Authorities	16 December	Online

## INTERNATIONAL PROGRAM

### Consultation Meeting on the Philippine Competition Commission's Merger Regime



Efforts to improve the Competition Act 2010 and the Competition Commission Act 2010 (the Acts) have begun since the Competition Act 2010 came into force in January 2012. However, there is an urgent need for the Acts to be amended when the two largest e-hailing companies in Malaysia and Southeast Asia merge and leave Grab to monopolize in this market. In this regard, MyCC is currently the only competition authority in the ASEAN region that does not have the powers to prevent or review the impact of such a merger. Therefore, various initiatives have been implemented by MyCC to amend the Acts to ensure the effectiveness of the enforcement of competition law. MyCC made a working visit to the headquarters of the Philippine Competition Commission (PCC) in Manila, Philippines on January 29, 2020 as an effort to obtain information on the enforcement of the merger and acquisition regime in the Philippines by the PCC. This working visit was also organized as an initiative to enhance competition networks through regional and international cooperation.

#### Objectives

This official working visit was conducted to share knowledge and exchange views, especially from the PCC on the implementation of the merger and acquisition (M&A) regime in the Philippines. This knowledge sharing is in line with MyCC's goal to introduce a merger control regime in the Competition Act 2010.



## INTERNATIONAL PROGRAM

### Achievements

01

The PCC shared their experience in enforcing merger and acquisition laws in the Philippines such as issues related to merger and acquisition legal framework, cooperation between government agencies, government policy, national interest and cross-border merger

02

The outcome of this meeting will be taken into account and adapted into the MyCC framework in line with MyCC's plan to implement the merger and acquisition regime in the near future

03

The PCC also agreed in principle for other possible cooperations with MyCC such as conducting an internal workshop with MyCC officers on mergers and acquisition later in the future

### Working Visit

NO.	PROGRAMME	LOCATION & DATE	BRIEF SUMMARY
1.	Consultation Meeting on the Philippines Competition Commission's Merger Regime	Manila, Philippines 29 January 2020	<p>During MyCC Strategic Plan 2020 Meeting in November 2019, it was agreed that under Strategic Goal 1, the initiative to enhance competition networks through regional and international cooperation will be done by organizing a working visit to the Philippine Competition Commission (PCC). The working visit was done to learn more from the PCC on their mergers and acquisition framework, gun-jumping, cross border cases for merger, and other matters relating to the enforcement of the merger regime as part of MyCC's preparation to establish interim merger unit.</p> <p>Furthermore, MyCC also able to learn more on the PCC's cooperation strategies between government agencies and other matters related to government policy.</p> <p>The outcome of the meeting was then concluded with future potential cooperations on merger enforcement between MyCC and PCC. The PCC also agreed for future technical advices, while providing recommendations of several merger regime experts to be part of the exercise.</p>

## INTERNATIONAL PROGRAM

NO.	PROGRAMME	LOCATION & DATE	BRIEF SUMMARY
2.	Courtesy Visit to the Malaysia Competition Commission by the Japan Fair Trade Commission (JFTC) and Japan International Cooperation Agency (JICA)	Kuala Lumpur, Malaysia 5 March 2020	<p>Following the Workshop on Recent Competition Issues in Malaysia on 4 March 2020, the JFTC and JICA made a courtesy visit to MyCC's office in Kuala Lumpur on 5 March 2020 to discuss on JFTC and JICA's assistance for the upcoming technical cooperation that was planned to be held in 2021.</p> <p>The discussion focused on the areas that MyCC would like to obtain assistance from the technical cooperation programme, namely on the overall amendments of the Competition Act 2010 and to gain more insights on JFTC's Leniency Regime Guidelines.</p> <p>The programme was entitled the JFTC Advisor on Competition Law and will be conducted throughout the year of 2021.</p>
3.	Online Courtesy visit to the Malaysia Competition Commission by the Antimonopoly Committee of the Republic of Uzbekistan (AMC Uzbekistan)	Virtual, 24 July 2020	<p>MyCC had a discussion with the AMC Uzbekistan virtually on 24 July 2020, with both representatives receiving the online teleconference at their respective countries.</p> <p>In the discussion, both parties had expressed their intention to explore cooperation in the areas of competition law between Malaysia and Uzbekistan.</p> <p>On 6 October 2020, Mr. Kirill Korotkov, Head of Strategy of the AMC Uzbekistan had sent a proposed framework setting out the details of the areas of cooperation for MyCC's consideration. In response to that, MyCC had drafted its feedbacks and comments on the proposed framework to suit the existing resources and manpower of MyCC. The discussion between the parties is on-going up till today.</p>

## INTERNATIONAL PROGRAM

NO.	PROGRAMME	LOCATION & DATE	BRIEF SUMMARY
4.	EU-Malaysia Chamber of Commerce and Industry (EUROCHAM)	Kuala Lumpur, Malaysia 11 August 2020	<p>On 13 July 2020, MyCC received an email from EUROCHAM Malaysia to participate in their Rebranding Campaign by providing them with a short congratulatory message on their new rebranding launch. Apart from the rebranding campaign, EUROCHAM also requested to have a courtesy visit to MyCC's office.</p> <p>The visit was led by their CEO, Mr. Sven Schneider and the meeting concluded with EUROCHAM's intention to establish a Strategic Partnership via Memorandum of Understanding with the MyCC which will further foster the efforts of both parties in creating awareness as well as to establish joint efforts in promoting and organizing advocacy programmes on competition related matters.</p>

## ADVOCACY PROGRAM

In general, apart from enforcement activities, advocacy programmes are an effective method to raise awareness of all parties, especially among consumers and enterprises on the existence and role of the Commission and Competition Act 2010. In 2020, a total of 14 advocacy programmes were conducted involving various sectors in the public, private sector, stakeholders, professionals and the media.

Among advocacy programmes organized by MyCC are:

### Workshop on Recent Competition Issues in Malaysia

MyCC has organized the Professor Richard Whish's Lecture Series on 14 January 2020 at the Aloft Hotel, Kuala Lumpur. The program was attended by participants comprising of Government officials, lawyers, businessmen, academicians, university students and chambering students. The lecture series was also attended by the Members of the Commission, Members of the Competition Appeal Tribunal (CAT) and officers of the Commission.

As the name suggests, MyCC has invited Professor Richard Whish who is a competition law expert from King's College London, United Kingdom to share his knowledge, comments, suggestions and inputs on Malaysia's implementation of competition policy and law. MyCC also invited Mr. Harikumar Pillay, a consultant from Baker McKenzie who is also an expert in competition law and economics to deliver the lectures along with Professor Whish.

