



Opening Remarks
Dato' Seri Dr. Awang Adek Hussin
Chairman, Securities Commission Malaysia
2023 OECD-Asia Roundtable on Corporate Governance
11 October 2023

Key Highlights:

At the 2023 OECD-Asia Roundtable on Corporate Governance held at the Securities Commission Malaysia (SC) today, Deputy Finance Minister I YB Datuk Seri Ahmad Maslan officiated the Asia launch of the revised G20/OECD Principles of Corporate Governance.

Dato' Seri Dr. Awang Adek Hussin, Chairman of the SC, emphasised the priority of corporate governance, which is the commitment to address climate change. "The Revised G20/OECD Principles is a key milestone, encapsulating renewed global consensus on governance expectations, including the role of governance in supporting sustainability and resilience," he said.

Here are highlights from his Welcoming Remarks:

1. Effective governance and board oversight is critical to narrow the say-do gap and transform sustainability targets to concrete outcomes.
2. The SC continues to place good governance at the core of its regulatory priorities, which is aligned to the foundation of the MADANI framework.
3. The SC will focus on various governance priorities, including promoting board governance, establishing a dedicated board sustainable committee, and building capacity through the Leading Impact Programme (LIP).

4. Effective June 2023, listed companies on Bursa Malaysia is to have at least one-women on the board and eventually phasing out all-male boards.
5. The Advisory Committee on Sustainability Reporting (ACSR) is developing a national-level approach to address the ISSB sustainability disclosures standards.
6. The SC is supporting the inculcation of governance across the supply chain, particularly by SMEs to mitigate risks from supply chain vulnerabilities and disruption.
7. A governance toolkit for SMEs will be developed by the SC in collaboration with relevant agencies. Capital Markets Malaysia will be issuing a Simplified ESG Disclosure Guide for SMEs.

Full Speech:

Yang Berhormat Datuk Seri Ahmad Maslan, Deputy Minister of Finance I, Malaysia

Mr. Yoshiki Takeuchi, Deputy Secretary-General of the Organisation for Economic Co-operation and Development (OECD)

Mr. Satoru Kawasaki, Deputy Commissioner for International Affairs, Japan Financial Services Agency

Yang Berbahagia Tan Sri Abdul Wahid Omar, Chairman of Bursa Malaysia Berhad

Senior members of the OECD, the SC

Distinguished speakers,

Ladies and gentlemen,

Assalamualaikum and a very good morning,

1. It is my pleasure to welcome you to the Securities Commission Malaysia for the 2023 OECD-Asia Roundtable on Corporate Governance.
2. To our international guests, a special welcome, *Selamat Datang* to Malaysia.
3. Before I proceed, I wish to express our deepest thanks to Yang Berhormat Datuk Seri Ahmad Maslan, Malaysia's Deputy Minister of Finance I for his presence this morning and for graciously accepting our invitation to officiate the Asia launch of the revised G20/OECD Principles of Corporate Governance.
4. *Terima kasih Yang Berhormat kerana sudi meluangkan masa.*

5. I would also like to express our deepest thanks to the OECD for selecting Malaysia, once again, as the host of this Roundtable on corporate governance. This is the third time that the Roundtable is taking place at the SC. The first was in 2013, followed by the second one in 2018.
6. For over 20 years, this Roundtable has provided a platform for diverse groups of people to engage and develop recommendations on corporate governance. A subject that is very dear and important to the SC as a regulator, but more importantly, it has always been a national priority.

Renewed international consensus on governance

Ladies and gentlemen,

7. Global and regional discussion platforms such as this, are increasingly important as financial markets, trade and supply chains become more integrated.
8. For the SC, we are committed to these conversations. For instance, through the ASEAN Capital Markets Forum, we collaborate with regional regulators to deepen and further integrate our capital markets. On a more global scale, as an IOSCO Board member, the SC actively engages and contribute ideas on various issues related to the securities regulation agenda.
9. As some of you may be aware, the first regional hub of IOSCO is here at the SC, the only one outside Madrid. The Hub supports the capacity building activities for securities regulators and since it was established in 2017, the Hub has trained over 1800 participants from 120 jurisdictions on areas such as governance, cyber security, and Islamic finance.

