

**THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED
BY MALAYSIA**

***PROMOTING GOOD GOVERNANCE IN SPORT AND MITIGATING
THE RISK OF CORRUPTION***

MALAYSIA (SEVENTH MEETING)

II. Information requested from States parties and signatories in relation to promoting good governance in sport and mitigating the risk of corruption that sport faces globally

1. In the context of prevention, please describe (cite and summarize) the measures/steps your country has taken (or is planning to take, together with the related appropriate time frame) to promote good governance and mitigate the risk of corruption in sport.

Information sought may, in particular, include the following:

- **Legislation and policy**

- Good governance and/or anti-corruption legislation or policies (strategies, codes or other policies)

that have been developed by the State party;

- Training of relevant officials and stakeholders in good governance and/or anti-corruption policies relevant to sport;
- Risk assessments of areas or sectors related to good governance and corruption in sports;
- Establishment of policy implementation, institutional or coordination mechanisms (allocated budget, designated responsible institutions, establishment of coordination structures, etc.).

• **Partnerships and inter-institutional coordination**

- Description of how the participation of relevant stakeholders is promoted, including whether they are consulted and involved in the development, implementation, coordination and monitoring of policies;
- Measures to promote cooperation, coordination and exchange of information between law enforcement authorities, sports governing bodies and/or the private sector in relation to integrity in sport;
- Description of partnerships with relevant stakeholders (e.g. educational institutions, local communities and the private sector) to use sport to promote core values, in particular accountability, transparency and integrity.

RESPONSE: Legislation and policies

The Malaysian anti-corruption legislation and governance measures in mitigating risk of corruption in relation to sports activities are provided for under **the Malaysian Anti-Corruption Commission Act 2009** which include as follows:

- **Sections 16 and 17 of the Malaysian Anti-Corruption Commission Act 2009** which provides for sanctions against active and passive offences of corruption committed against or by officials of the public and private sectors;
- **Section 22 of the Malaysian Anti-Corruption Commission Act 2009** which provides for sanctions against active and passive offences of corruption committed against foreign public officials;
- **Section 23 of the Malaysian Anti-Corruption Commission Act 2009** which provides for sanction against abuse of functions by officials of a public body which include “*any sports body registered under section 17 of the Sports Development Act 1997 (Act 576)*”
- **Preventive and educational functions of the Malaysian Anti-Corruption Commission** provided for under **Section 7 paragraphs (c), (d), (f) and (g)** of MACCA 2009 which are:

7 (c) to examine the practices, systems and procedures of public bodies in order to facilitate the discovery of offences under this Act and to secure the revision of such practices, systems, or

procedures as in the opinion of the Chief Commissioner may be conducive to corruption;
7 (d) to instruct, advise and assist any person, on the latter's request, on ways in which corruption may be eliminated by such person
7 (e) to advise heads of public bodies of any changes in practices, systems or procedures compatible with the effective discharge of the duties of the public bodies as the Chief Commissioner thinks necessary to reduce the likelihood of the occurrence of corruption;
7 (f) to educate the public against corruption; and
7(g) to enlist and foster public support against corruption.

□ **Government Service Circular No.3 of 1998**

In respect of sports activities carried out by Welfare and Sports Clubs of Government Departments, the responsibility to prevent of corruption or abuse of position is under the purview of the **Government Service Circular No.3 of 1998 – Guidelines on Giving and Receiving of Gifts in Public Service paragraphs 21- 25 which stipulate as follows: Receiving Gifts and Donations by Welfare and Sports Club- Paragraphs 21-23**

21. Welfare and Sports Clubs are not permitted to have any direct or indirect relation with any private companies or members of the public to receive any funds in whatever manner to fund their activities;

22. However, any funds that are meant to be donated for Welfare and Sports Club by private companies or members of the public shall be channelled to the PUBLIC OFFICIALS WELFARE AND SPORTS COUNCIL (or MKSAK). The Welfare and Sports Club of Departments may individually apply for an allocation of such funds with the MKSAK.

23. It is to be stressed that donations meant for and received should not be tainted with elements of coercion, suspicion, dubiousness and burden on any party so as to bring disrepute to the Department and the public service as a whole. In addition, consideration should also be given to the amount and frequency of the donations received. All donations should also be utilized for purposes of club activities and accounted for with statements of account.