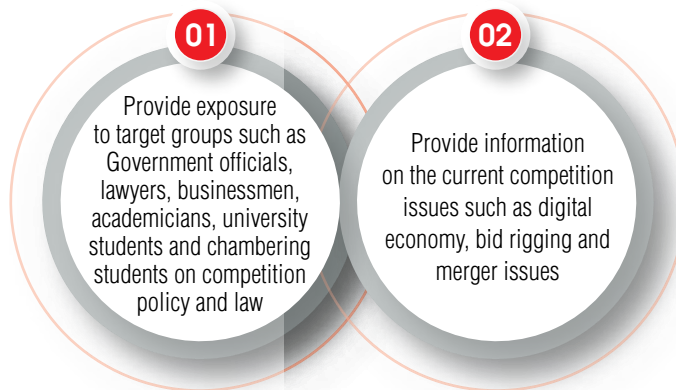


## VVIP/VIPs

NO.	NAME	POSITION	MINISTRY
1.	YB Datuk Seri Saifuddin Nasution b. Ismail	Minister	MDTCA
2.	YBrs. Dr. Alauddin b. Sidal	Deputy Secretary General (Domestic Trade)	MDTCA
3.	YBhg. Datuk Rostam Affendi b. Dato' Salleh	Deputy Secretary General (Consumer Empowerment)	MDTCA

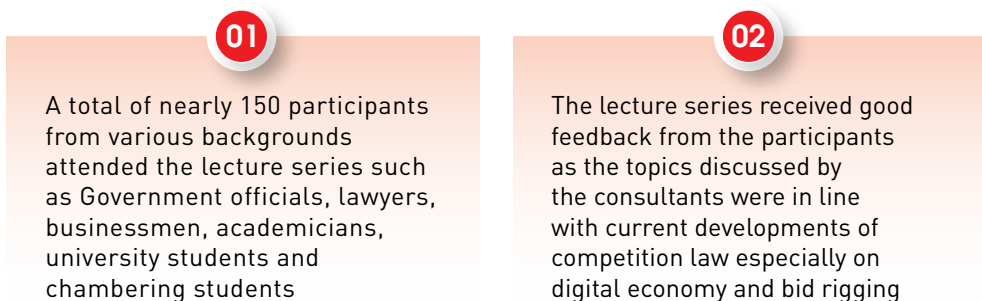
## Objectives

This lecture series is conducted to achieve the following objectives:



## Achievements

Among the achievements for this lecture series are as follows:



## ADVOCACY PROGRAM

### **Briefing Session on the Enforcement and Compliance of Competition Act 2010 at Hilton Hotel, Kuching, Sarawak**

In its effort to raise knowledge and awareness of Competition Act 2010, MyCC forged ahead with the hosting of various events and programmes in order to foster a conducive economic environment for businesses and consumers. On 27 February 2020, MyCC organized a briefing session on the “Enforcement and Compliance of Competition Act 2010” at Hilton Hotel, Kuching, Sarawak. The session was attended by 97 participants among government officials, sector regulators, private companies, and stakeholders in Sarawak. The objective of this briefing session is to introduce the role and functions of the Commission in general and issues relating to Competition Act 2010 to the participants.



## ADVOCACY PROGRAM

### **Briefing on Guidelines against Bid-Rigging in Public Procurement Activities**

On 1 and 8 October 2020, MyCC organized a program titled “Briefing on Guidelines Against Bid-Rigging in Public Procurement Activities” at Institut Latihan Dewan Bandaraya Kuala Lumpur (DBKL), Bandar Tun Razak, Kuala Lumpur. This program was held for the officials who are directly involved in the procurement process. In addition, this briefing aimed to increase the understanding of the officials on procurement methods and procedures to avoid bid rigging. The program was attended by 49 participants to discuss the links between bid rigging and corruption, the effectiveness of procurement procedures, bid rigging risks, direct negotiations and investigations carried out by MyCC related to bid rigging.

This advocacy program is one of the ongoing initiatives undertaken by MyCC to create awareness among procurement and government officials in the public sector on the roles of MyCC and the implementation of the Competition Act 2010, particularly in addressing bid rigging issues in public procurement.

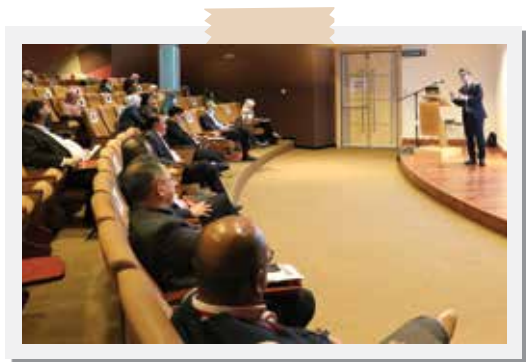




## ADVOCACY PROGRAM

### Briefing Session to Energy Commission on Competition Act 2010

MyCC also organized a briefing session to Energy Commission on 23 December 2020 at Putrajaya. This program 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 PROGRAM

### List of Advocacy Programmes

NO.	PROGRAMME	DATE	VENUE
1.	Professor Whish Lecture Series	14 January 2020	Aloft Hotel, KL Sentral, Kuala Lumpur
2.	Taklimat Penguatkuasaan dan Pematuhan Undang-undang Persaingan 2010	27 February 2020	Hilton Hotel, Kuching, Sarawak
3.	MyCC @ Kampus bersama Universiti Malaysia Sarawak (UNIMAS)	28 February 2020	Universiti Malaysia Sarawak (UNIMAS), Kota Samarahan, Sarawak
4.	"MyCC Classroom" with Universiti Malaya	8 May 2020	Via Zoom
5.	EUROCHAM Malaysia Courtesy Visit	11 August 2020	Main Meeting Room, MyCC
6.	4 <sup>th</sup> Annual Legal Asia 2020: The Paradigm Shift	7 September 2020	Hotel Pullman, KLCC, Kuala Lumpur
7.	"MyCC Classroom" with Monash University	14 September 2020	Via Zoom
8.	Talk with Taylor's University	30 September 2020	Via Zoom
9.	"Taklimat Garis Panduan Menentang Tipuan Bida dalam Perolehan Awam" kepada Pegawai-pegawai Jabatan Integriti, Dewan Bandaraya Kuala Lumpur (DBKL)	1 October 2020	Institut Latihan Dewan Bandaraya Kuala Lumpur (DBKL), Jalan Yaacob Latif, Bandar Tun Razak, Kuala Lumpur
10.	"Engineering Competition Compliance" The Institution of Engineers Malaysia (IEM)	7 October 2020	Via Zoom
11.	"Taklimat Garis Panduan Menentang Tipuan Bida dalam Perolehan Awam" kepada Pegawai-pegawai Jabatan Integriti, Dewan Bandaraya Kuala Lumpur (DBKL)	8 October 2020	Institut Latihan Dewan Bandaraya Kuala Lumpur (DBKL), Jalan Yaacob Latif, Bandar Tun Razak, Kuala Lumpur
12.	Webinar "Gaining Market Access Talk"	8 October 2020	Via Zoom
13.	Briefing Session to Terengganu Incorporated Sdn Bhd on Competition Act 2010	16 December 2020	Via Zoom
14.	Briefing Session to Energy Commission on Competition Act 2010	23 December 2020	Energy Commission, Putrajaya

# COMMUNICATION AND PUBLIC RELATIONS

In 2020, the initiatives undertaken include exhibitions and conducting interviews for the mass media such as radio, television and newspaper.

