Company Law Reform in Malaysia: The Role and Duties of Directors

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1. Introduction

The Companies (Amendment) Act 2007 has come into force in Malaysia on 15 August 2007. Until the law was presented in Parliament few people knew about it. There was no public consultation. It was passed by both houses of Parliament without any difficulty. It was as if this was one those inconsequential legislations which routinely went through the houses of Parliament.

But the Amendment Act is not inconsequential. It was Malaysia’s first major attempt at updating the Malaysian Companies Act 1965. One commentator wrote of the Act (at that time it was still at a bill stage) in a weekly financial newspaper under the caption “A turning point in company law”. The Amendment Act does appear to be that – a turning point in company law in Malaysia. It has 24 sections and covers wide areas of company law. It clarifies the role of the board; codifies the common law principles on directors’ duties; introduces a business judgment rule, a statutory derivative action, new provisions on the role of auditors and a provision allowing the court to grant injunctions; reforms the law on related party transactions, imposes a duty on directors of public companies to place a system of internal control, provides protection for whistle-blowers; and updates the rules on meetings of members.

This paper comments on the amendments relating to the role and duties of directors. The amendments borrowed from some common law countries; comparisons will therefore be made to the laws in these jurisdictions, where appropriate. References will also be made to the two consultation papers issued by the Malaysian Corporate Law Reform Committee (CLRC), A Consultative Document: On Clarifying and Reformulating the

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2 In this paper comparisons will be made to the Australian Corporations Law 2001, the New Zealand Companies Act 1993 and the UK Companies Act 2006.
Directors’ Roles and Duties\(^3\) and On Review of Provisions Regulating Substantial Property Transactions, Disclosure Obligations and Loans to Directors.\(^4\)

2. The amendments and comparative provisions

2.1 The functions and powers of the board

A new section 131B was inserted into the Companies Act which provides for the role of the board. It states in sub-section (1) that “[t]he business and affairs of a company must be managed by, or under the direction of, the board of directors.” This is however qualified by sub-section (2) which states that the board shall have all necessary powers for managing and to supervise the management, but “subject to any modification, exception or limitation contained in this Act or in the memorandum or articles of association of the company”. This statement of the functions and powers of the board is an update of the current position which left the matter in the company’s articles of association.\(^5\) However, although sub-s. (1) uses the word “must”, the powers of the directors may be qualified by the company’s constitution, as provided in sub-s. (2). Therefore, in theory at least, the company must be managed by the board, but the articles can validly take away all or a substantial portion of the powers.

The CLRC has also recommended for a provision to the same effect be incorporated in the Malaysian Companies Act 1965.\(^6\) It recognizes the current legislative approach which gives flexibility for companies to structure the roles and functions of their board according to the needs of the company; and this will not be changed by the legislative restatement. However the CLRC took the view that such a provision has an educational value.\(^7\) It may be noted that Australia and New Zealand have similar legislative provisions although there is no corresponding provision in the UK Companies Act 2006.\(^8\)

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\(^5\) Article 73 of Table A of the Companies Act 1965 provides that “[t]he business of the company shall be managed by the directors”, similar to the Article 70 of the UK Companies Act 1985.

\(^6\) CLRC, above note 3, pp. 40-43.

\(^7\) Ibid, p.41, para.2.2.

\(^8\) Australian Corporations Act 2001, s. 198A and New Zealand Companies Act 1993, s. 128.
2.2 Delegation and reliance

A new s. 132(1F) provides that the directors “may delegate any power of the board of directors to any committee [of directors], director, officer, employee, expert or any person”. The power to delegate is, however, subject to the company’s constitution or any resolution of the board. The provision goes on to state that “where the directors have delegated any power, the directors are responsible for the exercise of such power by the delegatee as if such power had been exercised by the directors themselves”.

Section 132(1G) however exonerates directors from responsibility where (a) they believed on reasonable grounds that the delegate would exercise the power in conformity with the duties imposed on the directors and the company’s constitution, and (b) they believed on reasonable grounds, on good faith and after making a proper enquiry, the delegatee was reliable and competent to perform the duties delegated to them. This provision resembles the Australian Corporations Law 2001 and New Zealand Companies Act 1993. Again, the CLRC has recommended for a provision to the same effect to be incorporated in the Malaysian Companies Act 1965.