Fund Raising by Clubs/Organization-Paragraphs 24-25

24. Fund raising by registered clubs/organizations which involve or are organized by public officials or Governmental Departments is subjected to the HOUSE-TO-HOUSE AND STREETS COLLECTION ACT 1947 (ACT 200), SERVICE CIRCULAR 6 OF 1987 and any other relevant Acts/laws/regulations.

25. Unregistered clubs/organizations which involve or are organized by public officials or Governmental Departments are not permitted to raise funds.

□ **Service Circular Letter No.4 of 2000**

In consonant with the above Government Service Circular No.3 of 1998 – Guidelines on Giving and Receiving of Gifts in Public Service, the Government of Malaysia has in place another regulation known as **Service Circular Letter No.4 of 2000** entitled “**Public Officials Honorary or Nominee membership in private Golf Clubs and free usage of gold club facilities by Department Bodies or Societies**”.

In essence Service Circular Letter No. 4 of 2000 places the burden on Heads of Departments to ensure that the nominations of public officials as honorary members of private golf clubs are only approved upon written application made by the public official concerned and that approval/disapproval takes into consideration the following factors:

- (a) that the nomination is not or will not be in conflict of interest with the Department and public position and official function of the official;
- (b) the number of honorary or nominee membership in possession of the public official;
- (c) the nomination will be in anyway be in conflict with regulation 4 of the Public Officers (Conduct & Discipline) Regulation 1993; and
- (d) the willingness of the applicant to relinquish his membership upon transfer from the State to another State or Department or upon his retirement.

As regards free usage of golf and recreational club facilities for activities organized by governmental bodies or societies or such club members, a written application sent to Head of Department is required in accordance with paragraph 7 of the Service Circular Letter. The approval/disapproval of Head of Department for such applications will be based on the following factors:

- (a) the free offer should not in any way be construed as a conflict of interest of the Department or the position and function of the official;
- (b) the free offer will not in any way cause the official involved in activities in conflict with any conduct stipulated under regulation 4 of the Public Officers (Conduct & Discipline) Regulation 1993;
- (c) the free offer does not contain element of coercion, suspicion, dubiousness and burden on any party; and
- (d) the frequency of usage of facilities in the club concerned.

□ **The formulation of the National Integrity Plan (NIP) 2004-2008**

The NIP which was formulated in 2004 is a multi-stakeholder initiative to instil a culture and life-style of ethics and integrity among the populace. The coordinating body for the implementation of the NIP is tasked upon the Institute of Integrity Malaysia (IIM).

Under the IIM Community Integrity Agenda Strategy encapsulated in the National Integrity Plan, governance in sports bodies has been slotted as one of its community integrity programme which was to be carried out in collaboration with stakeholders such as the Youth and Sports Ministry (KBS), National Sports Council (MSN), Olympic Council of Malaysia (MOM) and sports bodies.

Training of relevant officials and stakeholders in good governance and/or anti-corruption policies relevant to sport;

Malaysia does not have any sport-specific governance / anti-corruption polices training programme. Training programme in good governance/anti-corruption policies are **generic** in nature and is in line with one of the objectives of the **Public Sector Human Resources Training Policy under Service Circular No. 6/2005 to establish noble values and positive attitude;**

Such training programmes are carried out through the following approaches:

(a) Certified Integrity Officers Course

Under the Government Service Circular No.6 of 2013 (Pekeliling Perkhidmatan Bilangan 6 Tahun 2013, in the National Malay Language) it is required that all Government departments and agencies are to establish Integrity Units within the Departments and Agencies to be headed by a Certified Integrity Officer (CeIO).

CeIOs are required to attend a 22-day (spreading over a period of 6-months) programme developed under Prime Minister's Directive No. 1 of 2009 Series 1 of 2011 (in line with the National Integrity Plan to create positions of Ethics Officers within the corporate sector to enhance ethics and integrity).

The CeIO programme is conducted at the Corporate Integrity Development Center of Malaysia Anti-Corruption Academy.

(b) Induction Courses for new recruits in the Federal Government departments/agencies:

The above mentioned laws and regulations are disseminated to all government officials either in the basic training courses and induction courses.