MyCC had also issued press releases via print and electronic media regarding cases and issues related to competition and conducted online publicity via its social media and portals.

## Talks and Interviews

MyCC held a series of talks and interviews that were featured in TV3, Astro Awani, Berita Harian, Bernama, Money Matters, The Edge, Nanyang Siang Pau and BFM regarding MyCC's functions and roles, as well as covering latest issues and developments on MyCC and competition laws in Malaysia.





Scan the QR code  
to view video

## INTERVIEW WITH ELECTRONIC MEDIA



**Title** : Peniaga Kartel, Pengguna Rugi  
**Programme** : Soal Rakyat  
**Media** : TV3  
**Date** : 1 July 2020



**Title** : Kartel Mencengkam, Rakyat Terbeban  
**Programme** : Agenda Awani  
**Media** : Astro AWANI  
**Date** : 30 July 2020



**Title** : Laporan Kajian Semula Pasaran MyCC  
**Programme** : Ruang Bicara  
**Media** : Bernama  
**Date** : 27 October 2020



**Title** : MyCC and Market Review  
**Programme** : Money Matters  
**Media** : TV3  
**Date** : 12 December 2020



**Title** : Tipuan Bida  
**Programme** : Buletin Utama  
**Media** : TV3  
**Date** : 14 December 2020



**Title** : MyCC's Challenge in 2020  
**Programme** : Baker McKenzie "In The Know" Regulators Podcast Series (Malaysia)  
**Media** : Baker McKenzie's website & Spotify  
**Date** : 10 January 2021

## COMMUNICATION AND PUBLIC RELATIONS

INTERVIEW WITH PRINT MEDIA			
NO.	ARTICLE	MEDIA	DATE
1.	7 Pengusaha Gudang Diberi 30 Hari Tunjuk Sebab - MyCC	Berita Harian	9 January 2020
2.	7 Syarikat Diarah Beri Penjelasan	Berita Harian	10 January 2020
3.	Kartel Tetap Harga	Harian Metro	10 January 2020
4.	MyCC: Calling 7 Warehouse Operators to Explain	Sin Chew Daily	10 January 2020
5.	MyCC Proposes to Fine Seven Warehouse Operators for Price-Fixing	The Edge	10 January 2020
6.	Hanya 4 Bidang tidak Termasuk di Bawah Skop Pengawalan MyCC. MyCC Pantau Penggabungan dan Pengambilalihan Korporat	Nanyang Siang Pau	12 September 2020
7.	MyCC Contohi Undang-Undang Australia untuk Memaksa Google & Facebook Membayar Penggunaan Kandungan Berita	Nanyang Siang Pau	13 September 2020
8.	Kajian Pasaran MyCC bagi 4 Produk Terpilih, Kurangkan Kos dan Lindungi Pengguna	Nanyang Siang Pau	14 September 2020
9.	MyCC Jana Budaya Persaingan Sihat	Berita Harian Ahad	4 October 2020

## COMMUNICATION AND PUBLIC RELATIONS

### MEDIA STATEMENTS

In 2020, a total of 7 press releases were issued by MyCC related to;

NO.	PRESS RELEASES	DATE
1.	MyCC Proposes to Fine 7 Warehouse Operators for Price Fixing Cartel	9 January 2020
2.	MyCC to Conduct Public Consultation on Market Review Under the Competition Act 2010 for Service Sector in Malaysia (Wholesale and Retail for Selected Products)	5 February 2020
3.	MyCC's Press Statement on COVID-19	12 March 2020
4.	Joint Statement by the ASEAN Experts Group on Competition (AEGC) in Response to the Coronavirus Disease (COVID-19) Pandemic	11 June 2020
5.	MCMC and MyCC Jointly Address Exclusivity Arrangements in High-Rise Buildings	17 August 2020
6.	MyCC Releases Market Review on Wholesale and Retail Industry	20 August 2020
7.	MyCC and MACC to Join Forces in Tackling Leakages in Government Procurement	13 November 2020

### WEBSITE AND SOCIAL MEDIA PLATFORMS

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

MyCC Official Website:  
[www.mycc.gov.my](http://www.mycc.gov.my)

MyCC Social Media:  




 @themyc







## COMMUNICATION AND PUBLIC RELATIONS

**600 syarikat disyaki tipu bida tender RM5.9 billion**

**MyCC siasat, laksana program tingkat kesedaran Akta Persaingan**

**Antara strategi utama Kerajaan Persekutuan, kerajaan tempatan, kerajaan negeri dan badan berkanun, MyCC akan melaksanakan program tingkat kesedaran Akta Persaingan.**

MyCC telah melaksanakan program tingkat kesedaran Akta Persaingan di seluruh negara. Program ini bertujuan untuk meningkatkan kesedaran mengenai Akta Persaingan di kalangan syarikat, terutamanya syarikat yang terlibat dalam tender.

MyCC telah melaksanakan program tingkat kesedaran Akta Persaingan di seluruh negara. Program ini bertujuan untuk meningkatkan kesedaran mengenai Akta Persaingan di kalangan syarikat, terutamanya syarikat yang terlibat dalam tender.

MyCC telah melaksanakan program tingkat kesedaran Akta Persaingan di seluruh negara. Program ini bertujuan untuk meningkatkan kesedaran mengenai Akta Persaingan di kalangan syarikat, terutamanya syarikat yang terlibat dalam tender.

**MyCC 違反競爭法令 22普險公司罰1.3億**

**MyCC has imposed fines on 22 general insurance companies for violating the Competition Act 2010.**

MyCC has imposed fines on 22 general insurance companies for violating the Competition Act 2010. The fines range from RM100,000 to RM1.3 million.

MyCC has imposed fines on 22 general insurance companies for violating the Competition Act 2010. The fines range from RM100,000 to RM1.3 million.

**MyCC jana budaya persaingan sehat**

**MyCC has created a healthy competition culture.**

MyCC has created a healthy competition culture. The organization has implemented various initiatives to promote fair competition and transparency in the insurance industry.

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**BNM regrets MyCC's final decision on PIAM's case; general insurers disappointed**

**BNM regrets MyCC's final decision on PIAM's case; general insurers disappointed.**

BNM regrets MyCC's final decision on PIAM's case. General insurers are disappointed with the outcome. The decision is seen as a setback for the insurance industry.

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**MyCC imposes fines on Tune unit, 21 other insurers**

**MyCC has imposed fines on Tune unit and 21 other insurers.**

MyCC has imposed fines on Tune unit and 21 other insurers. The fines are imposed for violating the Competition Act 2010. The decision is a landmark case for the insurance industry.