New ss. 132(1C) and (1D) allows a director to rely on information, advice, opinions, reports or statement made by others. The reliance is deemed to have been made on reasonable grounds if (a) it was made in good faith and (b) the directors have made independent assessment of the information and advice given, having regard to the director’s knowledge of the company and the complexity of the company’s structure and operation. This corresponds with the Australian Corporations Law 2001 and the New Zealand Companies Act 1993, although there is no corresponding provision in the UK Companies Act 2006.

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9 Australian Corporations Act 2001, ss. 198D and 190, and New Zealand Companies Act 1993, s. 130. The Malaysian provision is closer to the Australian provisions compared to the New Zealand’s. There is no corresponding provision in the UK Companies Act 2006.

10 The reason for this was that directors in large companies may leave the day-to-day operations may be left to others; therefore the law should recognize the practice of delegation: CLRC, above note 3, p.50, para.3.11.

11 Australian Corporations Act 2001, s. 189, and New Zealand Companies Act 1993, s. 138.
Companies Act 2006. Again, the CLRC did recommend a similar provision for the Companies Act 1965.\textsuperscript{12}

2.3 Directors’ duties  

(i) Duty to act for proper purposes and in good faith  
The new amendment repeals the current statutory provision on directors’ duties that requires a director to act honestly and use reasonable diligence in the discharge of his duties in s. 132(1) of the Companies Act 1965. This is replaced by a new s. 132(1) which requires a director to act for proper purposes and in good faith.

Although the new provision retains the statutory requirement that directors must act in good faith in the interests of the company, it does not specify for whose benefit the company should be managed, and whether directors can properly take into account the interests of employees, creditors and other stakeholders.\textsuperscript{13}

The Malaysian High Level Finance Committee on Corporate Governance took the long term shareholder value approach (now is more elegantly stated as the “enlightened shareholder value”) that companies should be managed “with the ultimate objective to enhance long term shareholder value, whilst taking into account the interests of other stakeholders”.\textsuperscript{14} This was shared by the CLRC.\textsuperscript{15} This was no doubt influenced by the Hampel Committee who said:\textsuperscript{16}

\begin{itemize}
\item \textsuperscript{12} CLRC, above note 3, pp. 49-52. The CLRC did not articulate any specific reason for this recommendation.
\item \textsuperscript{13} In this respect, neither did the CLRC. For comparison, see UK Companies Act 2006 which provides in s. 172 that a director “must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole”, but may have regard to the long term consequences and the interests of the various stakeholders specifically mentioned in the section. There are no equivalent provisions in Australia or New Zealand.
\item \textsuperscript{14} The definition of corporate governance used by the Malaysian High Level Finance Committee on Corporate Governance, Report on Corporate Governance, 1999, p. 10.
\item \textsuperscript{15} CLRC, Strategic Framework for the Corporate Law Reform Programme of Companies Commission of Malaysia, 2003, p. 21, para. 7.
\item \textsuperscript{16} Committee on Corporate Governance, Final Report, 1998, paras 1.16 and 1.17 at pp. 11 and 12. The underlined emphasis is original.
\end{itemize}
The single overriding objective shared by all listed companies, whatever their size or type of business, is the preservation and the greatest practicable enhancement over time of their shareholders’ investment. … the directors as a board are responsible for relations with stakeholders, but they are accountable to the shareholders.

The Hampel Committee was no doubt influenced by the contractarian paradigm which stressed on the productive activity of the firm, although it was also consistent with Berle and Means whose thesis was premised upon the presumption that shareholders are the beneficiaries to whom directors duties of loyalty lies. One commentator drew this parallel between Alchian and Demsetz and Berle and Means (as well as Galbraith), convincingly arguing that despite their “obvious methodological and theoretical differences”, they all stressed the specificity of the productive activity, the source of profit as an organizational quasi-rent.