(c) MACC outreach programmes to instil culture of good governance

In the Malaysia, such educational programmes for public officials are being handled by the Malaysian Anti-Corruption Commission's (MACC) Education and Community Relations Division in collaboration with the Malaysia Institute of Integrity (IIM) as part of their outreach programs in the form seminars, lectures, dialogues, workshops etc. on corruption and related crimes.

These programmes are carried out systematically with yearly set targets by the MACC in collaboration with government departments.

Risk assessments of areas or sectors related to good governance and corruption in sports;

The MACC does not conduct a systematic assessment on corruption risk in sports activities as one of its priority areas. Cases of corruption in relation to sports are handled on an ad hoc basis (based on information or complaints received).

However, the anti-gambling unit under the D7 Division of CID is monitoring and carrying out law enforcement operations against all sorts of illegal gambling activities in Malaysia, including sport-specific illegal gambling offences.

Establishment of policy implementation, institutional or coordination mechanisms (allocated budget, designated responsible institutions, establishment of coordination structures, etc.)

The implementation and coordination of the policies above are being carried out by the following institutions:

Law Enforcement:-

(a) Enforcement of the anti-corruption legislation on sports activities is mainly carried out by the MACC.

(b) Enforcement of the Betting Act 1953 is mainly carried out by the Royal Malaysia Police Regulatory Policy:

Regulations of Government on sports activities are being enforced by the various Disciplinary Boards of Government Departments.

Good Governance Policy:-

(a) the setting up of Prevention Division of MACC – to carry out and coordinate the corruption prevention functions under Sections 7 (c), (d) and (e) of the MACC Act 2009

(b) the setting up of the Community Education Division of MACC – to carry out and coordinate the education functions under Sections 7 (f) of the MACC Act 2009

- (c) the setting up of the Public Sector Agency Integrity Management Division (BPIA) of MACC- to carry out and coordinate the tasks and responsibilities of CeIOs (Certified Integrity Officers)
- (d) the setting up of the Malaysian Institute of Integrity (IIM)-to carry out and coordinate the implementation of the National Integrity Plan

Training:-

- (a) The setting up of the Malaysia Anti-Corruption Academy – to carry out and coordinate training on governance and anti-corruption policies/measures
- (b) Partners of the MACA- which include the Malaysian Institute of Integrity (IIM)
- (c) The RMP conducts in-house Gaming Expert Course for its senior police officer at least once a year.

Partnership and inter-institutional coordination

1. The establishment of the FAM Integrity Committee in partnership with the MACC as reported below.

2. The Royal Malaysian Police (RMP) has also been working hand in hand closely with the Football Association of Malaysia (FAM) and the Malaysian Communications and Multimedia Commission (MCMC) in tackling criminal offences relating to sport, particularly illegal online sports gambling.

3. Placement of Certified Integrity Officer in Ministry of Youth and Sports

The establishment of Integrity Unit is a proactive measure by the government to curb issues concerning integrity among civil servants. Furthermore, it is also a major effort by the government towards strengthening the integrity institutionalization and corruption prevention in the public administration system.

The Integrity Unit is conceived through the adoption of National Blue Ocean Strategy, combines officers from MACC and public bodies in managing the integrity agenda in a more focused, organized, efficient, appropriate and relevant in producing optimum outcome. The government issued a circular requiring for the establishment of Integrity Unit in all public bodies at the federal and state level. The directive was in-effect from 1 August 2013 via the Service Circular No. 6 of 2013. As of 31 December 2015, 887 Integrity Units were established. The Integrity Unit was established in Ministry of Youth and Sports. This unit headed by MACC officer.

Six core functions of the Integrity Unit as stipulate in Service Circular No. 6 of 2013 as

follows:

- i. Governance -Ensure the implementation of good governance.
- ii. Enhancing integrity-Ensure the implementation, institutionalization and acculturation of integrity within an organization.
- iii. Detection and verification
 - Detect and verify complaints of criminal misconduct as well as violation of code of conduct and organizational ethics, and to ensure appropriate follow-up action; and
 - Report criminal misconduct to the responsible law enforcement agency.
- iv. Complaints' management -Receive and act on all complaints/information on criminal misconduct as well as violation of code of conduct and organizational ethics.
- v. Compliance Ensure compliance of laws and regulations in-force.
- vi. Disciplinary Function as the secretariat of the Disciplinary Board.