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# 07



## FINANCIAL STATEMENTS 61



For more information, please go to:  
[www.mycc.gov.my](http://www.mycc.gov.my)





**SIJIL KETUA AUDIT NEGARA  
MENGENAI PENYATA KEWANGAN  
SURUHANJAYA PERSAINGAN MALAYSIA  
BAGI TAHUN BERAKHIR 31 DISEMBER 2020**

**Sijil Mengenai Pengauditan Penyata Kewangan**

**Pendapat**

Saya telah mengaudit Penyata Kewangan Suruhanjaya Persaingan Malaysia yang merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2020 dan Penyata Prestasi Kewangan, Penyata Perubahan Aset Bersih serta Penyata Aliran Tunai bagi tahun berakhir pada tarikh tersebut dan nota kepada penyata kewangan termasuklah ringkasan polisi perakaunan yang signifikan seperti yang dinyatakan pada muka surat 1 hingga 25.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Suruhanjaya Persaingan Malaysia pada 31 Disember 2020 dan prestasi kewangan serta aliran tunai bagi tahun berakhir pada tarikh tersebut selaras dengan Piawaian Perakaunan Sektor Awam Malaysia (MPSAS) 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 dikehendaki selanjutnya di perenggan Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan dalam sijil 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 Sijil 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 Sijil 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 Perakaunan Sektor Awam Malaysia (MPSAS) 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 yang 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 Sijil 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. Menenal pasti dan menilai risiko salah nyata ketara dalam Penyata Kewangan Suruhanjaya Persaingan Malaysia, sama ada disebabkan fraud atau kesilapan, merangka dan melaksanakan prosedur audit yang responsif terhadap risiko berkenaan serta mendapatkan bukti audit yang mencukupi dan bersesuaian untuk memberikan asas kepada pendapat saya. Risiko untuk tidak mengesan salah nyata ketara akibat daripada fraud adalah lebih tinggi daripada kesilapan kerana fraud mungkin melibatkan pakatan, pemalsuan, ketinggalan yang disengajakan, representasi yang salah, atau mengatasi kawalan dalaman.
- b. Memahami kawalan dalaman yang relevan untuk merangka prosedur audit yang bersesuaian tetapi bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman Suruhanjaya Persaingan Malaysia.

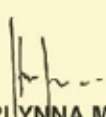


- c. Menilai kesesuaian dasar perakaunan yang diguna pakai dan kemunasabahan anggaran perakaunan dan pendedahan yang berkaitan oleh Anggota Suruhanjaya.
- d. Membuat kesimpulan terhadap kesesuaian penggunaan asas perakaunan untuk usaha berterusan oleh Anggota Suruhanjaya dan berdasarkan bukti audit yang 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 Sijil 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 Sijil Juruaudit.
- e. Menilai sama ada keseluruhan struktur dan kandungan Penyata Kewangan Suruhanjaya Persaingan Malaysia termasuk pendedahannya dan sama ada Penyata Kewangan Suruhanjaya Persaingan Malaysia telah melaporkan asas-asas urus niaga dan peristiwa-peristiwa yang memberikan gambaran saksama.

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

#### **Hal-hal Lain**

Sijil ini dibuat untuk Anggota Suruhanjaya berdasarkan keperluan Akta Suruhanjaya Persaingan 2010 [Akta 713] dan bukan untuk tujuan lain. Saya tidak bertanggungjawab terhadap pihak lain bagi kandungan sijil ini.

  
**HELY HERLYNNA MOHD KASSIM**  
b.p. KETUA AUDIT NEGARA

PUTRAJAYA  
27 OGOS 2021





**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 Prestasi Kewangan, Penyata Perubahan Aset Bersih, Penyata Aliran Tunai dan Penyata Perbandingan Belanjawan dan Sebenar 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 ..... **23 AUG 2021** )

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



  
.....  
**PESURUHJAYA SUMPAH**  
5B, JALAN RAKYAT  
(JALAN TRAVERS)  
BRICKFIELDS  
50470 KUALA LUMPUR







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

Kami DATO' SERI MOHD HISHAMUDIN BIN MD YUNUS dan DATO' JAGJIT SINGH A/L BANT SINGH 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 Prestasi Kewangan, Penyata Perubahan Aset Bersih, Penyata Aliran Tunai dan Penyata Perbandingan Belanjawan dan Sebenar 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 2020 dan hasil kendaliannya serta perubahan kedudukan kewangannya bagi tahun berakhir pada tarikh tersebut.

Bagi pihak Anggota Suruhanjaya,

Bagi pihak Anggota Suruhanjaya,

**DATO' SERI MOHD HISHAMUDIN BIN  
MD YUNUS  
PENERUSI  
SURUHANJAYA PERSAINGAN MALAYSIA**

TARIKH: 23 0605 2021  
TEMPAT: KUALA LUMPUR

**DATO' JAGJIT SINGH A/L  
BANT SINGH  
ANGGOTA  
SURUHANJAYA PERSAINGAN  
MALAYSIA**

TARIKH: 23 0605 2021  
TEMPAT: KUALA LUMPUR



# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	NOTE	2020 RM	2019 RM
			<i>As restated</i>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	618,942	715,007
<b>Total Non-Current Assets</b>		618,942	715,007
<b>CURRENT ASSETS</b>			
Deposits and Prepayment	4	272,550	221,441
Accrued Interest		-	323,112
Other Debtors		7,400	16,131
Cash and Cash Equivalents	5	40,249,879	43,275,146
<b>Total Current Assets</b>		40,529,829	43,835,830
<b>TOTAL ASSETS</b>		<b>41,148,771</b>	<b>44,550,837</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Government Grants	6	856,555	823,873
<b>Total Non-Current Liabilities</b>		856,555	823,873
<b>CURRENT LIABILITIES</b>			
Accruals and Provision		375,963	251,688
Creditors	7	426,442	262,553
Deferred income	15	19,664,700	19,664,700
Tax Payable		-	221,042
<b>Total Current Liabilities</b>		20,467,105	20,399,983
<b>TOTAL LIABILITIES</b>		<b>21,323,660</b>	<b>21,223,856</b>
<b>TOTAL NET ASSETS</b>		<b>19,825,111</b>	<b>23,326,981</b>
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>41,148,771</b>	<b>44,550,837</b>

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

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 RM	2019 RM
<b>INCOME</b>			
Receipt from Government Grants	8	6,317,518	16,361,423
Bank Interest and Fixed Deposit Interest	9	918,794	921,008
Seminar Fees		34,730	38,235
Other Receipts		4,114	11,928
<b>Total Income</b>		<b>7,275,156</b>	<b>17,332,594</b>
<b>Expenditure</b>			
Emoluments		4,706,037	4,301,173
Travel and Accommodation		64,946	159,277
Utilities and Communications		249,727	228,218
Rental		1,302,499	1,018,260
Depreciation	3	282,526	385,202
Administrative Expenses	10	77,532	114,265
Service Expenses		191,461	248,110
Salaries and Allowances of Members of the Commission		644,478	663,039
Entertainment, Honorarium and Contributions	11	108,183	171,882
Unit/Division Expenditure	12	2,282,319	2,501,885
Development Expenditure - Market Study		867,318	515,423
<b>Total Expenditure</b>		<b>10,777,026</b>	<b>10,306,734</b>
<b>(Deficit)/Surplus Income Before Tax</b>		<b>(3,501,870)</b>	<b>7,025,860</b>
<b>Income Tax</b>	13	-	(221,042)
<b>(Deficit)/Surplus Income After Tax</b>		<b>(3,501,870)</b>	<b>6,804,818</b>