In Malaysia, it should also be mentioned that the common law position of directors’ duties to creditors is underdeveloped and inadequate; the same extends to creditors statutory provisions under the Companies Act 1965. Additionally, Malaysia’s corporate restructuring law gives much room for corporate abuses which may be used to deny creditors their rightful claims as “creditors are kept from enforcing security for unduly long periods by the use of temporary restraining orders, which do not rest on sound

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17 For the contractarian theory, see Armen A. Alchian and Harold Demsetz, “Production, Information Costs, and Economic Organization” (1972) 62 The American Economic Review 777.
conceptual ground or precedent”. Employees’ rights are severely limited by high levels of state intervention and control over industrial relations, in which a competitive economy which could be achieved through the lowering of production costs, increasing productivity and sustaining competition were given a much higher priority. The public stakeholding is weakened by a relatively poor enforcement of planning and environmental regulation, as well as the relatively poor public awareness and resistance due to the tight control over the media and the citizen’s rights to association and speech. Thus, it is very unlikely that by adopting a provision along the lines of s. 172 of the UK Companies Act would transform the core nature of directors’ general duties, especially if such duties are not accompanied by a mechanism in which they may be enforced. However, such a provision may be useful to set out the theoretical or philosophical theme underlying directors’ duties, as well as having an educational effect.

(ii) Duty of care, skill and diligence

A new s. 132(1A) was inserted which imposes a duty on directors to use reasonable care, skill and diligence. This is made subject to a new business judgment rule in s. 132(1B), reliance on information provided by others in s. 132(1C), and reliance on the actions of delegatee in s. 132 (1F). This corresponds loosely with the Australian Corporations Act 2001 and the New Zealand Companies Act 1993.

21 Rabindra Nathan, Guide to Restructuring in Asia 2001, White Page, London, p. 76. Amendments were made to the provision in 1998 to strengthen creditors’ protection under the corporate arrangement and reconstruction provision in s. 176 of the Malaysian Companies Act 1965. However, according to Nathan, the procedure is “still cumbersome and subject to delays”.


25 This relates to the debate on the models of corporate governance - should companies be managed for the benefit of shareholders (the shareholder primacy model) or for the interests of stakeholders (the stakeholder model)?

26 Australian Corporations Act 2001, ss. 180, 181 and 189; New Zealand Companies Act 1993, ss. 131, 137 and 138. The UK Companies Act 2006 provides for the duty to act for proper purpose in s. 171, duty to act in good faith in s. 172 and exercise reasonable care, skill and diligence in s. 174. In addition, s. 173 requires director to exercise independent judgment.
The standard of care required of a director in s. 132(1A) applies both the objective and subjective tests. However, this time the provision corresponds more closely to the UK Companies Act 2006 rather than the Australian or New Zealand provisions.\(^{27}\) The CLRC has in fact suggested following the UK’s proposed reform.\(^{28}\) It is likely that the drafters of the Amendment Act were influenced by CLRC’s recommendation on this.

(iii) Duty to avoid conflicts of interest

The Companies Act requires directors interested in a contract with the company to disclose their interests pursuant to s. 131, regulates substantial property transaction in ss. 132E, 132F, 132G and loans to directors and connected persons in ss. 133 and 133A respectively. These provisions were the statutory extension to the directors’ duty under common law to avoid conflicts of interest, with modifications necessary to expand the scope of the duty as well as to provide better clarity. Thus, the prohibition in the provisions applies not only to directors, but also to persons connected with directors and in the case of s. 132G, to shareholders.

As relates to the disclosure by the director having an interest in contracts in s. 131,\(^{29}\) a new s. 131A was inserted by the Amendment Act which requires interested directors of public companies to abstain in the discussion relating to the contract and from voting. The prohibition however applies mainly to public companies.\(^{30}\) This codifies the common practice that bars a director from voting in a contract in which he has an interest. Article 81 of Table A provides:

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\(^{27}\) UK Companies Act 2006, s. 174; Australian Corporations Act 2001, s. 180(1); New Zealand Companies Act 1993, s. 137.


\(^{29}\) For provisions equivalent to s. 131, see UK Companies Act 2006, ss. 177 and 182; Australian Corporations Act, s. 191; New Zealand Companies Act 1993, s. 140.

\(^{30}\) There is no equivalent UK provision. Interested directors can therefore participate in the decision-making process, but subject to the provisions in the company’s articles. The Australian Corporations Law 2001, s. 195, prohibits interested directors in a public company from attending the directors meeting and voting. For private companies, it is a replaceable rule that the directors may vote. The New Zealand Companies Act 1993, s. 144, allows interested directors to vote.
81 A director shall not vote in respect of any contract or proposed contract with the company in which he is interested, or any matter arising thereout, and if he does so vote his vote shall not be counted.