Governance at the core of ESG

Ladies and gentlemen,

10. The imperative for corporate governance today, is for it to be at the heart of the commitment and action to address the biggest challenge we all face, which is climate change.

11. The impact and human toll from the earthquake in Morocco, unprecedented floods in Libya, and recently in New York, are devastating. We have not been short of adversities because of extreme weather conditions, including in Malaysia.
12. In my view, in the ESG triad, the most critical component is G – Governance. E and S create both risks and opportunities for companies, but governance is key in determining how these risks and opportunities are identified, managed and the accountabilities attached to them.
13. Effective governance and board oversight is critical to narrow the say-do gap, and transform sustainability targets to concrete outcomes.
14. The issuance of the revised G20/OECD Principles is indeed a key milestone as it encapsulates a renewed global consensus on governance expectations, including the role of governance in supporting sustainability and resilience.
15. The Principles remain an important instrument guiding the shape of regulatory and institutional frameworks, including our own in Malaysia, which is already broadly aligned with the new guidance in the Principles.
16. For the SC, we have, and will continue to place good governance at the core of our regulatory priorities. It is also the foundation of the MADANI framework which the Prime Minister recently launched.
17. Under this framework, growth and development will be pursued and sustained in an inclusive manner that prioritises people's needs. There is an excellent line-up of speakers that will be discussing the latest corporate governance developments in Malaysia this afternoon, so I will not share them in detail here.

Our immediate governance priorities

18. But let me highlight some of our current governance priorities, as well as those that we will focus on in the next 18 months.
19. **Regulatory response to promote board governance** will continue. The revised G20/OECD Principles emphasises the responsibilities of the board including the importance of measures to enhance board and management diversity.

20. On that note, effective June this year, listed companies on Bursa Malaysia must have at least one-women on the board – thereafter, there should be no more room for all-male boards. Companies must also work to meet the 30% target and to date, 40% have met this goal.
21. As part of our own sustainability efforts, the SC has established a **dedicated board sustainability committee**, to strengthen our internal governance structure and strategic oversight of sustainability-related issues. The issues are multi-dimensional and needs to be addressed across the SC, including at board level.
22. **Capacity building** is another priority, and it all starts at the top, with boards, and senior leaders. So, in August this year, the SC, Institute of Corporate Directors Malaysia and Bursa Malaysia rolled out the Leading for Impact Programme (LIP).
23. LIP is a new mandatory on-boarding training programme on sustainability for current and future directors of listed companies. This year, more than 1,000 directors have signed up to participate in this program.
24. The Advisory Committee on Sustainability Reporting (ACSR) is also developing a **national-level approach to address the ISSB sustainability disclosures standards**. The ACSR, an inter-agency committee of regulators and standard setters, was formed with the support of the Ministry of Finance.
25. Just yesterday, the SC co-hosted the IAASB Asia Pacific Roundtable, where the stakeholders discussed the draft standards for assurance of sustainability information. This is another critical piece to ensure sustainability information are reliable and decision useful.
26. We are also supporting the **inculcation of governance across the supply chain, particularly by SMEs to mitigate risks from supply chain vulnerabilities and disruption**.
27. Support and guidance for SMEs is crucial. The SC is working closely with the relevant agencies to develop a governance toolkit for SMEs and at the end of this month, our affiliate Capital Markets Malaysia will also be issuing a Simplified ESG Disclosure Guide for SMEs.

Closing

Ladies and gentlemen,

28. In closing, I believe that governance remains the true north, and is critical in providing the framework for ethical and honest conduct, transparency, and effective risk management as well as internal controls. We need to continue to champion good corporate governance, not just in words, but in our actions and decisions.
29. Before I end, I would like to congratulate the OECD once again on this Asia launch of the revised G20/ OECD Principles of Corporate Governance, and to all the delegates, I wish you productive and engaging sessions ahead.

Thank you.