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

# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Accumulated Surplus RM <i>As restated</i>
<b>Balance as at January 1, 2019</b> <b>(As mentioned earlier)</b>	16,553,654
<b>Last year adjustment</b>	(31,491)
Surplus of Income	6,804,818
<b>Balance as at December 31, 2019</b>	<b>23,326,981</b>
(Deficit) Income	(3,501,870)
<b>Balance as at December 31, 2020</b>	<b>19,825,111</b>

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

# STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 RM	2019 RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Deficit)/Surplus Income	(3,501,870)	6,804,818
Adjustment:		
Depreciation	282,526	385,202
Bank Interest and Fixed Deposit Interest	(918,794)	(921,008)
(DEFICIT)/SURPLUS INCOME BEFORE CHANGES IN WORKING CAPITAL	(4,138,138)	6,269,012
(Surplus)/Deficit in Deposits and Prepayment	(51,109)	1,649
Deficit/(Surplus) in Other Debtors	8,731	(6,781)
Increase in Other Creditors	288,164	13,822,655
Increase in Deferred Government Grants	32,682	384,577
CASH USED FOR OPERATIONAL ACTIVITIES	(3,859,670)	20,471,112
Tax Paid	(221,042)	-
CASH FLOW FROM OPERATING ACTIVITIES	(4,080,712)	20,471,112
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of property, plant and equipment	(186,461)	(114,994)
Bank Interest and Fixed Deposit Interest	1,241,906	1,044,110
NET CASH FLOW FROM INVESTMENT ACTIVITIES	1,055,445	929,116
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,025,267)	21,400,228
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	43,275,146	21,874,918
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>40,249,879</b>	<b>43,275,146</b>
<b>CASH AND CASH EQUIVALENTS REPRESENTED BY:</b>		
Cash and Bank Balances	8,884,887	13,041,404
Fixed Deposits	31,364,992	30,233,742
	<b>40,249,879</b>	<b>43,275,146</b>

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

# STATEMENT OF COMPARISON BUDGET AND ACTUAL

FOR THE YEAR ENDED 31 DECEMBER 2020

	TOTAL BUDGET		ACTUAL AMOUNT	DIFFERENCE
	ACTUAL RM	FINAL RM	RM	RM
<b>Expenditure</b>				
Emoluments	4,976,520	4,869,120	4,706,037	(163,083)
Travel and Accommodation	216,500	201,500	64,946	(136,554)
Utilities and Communications	271,000	271,000	249,727	(21,273)
Rental	1,400,000	1,400,000	1,302,499	(97,501)
Depreciation	-	-	282,526	282,526
Administrative Expenses	490,000	2,995,080	77,532	(2,917,548)
Service Expenses	2,804,080	234,000	191,461	(42,539)
Salaries and Allowances of Members of the Commission	734,000	676,400	644,478	(31,922)
Entertainment, Honorarium and Contributions	190,500	190,500	108,183	(82,317)
Unit/Division Expenditure	4,885,000	5,130,000	2,282,319	(2,847,681)
Development Expenditure - Market Study	1,723,873	1,723,873	867,318	(856,555)
<b>Total Expenditure</b>	<b>17,691,473</b>	<b>17,691,473</b>	<b>10,777,026</b>	<b>6,914,447</b>

**Note:** Development Expenditure Allocation for Market Study includes balances brought from 2019 amounting to RM823,873.

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 (Commission) was established on 1 April 2011 under the Competition Commission Act 2010 (Act 713). The Commission is an agency under the supervision of the Ministry of Domestic Trade and Consumer Affairs and is an independent body established to enforce the Competition Act 2010 (Act 712). The Commission's primary role is to protect the process of competition for the benefit of the Malaysian business, consumers and economy. As of 31 December 2020, the Commission has a total of 74 officers.
- 1.2 The Commission operates at Level 15, Menara SSM@ Sentral No.7, Jalan Stesen Sentral 5, 50623 Federal Territory of Kuala Lumpur.
- 1.3 The Commission's Financial Statements are for the period from 1 January 2020 to 31 December 2020.
- 1.4 The Commission's functional currency is Ringgit Malaysia (RM), where every operation and transaction is in RM. For the purposes of the financial statements, it is recorded in RM, which is the functional currency of the Commission.
- 1.5 The Commission's Financial Statements for the year ended 31 December 2020 were approved by the Commission Members on 23 August 2021,
- 1.6 The Commission is responsible for carrying out functions such as implementing and enforcing the provisions under the Competition Commission Act 2010, issuing guidelines on the implementation and enforcement of competition laws, acting as advocates for competition-related matters, conducting general studies on issues relating to competition in the Malaysian economy or certain sectors of the Malaysian economy, informing and educating the public on ways in which competition can benefit consumers as well as the Malaysian economy.

## 2. ACCOUNTING POLICIES

### 2.1 Basis for Preparation of Financial Statements

- 2.1.1 The Commission's financial statements have been prepared based on historical cost conventions other than those separately stated and in compliance with the Malaysian Public Sector Accounting Standards (MPSAS).
- 2.1.2 These financial statements are the second financial statements prepared using MPSAS.



## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis for Preparation of Financial Statements (Continued)

- 2.1.3 Preparation of financial statements requires consideration, estimates and assumptions affecting the use of policies and amounts of reported assets, liabilities, revenues and expenses. If these considerations significantly affect the amount recognised in the financial statements, they should be disclosed in note 2.13 to the financial statements.

### 2.2 Income and Expenditure Recognition

#### 2.2.1 Income Recognition

##### (i) Government Grants

Government grants that are not subject to certain conditions of future performance are taken into account as a result of the financial performance statements. Government Grants imposed by certain future performance conditions such as development grants are recognised as deferred grants and amortised as a result equivalent to the carrying amount of the eligible liabilities.

##### (ii) Fines and Penalties

Fines and penalties include financial penalties imposed on an enterprise or company for violation of the conditions stipulated in the Competition Act 2010 (Act 712). The amount of financial penalties imposed shall not exceed 10% of the total income of the enterprise or company during the period of violation.

##### (iii) Bank Interest and Fixed Deposit Interest

Gains on investments are recognised on a time proportion basis that takes into account the effective yield on the asset. Interest income is recognised based on time and effective rates over the maturity period. Whereas, bank interest income is recognised on an accrual basis.