On 30 April 2015, held 'People Centric MACC' Programme with Sports Commissioner's Office (SCO) at the Dewan Perdana, National Sports Institute. The programme which lasted for half day brought together more than 300 participants comprising leaders of sports associations, officers from Sports Commissioner's Office (SCO) and Ministry of Youth and Sports (KBS) officers.

Forum entitled 'Integrity: National Sport Dignity' ('Integriti Maruah Sukan Negara') and a talk on Corruption in Sports were also held in the early morning.

The objective is to cultivate and reinforce integrity element among the athletes and official of sport association. This is very important in enhancing the country image in the sports field at the international level.

2. In the context of enforcement, please describe (cite and summarize) the measures/steps your country has taken (or is planning to take, together with the related appropriate time frame) to ensure the detection, investigation and prosecution of criminal offences linked to sport integrity.

Information sought may, in particular, include the following:

- Examples of criminal cases involving offences linked to integrity in sport (corruption, money-laundering, organized crime, match-fixing, etc.);
- Criminalization of sport-specific offences such as match-fixing, competition manipulation, illegal betting and betting manipulation;
- Activities and training to develop the capacity of investigators, prosecutors and other relevant officials in relation to criminal offences linked to integrity in sport;
- Establishment of specialized law enforcement or prosecutorial units responsible for dealing with offences relating to integrity in sport;
- Development of cooperation and coordination mechanisms to promote interaction between law enforcement authorities and relevant stakeholders, such as sport organizations or private-sector entities, in relation to criminal offences relating to sport.

Response: (a) Criminalization of sport-specific offences such as match-fixing, competition manipulation, illegal betting and betting manipulation

The issue of gambling and wagering (in sports and other activities) is prohibited under section 31 of the Malaysia Contracts Act 1950 (Act 136) which stipulates that any agreement by way of wager is considered as void with the exception of that to certain prizes for horse-racing.

31. (1) Agreements by way of wager are void; and no suit shall be brought for recovering anything alleged to be won on any wager, or entrusted to any person to abide the result of any game or other uncertain event on which any wager is made.

Exception in favour of certain prizes for horse racing

(2) This section shall not be deemed to render unlawful a subscription or contribution, or agreement to subscribe or contribute, made or entered into for or toward any plate, prize, or sum of money, of the value or amount of five hundred ringgit or upwards, to be awarded to the winner or winners of any horse race.

Betting in sport – specific activities is criminalized under the following legislation :

□ Betting Act 1953 (Act 495)

Under section 2 the term “**sporting event**” includes any “*race, fight, game, sport or exercise*”. The term “**betting information centre**” means “any place kept or used for receiving or transmitting by telephone or other means any information relating to any horse race or other sporting event for the purpose of betting or wagering in contravention of this Act.”

The term “common betting house” means “

- (i) any place kept or used for betting or wagering whether such betting or wagering, be in cash or on credit, on any even or contingency of or relating to any horse race or other sporting event or lottery to which the public or any class of the public has, or may have, access;
- (ii) any place kept or used for habitual betting or wagering on any such event or contingency as aforesaid, whether the public has, or may have, access there to or not;
- (iii) any place used by a bookmaker for the purpose of receiving or negotiating bets or wagers on any such event or contingency as aforesaid, whether such bets or wagers reach the bookmaker by hand of the person or through telephone or the post or by telegram or by any other means.

Under Section 3 of BA 1953 every common betting-house shall be deemed to be a common public nuisance and contrary to law.