Bursa Malaysia’s *Listing Requirements* requires all listed companies to provide in its articles a provision similar to article 81 Table A: Bursa Malaysia, *Listing Requirements*, para. 7.27.

Section 132C

The Amendment Act has also amended the substantial property transaction provisions in ss. 132E and 132F. The provision now prohibits a company from entering into an arrangement or transaction with the director of the company (or the holding company) or a person connected with the director for the purchase of or disposal to such person, a “non-cash asset of the requisite value” unless prior approval of shareholders in general meeting was obtained. The new provision updates the law in that:

(a) It extends the prohibition to substantial shareholders of the company (or the holding company). Substantial shareholder is not defined in the section. Section 69D defines substantial shareholder as a shareholder having not less than two percent of the voting shares.

(b) It requires the director, substantial shareholder or related parties to abstain from voting on the resolution; and

(c) It updates the definition of the term “non-cash assets of the requisite value”.

The amendments were in general consistent with CLRC’s recommendation in relation to the extension of the prohibition to substantial shareholders and persons connected with the substantial shareholders and the definition of “non-cash assets”. However, the requirement that the related party abstain from voting extends also to private companies,

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31 For equivalent provisions, see the UK Companies Act 2006, ss. 190-196; Australian Corporations Act 2001, Part 2E.1 (note that the Australian provision applies only to public company or an entity controlled by it). New Zealand has no comparative provision.

32 Substantial shareholder is not defined in the section. Section 69D defines substantial shareholder as a shareholder having not less than two percent of the voting shares.

33 CLRC, above note 4, p. 60, para. 6.8.
although the CLRC’s recommended that the restriction applies only to public companies.\textsuperscript{34}

It may be noted that for listed companies, any acquisition or disposal of assets, the company must make announcements to either (i) the Bursa Malaysia, or (ii) both Bursa Malaysia and the shareholders, or (iii) to Bursa Malaysia as well as obtaining shareholders’ approval, depending on the value of the transaction.\textsuperscript{35} For related party transactions, the interested director must abstain from board deliberation and meeting, and the interested director, shareholder, or persons connected are prohibited from voting at the general meeting.\textsuperscript{36} Additionally, in cases where shareholders approval is required, a “main advisor”, will be responsible to ensure the fairness of the transaction and that it is not detrimental to the minority shareholders, as well as a requirement that an independent advisor will advise the minority shareholders whether they should vote in favour of the transaction.\textsuperscript{37}

Section 132G is now deleted. This is consistent with CLRC’s recommendation.\textsuperscript{38} This section prohibited any transaction in which the shareholder or director of the acquiring company or persons related to the shareholder or director has a substantial shareholding in the target company. The section has no provision for the approval of the general meeting. There were many complaints that the provision unnecessarily prevented even genuine business transactions, as well as creating interpretation difficulties.\textsuperscript{39} This provision will not be missed.

\textit{Nominee directors}

The Amendment Act codifies the duties of nominee directors. A new s. 132(1E) now provides that a director appointed to represent the interests of a shareholder, employer or

\textsuperscript{34} Ibid, p. 55, para. 5.12.
\textsuperscript{35} Bursa Malaysia, \textit{Listing Requirement}, paras 10.04-10.06.
\textsuperscript{36} Bursa Malaysia, \textit{Listing Requirement}, para 10.08.
\textsuperscript{37} Ibid. The main advisor is usually a merchant bank appointed by the listed issuer, and it is responsible mainly to the minority shareholders to ensure that the transaction is carried out on fair and reasonable terms.
\textsuperscript{38} Ibid, p. 38, para. 2.14.
\textsuperscript{39} See \textit{Report on Corporate Governance}, above note 14, pp.158-159.
debenture holder “shall act in the best interest of the company” and in the event of
conflict “shall not subordinate his duty to act in the best interest of the company to his
duty to his nominator”. This is a statutory restatement of the traditional common law
position that nominee directors, as other directors, must act in the best interest of the
company,40 but may also act in the interests of the nominator provided that it does not
give rise to a conflict of interest.41 This new provision is consistent with the
recommendation made by the CLRC.42