##### (iv) Seminar Fees

The seminar fees received are the result of the implementation of seminar programmes related to the Competition Act 2010 conducted during the financial year.

##### (v) Application Fee For Exemption

Exemption Application Fees received are from business entities seeking exemption from the Competition Act 2010.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 2.2 Income and Expenditure Recognition (Continued)

##### 2.2.1 Income Recognition (Continued)

###### (vi) Sale of Vehicles and Printed Materials

The sale of vehicles is the income received by the Commission for vehicles disposed of and sold.

###### (vii) Other Receipts

Other receipts are receipts other than note 2.2.1 (i) to (vi) above. It is recognised as income after services are rendered.

#### 2.3 Property, Plant and Equipment

2.3.1 Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all direct costs involved in bringing the asset to its location and circumstances which enable it to operate in the manner required by management. Daily service costs are recognised as an expense in the financial performance statement. Property, plant and equipment are recognised at costs exceeding RM2,000 per unit.

2.3.2 The value of items of property, plant and equipment must be de-recognised at the time of disposal or when no future economic benefits or potential services are expected from their use or disposal. Gains or losses on deregulation of property, plant and equipment are determined by comparing the net disposal value of the assets whose differences are accounted for as gains or losses in the statement of financial performance.

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

2.4.1 Depreciation is calculated using the straight-line method to write off the cost of the asset over the estimated useful life of the assets concerned.

2.4.2 The depreciation rates of property, plant and equipment are as follows:

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

## NOTES TO THE FINANCIAL STATEMENTS

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Depreciation of Property, Plant and Equipment (Continued)

- 2.4.3 If there is a significant change in the changes in the residual value, estimated useful lives or useful patterns of assets since the date of the last annual report, the residual values, depreciation methods and useful lives of depreciable assets will be reviewed and adjusted prospectively in the current year.

#### 2.5 Financial Assets

- 2.5.1 Financial assets are recognised in the statements of financial position when the Commission is a party to the provision of instrument contracts.
- 2.5.2 At the beginning of recognition, financial assets that are measured at fair value, including transaction costs for financial assets that are not measured at fair value by surplus or deficiency, are directly involved in generating financial assets.
- 2.5.3 Upon initial recognition, financial assets are classified into one of the four categories of financial assets, namely financial assets measured at fair value by surplus or decrease, receivable, investment held to maturity and ready-to-sell financial assets.
- 2.5.4 The purchase or sale of a financial asset that requires the delivery of an asset within the timeframe stipulated by the regulations or conventions in the market will be recognised on the transaction made, the date on which the Commission makes a commitment to purchase or sell the asset.
- 2.5.5 The Commission has the following categories of financial assets:
- (i) Loans and receivables
- Loans and receivables are non-derivative financial assets with fixed or depreable payments that are not quoted in the active market. After the initial measurement, the financial asset is then measured at amortised cost using the effective method or less impairment. Amortised costs are calculated taking into account any discount or premium on the purchase of the asset as well as costs that are part of the effective interest rate. An impairment loss is recognised in surplus or deficit amount.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 2.5 Financial Assets (Continued)

2.5.5 The Commission has the following categories of financial assets (continued):

(ii) Investments held to maturity

Non-derivative financial assets with maturity of fixed or practicable and fixed payments are classified as held for maturity when the Commission has positive intentions and the ability to hold such investments until maturity. After initial measurement, held to maturity of investments is measured at amortised cost using the effective or impairment-deducted method of interest. Amortisation costs are calculated taking into account any discount or premium on acquisitions and costs that form part of the effective method of interest. Losses arising on impairment are recognised in the statements of financial performance.

(iii) Derecognition of financial assets

A financial asset is de-recognised when the contractual right to the cash flows from the financial asset has expired or has been completed and the Commission has transferred the risks and rewards of ownership of the financial assets to another party. At the time of derecognition of financial assets as a whole, the difference between the carrying amount and the amount of consideration received was recognised in excess or undercover during the period of derecognition.

(iv) Impairment of financial assets

At each balance sheet date, the Commission reviews the carrying amounts of financial assets to determine whether there is any indication of impairment. If any indication exists, impairment is obtained by comparing the carrying amount with the recoverable amount. Recoverable amount is the higher of net selling price and applicable value which is interpreted using discounted forward cash flow estimates. The recoverable amount will be determined for each asset or if it cannot be determined by the cash-generating units owned by the asset.

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

The reversal of impairment of assets recognised in the past year will be recorded if there is an indication that the impairment recognized in the previous year ceases to exist or has decreased. The reversal is to be reversible up to the actual amount of the asset which will be determined (net of depreciation and amortisation) had no impairment loss been recorded. Reversals are recorded directly in the statements of financial performance.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 2.6 Provisions and Liabilities

- 2.6.1 Provisions are recognised when the Commission has a present obligation as a result of past events, it is possible that the outflow of resources containing economic benefits should be carried out in order to settle obligations and the amount of obligations can be reliably estimated. When the Commission expects some or all provisions to be reimbursed, expenses relating to provisions are presented in the statements of financial performance from any repayments.

#### 2.7 Financial Liabilities

- 2.7.1 Financial liabilities are recognised in the statement of financial position when the Commission is a party to the provision of instrument contracts.
- 2.7.2 Initially recognised, financial liabilities are measured at fair value plus the cost of transactions for financial liabilities not measured at fair value by surplus or impairment, which are directly involved in the grinding of financial liabilities.
- 2.7.3 Upon initial recognition, financial liabilities are classified into one of two categories of financial liabilities, namely financial liabilities measured at fair value by surplus or deficit and outstanding loans.
- 2.7.4 The Commission has the following categories of financial liabilities:

(i) Loans and payables

Upon initial recognition, loans and outstanding payments are measured at amortised cost using the effective interest method. Profit or loss is reversed in surplus or deficit amount when financial liabilities are derecognised or impaired.

The effective method of interest is a method for calculating the amortised cost of a financial liability and to allocate interest expense over the relevant period. An effective interest rate is the discounted rate of an accurate estimated future cash payment through the shelf life of a financial liability or, as appropriate, a shorter period, with the carrying amount of the monetary liability.

(ii) Derecognition of Financial Liabilities

Financial liabilities are derecognised when the obligations specified in the contract are discharged, cancelled or expired.

Where there is a difference between the carrying amount of a derecognised financial liability and the consideration paid is recognized in surplus or deficit period during the period of derecognition.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 2.8 Contingent Liability

- 2.8.1 There is the possibility of transferring economic benefits to third parties in the event of an appeal made against the decision of the Commission. Therefore, the contingency potential information required under 'Section 21 contingency liabilities' was not disclosed on the grounds that it could affect the outcome of the legal proceedings.

#### 2.9 Cash and Cash Equivalents

- 2.9.1 Cash and cash equivalents comprise cash on hand, bank balances and fixed deposits at financial institutions with maturities of twelve months or less which are readily converted to known amounts of cash and are subject to the risk of intangible value changes.

