

PRESS RELEASE

Kuala Lumpur

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Governance in SMEs

SMEs, A Key Strategic Business Partner in the Supply Chain

The **Malaysian Institute of Corporate Governance** (MICG) held its first virtual forum on Governance in SMEs on 20 May 2021. The purpose was to share the importance of good governance practices in SMEs with the theme: “SMEs, A Key Strategic Business Partner in the Supply Chain”.

In his introductory comments, MICG Deputy President, David Berry said SME’s are keen to find a bigger role in the challenging business eco-system, and the Forum’s theme aptly reflected the vital role SMEs already play in the local economy.

“Good governance is not just for the big players,” Mr. Berry said, “it extends to all organisations operating in Malaysia, regardless of size and market capitalisation, and includes SMEs.”

“At MICG, we applaud the moves SMEs have embraced to stay afloat and thrive in this most challenging period. In addition to the economic challenges, many businesses have had to grapple with a steep learning curve as they embrace digital technologies to ensure sustainability in this Fourth Industrial Revolution era. The Government and Financial sector have also given a variety of incentives to assist with the continued growth of the SMEs. However, progressing in business should not come at the cost of sacrificing good governance which encompasses ethics and integrity.”

Maybank, which sponsored the event, described its participation in the forum as: “a testament to the Bank’s commitment to promote sound management practices among SMEs. Our focus is on providing holistic solutions to the SME community, which goes beyond the Banks' products and services, with the ultimate goal of helping these businesses grow in every aspect.”

Mr. Chew Phye Keat spoke about the Corporate Liability provisions under the MACC (Amendment) Act 2018 as well as climate change, with both issues taking an increasingly important place on Board agendas. Dr. Mark Lovatt spoke about the requirements of Section 17A of the MACC Act, and how companies can create a business benefit for themselves by establishing Adequate Procedures using the T-R-U-S-T Principles recommended by Government.

Dr. Marlene Dieleman, Associate Professor – NUS Business School explored the difference between family governance and corporate governance, and provided practical examples of best practices in Asian family firms.

Datin Seri Sunita Rajakumar from Climate Governance Malaysia spoke on how climate change is both a risk and a threat, and can impact more than just people's health and safety. She urged SMEs, as the backbone of an MNC's supply chain, to understand and comply with the global Environmental, Sustainability and Governance (ESG) standards and to build their own systems. Climate change may challenge the financial viability of many businesses, and managers and owners of businesses will have to face the consequences of their business judgements.

The Forum ended with a lively panel discussion moderated by MICG Governor, Ms. Sujatha Sekhar Naik. Panelists included Mr. Chin Chee Seong, the National Vice President SME Association of Malaysia, Puan Nor Azimah Abdul Aziz, Chief Executive Officer (CEO) Companies Commission of Malaysia (SSM), En. Rizal bin Nainy, CEO SME Corporation Malaysia, Dr. Nurmazilah Dato' Mahzan, CEO Malaysian Institute of Accountants (MIA) and Ms. Siobhan Das, CEO American Malaysian Chamber of Commerce (AMCHAM), Mr. Tam Wah Fiong, the Chairman of Thumbprints Utd. Sdn. Bhd. They gave their views and guidance on the governance of SMEs, the roles of the Management, and putting in systems to help prevent corruption, while also ensuring adhering to the standards for financial and non-financial reporting by SMEs. Contributions also included an understanding of what regulators look for in a company's governance structure, and views on what MNCs expect from the local SMEs.

Mr. Tam shared his own fascinating journey to instill good governance practices across his organisation – the reason, the challenges and the benefits.

MICG described it as heartening to hear the commitment from the SME Association, SSM, SME Corporation, MIA and AMCHAM, and their eagerness to work with MICG in this area to ensure the continued strengthening of Governance for SMEs in areas like integrity, financial management and digital development.

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About the Malaysian Institute of Corporate Governance (MICG)

The Malaysian Institute of Corporate Governance's vision is to be the leading advocate of Corporate Governance in Malaysia.

MICG's principal activities are to promote and encourage corporate governance development, provide education and training for the benefit of its members and other interested institutions or bodies in Malaysia.

MICG was established in March 1998 following recommendations by the High Level Finance Committee on Corporate Governance. The Institute was incorporated as a company limited by guarantee, with founding members consisting of the Federation of Public Listed Companies (FPLC), Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA), Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and the former Malaysian Institute of Directors (MID).

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For more information on MICG, please visit MICG's website www.micg.org.my and LinkedIn platform at [Malaysian Institute of Corporate Governance \(MICG\): Overview | LinkedIn](#).