The statutory requirement prohibiting directors from acting in their nominators’ interest
appeared to be the only provision in which the Amendment Act took an approach
opposite to that taken in all three jurisdictions under comparison. The UK Companies Act
2006 requires directors to avoid conflicts of interest, but, subject to the company’s
constitution, directors can authorise otherwise.43 Additionally, in the case of a public
company, the company’s constitution must specifically allow for such authorization to be
given.44 As an additional safeguard to protect the interest of the company, the interested
directors will not be counted for the purpose of quorum requirement and are excluded
from voting.45 These override the common law rule or equitable principle requiring the
consent of members of the company, unless the company’s constitution requires such
consent to be given.46

The Australian Corporations Act 2001 is silent on the issue of the duties of nominee
directors except in the situation of a wholly-owned subsidiary. It allows the directors of a
wholly-owned subsidiary to act in the interests of the holding company, if this is
authorized by the company’s constitution, and the subsidiary was not insolvent at the
time the director acts and does not become insolvent because of the act.47

41 Levin v Clark [1962] NSWR 686; Re Broadcasting Station 2GB Pty Ltd [1964-65] NSWR 1648; Berlei-
42 CLRC, above note 3, p. 75, para. 4.37.
43 UK Companies Act 2006, s. 175(1), (4) and (5).
44 UK Companies Act 2006, s. 175(5)(b).
45 UK Companies Act 2006, s. 175(6).
46 UK Companies Act 2006, s. 180(1).
47 Australian Corporations Act 2001, s. 187.
The New Zealand Companies Act 1993 has a similar provision to the Australian. Additionally, directors of a subsidiary which is not a wholly-owned subsidiary are allowed to act in the interests of the holding company, subject to an additional requirement that this has been agreed by the subsidiary’s minority shareholders. Also, where the company was incorporated to carry out a joint venture between the shareholders, the directors of such company may act in the best interests of the nominator provided that they were expressly permitted to do so in the company’s constitution.

3. The mandatory / enabling nature of corporate law

Is corporate law mandatory or enabling? In essence, mandatory law cannot be varied but enabling law can. It has been said that the US corporate law is mostly enabling; while Australia is the opposite. It could be said that Malaysia’s corporate law, like Australia, has a mandatory core. The Amendment Act further reinforces this by codifying directors’ duties and strengthening the provisions for substantial property transactions. The new amendment introduces a statutory restatement of the common law position that prohibits nominee directors to act in the interests of his nominator where there is a conflict of interest. The CLRC had earlier recommended a mandatory rule for nominee directors. They reasoned that such a rule will help directors understand the nature and extent of their duty, and is consistent with the prohibition under securities law which prohibits the disclosure of corporate information by a nominee director to the appointor.

48 New Zealand Companies Act, s. 131(2).
49 New Zealand Companies Act, s. 131(3).
50 New Zealand Companies Act, s. 131(4).
54 Section 132(1E)
55 CLRC, above note 3, p. 74, para 4.35.

It could well be argued that a mandatory rule that nominee directors may not act in the interests of their nominator, regardless of the wishes of shareholders, carried the mandatory content a bit too far. In situations where parties are fully informed such as joint venture companies, perhaps they could be entrusted to regulate their relationship. In this context, the relevant bodies may do well to explore what factors should be considered to determine what rules should be mandatory or enabling and the appropriate balance between these rules.\(^\text{56}\)

4. **The shareholding structure of listed companies**

The amendments have not addressed the core corporate governance problem in Malaysia – the controlling shareholders. The concentrated nature of shareholding means controlling shareholders often have a negative influence over corporate governance and also diminished the role of hostile takeovers as a disciplining effect on managers. The low threshold of public shareholding spread required of listed companies\(^\text{57}\) and a relatively poor enforcement regime is a fertile ground for concentrated shareholding to flourish.\(^\text{58}\) The efficacy of independent director provisions is doubtful because of the natural tendency of business owners to distrust outsiders.\(^\text{59}\) The use of pyramiding, interlocking directorates and interlocking shareholding\(^\text{60}\) resulted in control rights which are far greater than the corresponding cash-flow rights. Government-linked companies, which dominated the top ten of the largest listed companies by market capitalization, give rise to specific governance problems, not least because of the dominant role by the government which controls the appointments to the top posts in the board and their extensive veto rights. But perhaps this fell beyond the remit given to the law reform body.