#### 2.10 Employee Benefits

- 2.10.1 (i) Short Term Employee Benefits
- Short term employee benefits include basic salary, fixed allowances, variable allowances and various leave including annual leave.
- (ii) Employee Benefits After Service
- The Commission contributes to the Employees Provident Fund (EPF) at a rate that is mandatory to be contributed according to the laws in Malaysia. The contributions are charged to the statement of financial performance in the financial period in which they are incurred.
- The Commission contributes to the Retirement Fund Incorporated for employees who are granted pensionable status at the rates that are granted. The contributions are charged to the statement of financial performance in the financial period in which they are incurred.
- Permanent employees of the Commission will be rewarded with leave replacement (GCR) based on the Service Circular issued by the Public Service Department and adopted by the Commission.

#### 2.11 Sales and Service Tax (SST)

- 2.11.1 Each revenue, expenses and assets are recognised net of SST. The amount of SST is unclaimed and is recognised as an expense or part of the cost of acquisition of an asset.

#### 2.12 Budget Information

- 2.12.1 The annual budget is prepared on a cash basis. Since financial statements are prepared on an accrual basis, a budget and actual comparative statement is disclosed separately. This statement is prepared on the basis of annual budget preparation.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 2.13 Considerations and Key Sources of Estimated Uncertainty

2.13.1 The measurement of assets and liabilities requires management to make estimates based on monitoring and other assumptions as it deems appropriate. Among the considerations that are subject to estimation uncertainties are in measuring:

(i) Change in the Useful Life of Property, Plant and Equipment

Property, plant and equipment are depreciated using a straight-line method over the useful lives of the assets concerned. Changes in estimated patterns of asset utilisation and technological development can impact the shelf life and residual value of the asset. This causes future depreciation of assets to be revised.

(ii) Income Tax Computation

Consideration is important in determining the current and deferred taxation of the Commission as the final tax for the Commission as a whole is uncertain. When the final decision on the tax payable is determined by the authorities, the amount has a different probability from the initial estimate of tax payable. These differences can affect current and deferred tax at the period of calculation. The Commission will consider the difference whether it is over or understated to current or deferred tax in the period in which the difference is identified.

(iii) Provision Measurement

The Commission always uses the best estimates as the basis for measuring a provision. These estimates are based on past experiences, other indicators or assumptions and reasonable future events in determining a provision.

#### 2.14 Effect of MPSAS Application

2.14.1 Provisions that significantly affect the financial statements:

(i) Provision for Replacement of Leave (GCR)

For the previous financial year, the Commission did not provide for replacement leave. MPSAS requires that these provisions be made as they have qualified for such provision to be made. The Commission has calculated the provisions for the replacement of leave by making several assumptions during the calculations.



## NOTES TO THE FINANCIAL STATEMENTS

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 2.14 Effect of MPSAS Application (Continued)

2.14.2 Provisions that have no significant impact on the financial statements:

- (i) De-recognised financial assets and liabilities

The Commission will not re-recognize any previously derecognised financial assets or liabilities adopting the previous accounting framework when applying the MPSAS framework. If an asset or financial liability is likely to be de-recognised under the previous accounting framework then the Commission elects to continue to recognise such financial assets and liabilities until they are disposed of or settled.

#### 2.15 Financial Risk Management Policy

2.15.1 The Commission's financial risk management policy is to ensure that financial and non-financial resources are sufficient to carry out its operations smoothly. The Commission will consider and evaluate financial management risks raised from time to time.

- (i) Interest Rate Risk

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

- (ii) Credit Risk

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

- (iii) Foreign Exchange Risk

The Commission has no foreign exchange transactions and is therefore not exposed to foreign exchange risks.

- (iv) Liquidity Risk

The Commission practices prudent liquidity risk management to minimise financial mismatch of assets and liabilities as well as to create sufficient levels of cash and cash equivalents to meet working capital requirements.

- (v) Legal Risks

Subsection 3(3) of the Competition Commission Act 2010 [Act 713] states that the Commission may be sued in its name while Subsection 3(4) empowers the Commission to make contracts. The Commission 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

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 2.16 Significant Events Occurring During and After The Reporting Period

- 2.16.1 On 16 March 2020, the Government of Malaysia announced a Nationwide Movement Control Order (MCO) in line with the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1987 to curb the spread of COVID-19 infection in Malaysia beginning 18 March 2020. In addition, conditional MCO (CMCO) implementation has been implemented with the majority of economic and social activities allowed starting 4 May 2020. On 7 June 2020, the Government announced the CMCO to be replaced with the Recovery MCO (RMCO) which provided more flexibility to be granted from 10 June to 31 August 2020. On 28 August 2020, the government announced the RMCO to be extended until 31 December 2020. However, beginning 13 October 2020, the CMCO implementation has been re-announced based on the current situation in several localities in certain states.

After the announcement of the implementation of MCO, CMCO and RMCO in 2020, there are differences in approved budgets and expenses spent in the 2020 financial year. Limitations on movement and the need for social distancing cause some activities of the Commission to be not properly implemented. Among them are investigation and enforcement activities involving field activities including unworkable information gathering activities, most legal cases at Court level have been postponed from the date initially set, advocacy programs as well as training/seminar involvement locally and abroad practically cannot be implemented, besides the collection of fines cannot be finalized in the financial year 2020.

It is expected that by 2021 the same situation will continue and to some extent have the same effect on the Commission. However, the Commission will continue to pursue its responsibility and role in effectively enforcing the Competition Act 2010 in order to benefit the economy and displacement so that the country's economy grows rapidly.

The Effect of Application of MPSAS on the Financial Statement of the Commission as of 31 December is as follows:

## STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2019

	PREVIOUS ACCOUNTING STANDARD RM	ADJUSTMENT RM	MPSAS RM
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	715,007	-	715,007
<b>Total Non-Current Assets</b>	715,007		715,007
<b>CURRENT ASSETS</b>			
Deposits and Prepayment	221,441		221,441
Accrued Interest	323,112		323,112
Other Debtors	16,131		16,131
Cash and Cash Equivalents	43,275,146	-	43,275,146
<b>Total Current Assets</b>	43,835,830	-	43,835,830
<b>TOTAL ASSETS</b>	44,550,837		44,550,837
<b>NON-CURRENT LIABILITIES</b>			
Deferred Government Grants	823,873	-	823,873
<b>Total Non-Current Liabilities</b>	823,873		823,873
<b>CURRENT LIABILITIES</b>			
Accruals and Provision	251,688		251,688
Creditors	231,062	31,491	262,553
Deferred Revenue	19,664,700		19,664,700
Tax Payable	221,042		221,042
<b>Total Current Liabilities</b>	20,368,492	31,491	20,399,983
<b>TOTAL LIABILITIES</b>	21,192,365	31,491	21,223,856
<b>TOTAL NET ASSETS</b>	23,358,472	(31,491)	23,326,981
<b>TOTAL NET ASSETS AND LIABILITIES</b>	44,550,837	-	44,550,837