Offences relating to common betting-houses and betting information centres are provided under section 4 of BA 1953 as follows:

(1) Any person who-

- (a) being the owner of occupier, or having the use temporarily or otherwise, thereof, keeps or uses a place as a common betting-house or betting information centre; or*
- (b) permits a place of which he is the owner or occupier, or of which he has the use temporarily or otherwise, to be kept or used as a common betting-house or betting information centre; or*
- (c) has the care or management of, or in any manner assist in the management or in the business*
of, a place kept or used as a common betting-house or betting information centre; or
- (d) receives directly, or indirectly, any money or valuable thing, for or in respect of any bet or wager on any such event or contingency as is mentioned in this Act, in a common-betting house or betting information centre; or*

(e) announces, exhibits or publishes, or causes to be announced, exhibited or published, either orally or by means of letter, circular, telegram, placard, handbill, card, print, writing, design, sign, advertisement or otherwise, that place is opened, kept or used as a common betting house or betting information centre within or without Malaysia, or in any other manner invites or solicits any person to commit a breach of any provisions of this Act, shall be guilty of an offence and shall, on conviction be liable to a fine of not less than twenty thousand ringgit and not more than two hundred thousand and shall also be punished with imprisonment for a term not exceeding five years.

Betting in a common-betting house, and book-making is an offence under Section 6 (1) of BA, as follows:

(1) any person who bets or wagers in a common betting house or with a bookmaker on any premises or by any means, shall be guilty of an offence and shall on conviction be liable to a fine not exceeding five thousand ringgit or to imprisonment for a term not exceeding six months or to both.

(b) Examples of criminal cases involving offences linked to integrity in sport (corruption, money-laundering, organized crime, match-fixing, etc.)

Initial investigations by the MACC led to the expose of two corruption cases related to match fixing in the Presidents Cup championship involving the Negeri Sembilan and the T-Team teams. Subsequently, three individuals namely the head coach, goalkeeping coach and a bookie, were charged.

□ Corruption in the Negeri Sembilan Team

On 28th May, 2011, Yusarman Yusof, head coach of the Negeri Sembilan Reserve League team, was prosecuted on 21 charges under Section 16 (b)(A) of the MACC Act 2009 for giving bribes amounting to RM24,900 to his players on 21st April 2011. The detention of the former footballer became the first case involving a coach to be charged in the court of law for corruption in the sports of football.

The accused, together with two bookies that are still at-large, was charged with giving bribes of RM300 to each of the nine players. The bribes were given to induce them to assist and provide opportunities for players of SDM Navy (Penang) to score goals in a Presidents Cup match at Stadium Bertam, Penang when given signals by the bookie. Among the signals were that Negeri Sembilan players must score goals when they see the bookie wearing a white hat while players as well as the goalkeeper must allow the ball through when they see the bookie wearing a red hat.

□ Corruption and math- fixing in the Terengganu T-Team

Corruption and its relation to the Terengganu T-Team was detected in 2010. Throughout that year, the T-Team played 18 matches of the Presidents Cup. It was noticed that three of the matches were confirmed to have been fixed. The match fixing was found to have involved a Singaporean named Rajendran a/l Kurusamy (51 years old) who is a match bookie and a businessman.

The facts of the 3 fixed-matches are as follows:

i. Terengganu T-Team vs Pahang in Kuantan

The goalkeeping coach, Sufian Ngah (41 years old), representing the bookie, paid between RM500 and RM1,500 as bribes to six of the T-Team players as an inducement to fix the match.

ii. Terengganu T-Team vs Selangor

Bookie Rajendran offered a bribe of RM200 in cash to each of the six T-Team players as an inducement to fix the match.

iii. Terengganu T-Team vs Negeri Sembilan.

Bookie Rajendran offered bribes between RM2,000 to RM7,000 in-cash to five of the T-Team players as an inducement to fix the match. The total amount of bribes involved was RM23,000.

On 15 June 2011, Rajendran was prosecuted at the Shah Alam Court for six offences and at the Seremban Court for five offences. Meanwhile, Sufian was prosecuted in the Kuala Terengganu court on six counts of giving bribes. All the charges were under Section 17 (b) (A) of the MACC Act 2009, which were related to offences of bribing the T-Team of Terengganu to fix matches in the Presidents Cup tournament.

Activities and training to develop the capacity of investigators, prosecutors and other relevant officials in relation to criminal offences linked to integrity in sport;

(a) Activities of the Malaysia Anti-Corruption Commission

On 30 April 2015, held 'People Centric MACC' Programme with Sports Commissioner's Office (SCO) at the Dewan Perdana, National Sports Institute. The programme which lasted for half day brought together more than 300 participants comprising leaders of sports associations, officers from Sports Commissioner's Office (SCO) and Ministry of Youth and Sports (KBS) officers.