\(^\text{56}\) See the discussion by Ramsay, above note 53.
\(^\text{57}\) Bursa Malaysia’s Listing Requirements requires only 25 per cent of the total number of shares to be in the hands of the public (paragraph 3.05).
\(^\text{60}\) See Lim Mah Hui Ownership and Control of the One Hundred Largest Corporations in Malaysia, Oxford University Press: Kuala Lumpur, 1981.
responsible for the amendments. It should be noted that these issues are not currently being examined by the CLRC as well.  

5. The amendment process

A major portion of the amendments is meant to strengthen the law on corporate governance in Malaysia. Not long after the Asian financial crisis swept Malaysia together with some other Asian economies in 1997, the Malaysian High Level Finance Committee on Corporate Governance was set up. It produced the Report on Corporate Governance in 1999. The Report contained a draft Code on Corporate Governance and some proposals to reform the Companies Act 1965. The Amendment Act is a follow-up to the Report.

It would be interesting to note that the Companies Commission has in 2003 established the CLRC pursuant to the powers given to them by the Companies Commission of Malaysia Act 2001. The CLRC was given the mandate to undertake the process to undertake a review of the Companies Act 1965. The CLRC follows the UK approach by publishing consultative documents, the first of which is entitled Strategic Framework for the Corporate Law Reform Programme of Companies Commission of Malaysia. In the Strategic Framework, the Committee explained their underlying approach:

Most of the amendments made to the Companies Act 1965 were thus on a piece-meal basis and lacked a systematic and coherent review of current corporate law and practice. It is thus timely for Malaysia to carry out a systematic and coherent corporate law reform program. A corporate law reform program will enable Malaysian businesses to be competitive and to be better equipped in dealing with future challenges in the business environment. It would also enable modernisation

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61 The CLRC was however aware of the importance of the regulation of corporate groups: CLRC, above note 15, p. 26 para. 7.
and rationalisation of company law and to move away from the ‘piece-meal’ approach of company law reform. In addition, much of the underlying philosophy and fundamentals of company law as originated from UK and Australia which were once the basis for the Companies Act 1965 are being or have been reviewed in their respective jurisdictions.

The CLRC has to-date published several Consultative Documents covering many, if not all, areas covered in the Amendment Act. It would appear that the CLRC and the body responsible for the Amendment Act work independently of each other although many (but not all) of the amendments in relation to directors’ roles and duties covered in the Amendment Act appeared to take on board the proposals made by the CLRC.

Finally, it should also be said that information on the new amendments and their implications is not easy to obtain. The explanatory note which accompanied the Act is too brief to be of any practical guidance and the web-pages of the relevant authorities do not provide any information. The only source of information appears to come from the Companies Commission which organized a series of half-day seminars on the updates on the amendments at various venues throughout Malaysia.

6. Conclusion

On the whole, it could be said that the updating of the Companies Act was a move in the right direction. It has streamlined the duties of directors by codifying the common law duties of directors, updated the rules on substantial property transactions, and where possible attempted to streamline the provisions of the Companies Act with those of the Bursa Malaysia’s Listing Requirements. They were also, on the whole, consistent with CLRC’s recommendations. However, not all of CLRC’s recommendations were implemented.⁶⁶ This is unfortunate, as the CLRC has reviewed the law in a more comprehensive fashion, as reflected in the recommendations they had made. An example is the definition of directors. The CLRC recommended widening this definition to state “a person in accordance with whose directions or instructions the majority of the board of

⁶⁶ CLRC, above notes 3 and 4.
directors of a corporation is accustomed to act”.67 This makes it, at least in theory, easier to prove a person as a shadow director. This is a massive problem in Malaysia, as the shareholding structure of even the largest public company in Malaysia is concentrated. This has resulted in the board being subservient to the controlling shareholders.68 Additionally, in relation to substantial property transactions, the amendments did not go as far as those recommended by CLRC.69

In conclusion, the amendments appear to be a patchwork of rules borrowed from various sources and appeared to suffer from very little or no theoretical analysis. In contrast with the CLRC which took the effort to be open and consultative, the reform process lacked transparency. There are also many ambiguities and anomalies which arise from the amendments, which poses questions whether the changes brought about by the Amendment Act were well thought of.70 The lack of discussion or debate on the Amendment Act at both the drafting stage and at the Parliamentary level poses further questions on the efficacy of the lawmaking process in Malaysia.

67 CLRC, above note 3, p. 19, para. 19. The words in italics were the recommended insertion.
69 CLRC, above note 4.