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Property, Plant, Equipment and Furniture

	MOTOR VEHICLES	EQUIPMENT AND FURNITURE	BOOK	COMPUTER	TOTAL
	RM	RM	RM	RM	RM
<b>Cost</b>					
Balance at January 1	818,080	269,319	276,313	1,275,071	2,638,783
Addition in Current Year	89,022	3,988	-	93,451	186,461
Disposal in Current Year	-	-	-	(144,088)	(144,088)
Balance as at 31 December	907,102	273,307	276,313	1,224,434	2,681,156
<b>Accumulated Depreciation</b>					
Balance at January 1	595,819	170,627	179,703	977,627	1,923,776
Depreciation for the year	98,536	27,031	27,631	129,328	282,526
Disposal in Current Year	-	-	-	(144,088)	(144,088)
Balance as at 31 December	694,355	197,658	207,334	962,867	2,062,214
<b>Net Book Value</b>	212,747	75,649	68,979	261,567	618,942

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Property, Plant, Equipment and Furniture (Continued)

	MOTOR VEHICLES	EQUIPMENT AND FURNITURE	BOOK	COMPUTER	TOTAL
	RM	RM	RM	RM	RM
<b>Cost</b>					
Balance at January 1	818,080	269,319	276,313	1,160,077	2,523,789
Addition in Current Year	-	-	-	114,994	114,994
Balance as at 31 December	818,080	269,319	276,313	1,275,071	2,638,783
<b>Accumulated Depreciation</b>					
Balance at January 1	501,732	143,695	152,072	741,075	1,538,574
Depreciation for the year	94,087	26,932	27,631	236,552	385,202
Balance as at 31 December	595,819	170,627	179,703	977,627	1,923,776
<b>Net Book Value</b>	222,261	98,692	96,610	297,444	715,007

## NOTES TO THE FINANCIAL STATEMENTS

**4. Deposits and Prepayment**

	<b>2020 RM</b>	<b>2019 RM</b>
Electricity Deposit	77,470	77,470
Other Deposit and Collateral	163,571	142,621
Prepaid Expenses	31,509	-
Self Advance	-	1,350
<b>Total Deposit and Prepayment</b>	<b>272,550</b>	<b>221,441</b>

**5. Cash and Cash Equivalents**

	<b>2020 RM</b>	<b>2019 RM</b>
Cash in hand	4,639	4,057
CIMB Current Account (Management)	7,660,322	11,866,482
CIMB Current Account (Development)	1,219,926	1,170,865
<b>Total Cash in Hand and Bank Balances</b>	<b>8,884,887</b>	<b>13,041,404</b>
<b>Fixed Deposit</b>		
Bank Kerjasama Rakyat Malaysia Berhad	14,898,780	14,173,693
Malaysia Building Society Berhad	16,466,212	16,060,049
<b>Total Fixed Deposit</b>	<b>31,364,992</b>	<b>30,233,742</b>
<b>Cash and Cash Equivalents</b>	<b>40,249,879</b>	<b>43,275,146</b>

**6. Deferred Government Grant (Non-Current Liability)**

The Commission has been granted development grant allocation under the development of the Eleventh Malaysia Plan (RMK11) from the Ministry of Domestic Trade and Consumer Affairs in the financial years 2016, 2017, 2019 and 2020. The balance of development grants brought from 2019 is RM823,873. Meanwhile, in 2020, the Commission received RM900,000 development grant allocation to conduct the Market Review on Transportation Sector. From the total development grant balance of RM108,120 spent on the Market Review on Transportation Sector and RM759,198 for the Market Review on Service Sector, this indicates that the balance of RM856,555 will be made in the following year until the completion of the Market Review on Transportation Sector.

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Creditors

	2020 RM	2019 RM
Other Deductions	730	4,596
Creditors - Others	318,778	226,466
Creditors - Staff	106,934	31,491
<b>Total Creditors</b>	<b>426,442</b>	<b>262,553</b>

### 8. Receipts from Government Grants

	2020 RM	2019 RM
Operating Grants	5,450,200	15,846,000
Development Grants	867,318	515,423
	<b>6,317,518</b>	<b>16,361,423</b>

The Commission has received a total operating grant of RM5,450,200 (2019: RM15,846,000) to finance the Commission's financial obligations in 2020.

### 9. Bank Interest and Fixed Deposits

	2020 RM	2019 RM
Bank interest	110,655	78,433
Bank Kerjasama Rakyat Malaysia Berhad	401,976	537,624
Malaysia Building Society Berhad	406,163	304,951
	<b>918,794</b>	<b>921,008</b>

The interest rates for fixed deposits range from 1.90% - 3.90% and with the tenure between 1 day to 12 months.

### 10. Administrative Expenses

	2020 RM	2019 RM
Petrol Expenses	15,622	35,790
Office Expenses	61,910	78,475
	<b>77,532</b>	<b>114,265</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 11. Unit/Division Expenditure

	2020 RM	2019 RM
Capacity Building Training	465,935	1,127,276
Advocacy Program	6,371	171,635
Enforcement and Investigation	99,676	275,955
Media and Communication Planning	850,685	309,328
Legal	269,033	198,484
Research (Guidelines/Market Study)	3,108	145,540
ICT and Website Development	587,511	273,667
	2,282,319	2,501,885

### 12. Expenditure - Market Review

	2020 RM	2019 RM
Market Review on Transportation Sector	108,120	-
Market Review on Service Sector	759,198	76,127
Market Review on Food Sector	-	439,296
	867,318	515,423

### 13. Income Tax

The reconciliation of income tax expense on the pre-tax surplus at the statutory income tax rate to income tax expense at the Effective Tax Rate of Income of the Commission for the year 31 December 2020 and the difference for the previous year is as follows:

	2020 RM	2019 RM
(Deficit)/Surplus before tax	(3,501,870)	7,025,860
Tax at statutory income tax rate (24%)	(840,449)	1,686,206
Unauthorized expenses for tax deductions	73,302	109,907
Deficit business deductible	-	(1,417,797)
Capital Allowance	-	(157,274)
Deferred tax assets not recognized	767,147	-
	NIL	221,042

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Key Management

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

The total emoluments and allowances on behalf of the main management for the year ended 31 December 2020 and the differences for the previous year are as follows:

	2020 RM	2019 RM
Total Emoluments and Allowances	774,300	724,471
	774,300	724,471

### 15. Legal Cases

Deferred income of RM19,664,700 represents a decided penalty on MyE.G. amounting to RM9,654,700 (2019: RM9,654,700) and AirAsia Berhad (AirAsia) which includes a penalty of RM10,000,000 plus costs of RM10,000.

As of 31 December 2020, the cases of Malaysia Airline System Berhad (MAS) and AirAsia Berhad (AirAsia) are still at the appeal stage in the Court of Appeal against the decision of the Judicial Review in the High Court.

