

NEWS RELEASE

MyCC Launches Two Handbooks on Bid Rigging: Guidelines For Fighting Bid Rigging In Public Procurement and Help Us Detect Bid Rigging

KUCHING, 04th November 2014 – "Cooperation of all stakeholders including the public is imperative to combat bid rigging at a national level," said Dato' Sri Hasan Malek, Minister of Domestic Trade, Co-operatives & Consumerism (MDTCC) at the launch of the Bahasa Malaysia versions of the Guidelines For Fighting Bid Rigging in Public Procurement and Help Us Detect Bid Rigging handbooks held by the Malaysia Competition Commission (MyCC) today. "Bid rigging drains public funds and damages the credibility of the public sector thus it is essential to inculcate preventive measures in tender design as well as detect bid rigging during procurement activities," he added.

The MyCC first launched the two books in Kuala Lumpur in June this year, followed by Kota Kinabalu in September and a series of bid rigging seminars as part of the Commission's continuous advocacy efforts nationwide.

Bid rigging is an offence under Section 4(2)(d) of the Competition Act 2010 enforced by the MyCC and if found guilty, enterprises can be fined up to a maximum of 10 percent of its worldwide turnover. Bid rigging practices by tenderers during public procurement procedures poses a threat to public institutions, especially when cost-intensive and technologically advanced investments and projects are involved. A pro-active approach by procurement bodies to detect and deter bid rigging generates savings, encourages better quality services and enhances the reputation of public authorities

Public procurement is crucial not only to meet day-to-day functional needs, but also to fulfill socio-economic objectives and promote economic growth. Malaysian economic reports have indicated that, for the past ten years, public expenditure amounted to approximately 24 to 33 percent of the country's Gross Domestic Product (GDP). Hence having stringent procurement processes is imperative to ensure optimal value in procurement is achieved.



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According to MyCC Chairman, Tan Sri Dato' Sri Siti Norma Yaakob the MyCC has also continued its efforts to forge strategic alliances with relevant bodies such as the Ministry of Finance (MOF), Malaysian Anti-Corruption Commission (MACC), and the National Audit Department (NAD) to combat bid rigging issues on a national level.

According to the Chairman, bid rigging is difficult to detect, and in order to effectively combat bid rigging the cooperation of all related regulators and procurement bodies is essential.

Also present at the launch was the Director of MDTCC Sarawak, Stanley Tan. The launch was followed with a seminar on bid rigging that was attended by 150 procurement officers from numerous Government agencies. The MyCC has also held bid rigging seminars in Kangar, Sibu, Sandakan, Kota Kinabalu, Kuantan and Melaka since the book launch in Kuala Lumpur in June. To date this year, the MyCC has conducted 27 advocacy programmes nationwide.

The Guidelines for Fighting Bid Rigging in Public Procurement was originally a publication by the Organisation of Economic Co-operation and Development (OECD), translated by the MyCC into Bahasa Malaysia with the title "Garis Panduan Menentang Tipuan Bida dalam Perolehan Awam". The MyCC also published its own handbook, Help Us Detect Bid Rigging, of which the Bahasa Malaysia version ("Bantu Kami Kenal Pasti Tipuan Bida") was presented in today's event.

Both publications can be downloaded for free from the MyCC website, <u>www.mycc.gov.my</u>. Enquiries regarding advocacy seminars may be directed to <u>spiad@mycc.gov.my</u>.

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About Malaysia Competition Commission (MyCC)

Established in June 2011, MyCC is an independent body responsible for enforcing the Competition Act 2010, which was implemented to create healthy competition which would in turn stimulate productivity and innovation, thus creating wider choices of products for consumers with better quality and reasonable prices.

The Act applies to all commercial activities undertaken within and outside Malaysia that affects competition in the Malaysian market. It provides a regulatory framework including powers to investigate, adjudicate and impose penalties on the perpetrators of the competition laws.

For more information on the Act and MyCC activities, log on to <u>www.mycc.gov.my</u>.