Forum entitled 'Integrity: National Sport Dignity' ('Integriti Maruah Sukan Negara') and a talk on Corruption in Sports were also held in the early morning.

The objective is to cultivate and reinforce integrity element among the athletes and official of sport association. This is very important in enhancing the country image in the sports field at the international level.

(b) Activities of Royal Malaysia Police

□ Interpol conference The two-day conference (20 and 21 February) 2013 entitled 'Match-fixing: The ugly side of the beautiful game' organized under the auspices of the INTERPOL / FIFA Training, Education and Prevention initiative, supported by the Asian Football Confederation (AFC) and the Malaysian Anti-Corruption Commission (MACC).

□ Interpol led operations Codenamed SOGA – short for soccer gambling - the operation was launched in June 2007 when officers from INTERPOL's National Central Bureaus and other law enforcement agencies across China (including Hong Kong and Macao), Malaysia, Singapore, Thailand and Vietnam met to exchange intelligence at an operational meeting held at INTERPOL's liaison office in Bangkok.

□ Conducted between 1 May and 30 June 2008, Operation SOGA II – short for soccer gambling – was the second action of its type in the region and was timed to coincide with the Euro 2008 soccer championships and the final matches of major soccer leagues around the world.

□ In the month-long operation 11 June to 11 July 2010 codenamed SOGA III, police across China (including Hong Kong and Macao), Malaysia, Singapore and Thailand identified and raided nearly 800 illegal gambling dens which handled more than 155 million US dollars' worth of bets.

Establishment of specialized law enforcement or prosecutorial units responsible for dealing with offences relating to integrity in sport;

- Offences of corruption in relation to sports under the MACC Act 2009 are investigated by the Operations Division of the MACC.
- The Royal Malaysia Police (RMP) 's Secret Societies, Gambling and Vice Division (commonly called D7) is responsible for enforcement of laws against illegal betting.
- 14 Corruption Courts have been set up in Malaysia to handle all corruption cases.

Development of cooperation and coordination mechanisms to promote interaction between law enforcement authorities and relevant stakeholders, such as sport organizations or private-sector entities, in relation to criminal offences relating to sport.

- Establishment of the Integrity Committee of Football Association of Malaysia

In efforts to curb corruption and forge integrity among its members and officials, the Football Association of Malaysia (FAM) by partnering with the **Malaysian Anti-Corruption Commission (MACC), the Royal Malaysia Police (RMP) and the Armed Forces Malaysia (ATM)** has setup FAM **Integrity Committee**.

This initiative began in 2010. As an umbrella body to all football association, the FAM instructed all 14 state football associations to form the same committee. The FAM also established Integrity Department in its organizational structure.

As of 31 March 2016, 12 football associations established their own Integrity committees, i.e Football Associations of Perlis, Kedah, Kuala Lumpur, Perak, Selangor, Negeri Sembilan, Melaka, Pahang, Terengganu, Kelantan, Sabah and Armed Forces Malaysia (ATM).

The function of these committee is to monitor the Malaysia's football league, players and officials from wrongdoings, corruption, and match fixing activities. Among its main responsibilities and activities are:

- I. Report corruption and wrongdoing related to football to relevant authorities (MACC and RMP)
- II. Receive information/complaints and conduct early investigation
- III. Talk on integrity and anti-corruption to all football association officials and athletes before new football season start.

- The Royal Malaysian Police (RMP) has also been working hand in hand closely with the Football Association of Malaysia (FAM) and the Malaysian Communications and Multimedia Commission (MCMC) in tackling criminal offences relating to sport, particularly illegal online sports gambling.

4. Do you require technical assistance in relation to the measures described above? If so, please specify the forms of technical assistance that would be required. For example:
Legislative assistance: Please describe the type of assistance **Institution-building:** Please describe the type of assistance **Policymaking:** Please describe the type of assistance **Capacity-building:** Please describe the type of assistance
Research/data-gathering and analysis: Please describe the type of assistance
Facilitation of international cooperation with other countries: Please describe the type of assistance
Others: Please specify
Response **NIL**

5. Is any technical assistance already being provided to you? If so, please provide a general description of the nature of assistance, including donor information.
Response **NIL**