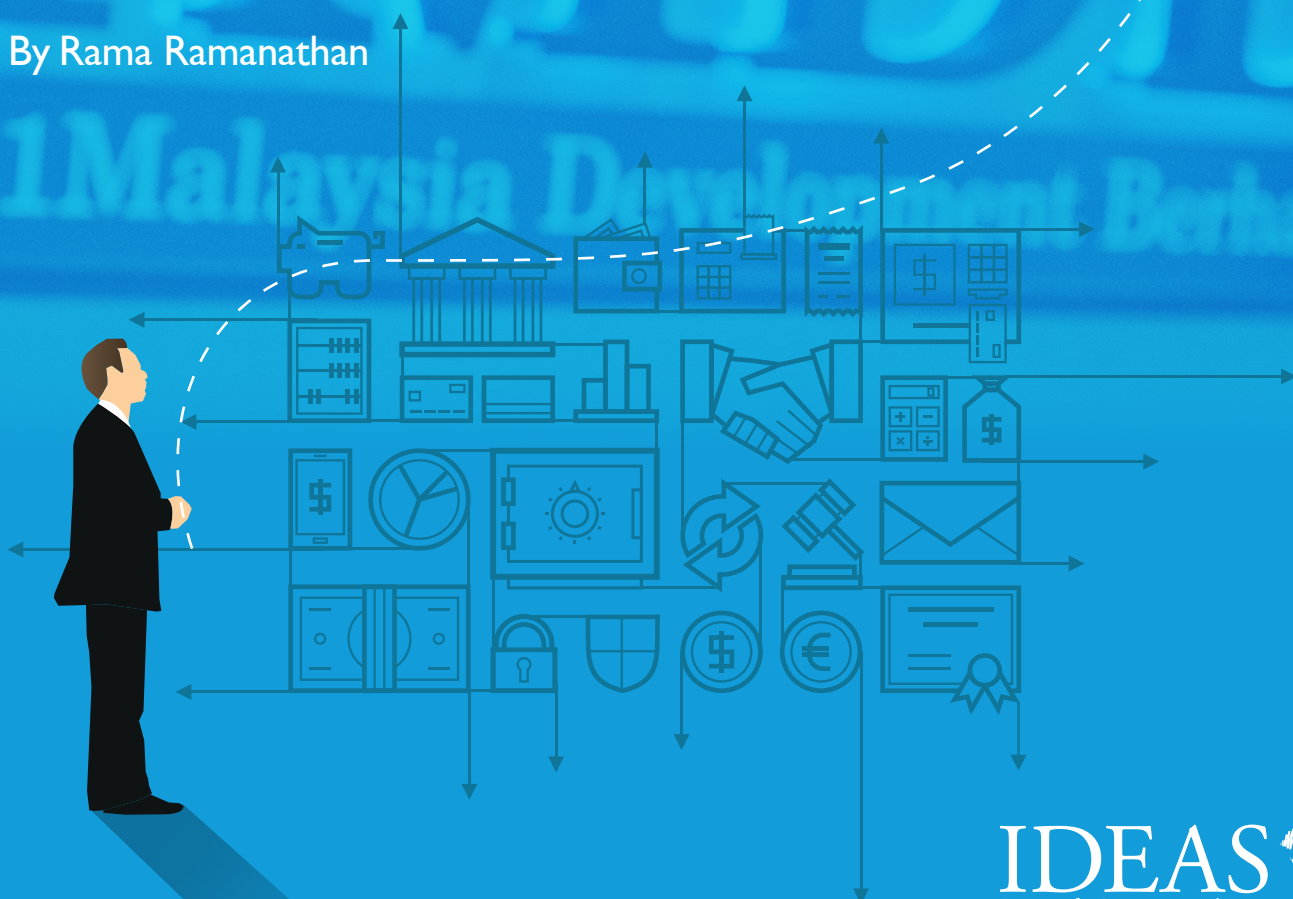


Governing State-Owned Enterprises: Lessons learned from **IMDB**

By Rama Ramanathan



Executive summary

On 7 April 2016, sixteen months after commencing investigations, the Public Accounts Committee (PAC) published a report on 1Malaysia Development Berhad¹ (IMDB). The report reviewed the management and administration of IMDB by the Ministry of Finance as well as IMDB's Board of Advisors, Board of Directors and management committee.

Public response to the report subsequently focused on persons and partisan politics.² However, the focus should really be on lessons for improving the governance of state-owned enterprises (commonly referred to as government-linked companies in Malaysia).

The IMDB saga gives Parliamentarians and regulators key insights for improving policies, structures and systems to bring Malaysia closer to the goal of being a developed nation by 2020. This paper recognises the IMDB case as one involving a state-owned enterprise (SOE)³ and seeks to draw out lessons about the governance of SOEs.

This paper briefly lists seven key reasons why the PAC investigated IMDB, notes the Government's positive response to the IMDB report and concludes with five recommendations for Parliament and regulatory agencies.

It does not examine the arguments for and against the existence of SOEs.⁴

Rama Ramanathan is a mechanical engineering graduate of the University of Edinburgh in Scotland. He worked in manufacturing and quality management in the rubber, consumer products and medical device industries for 33 years. In the second half of his career he worked as the Quality Leader in Asia Pacific for two multi-billion dollar US-based multinationals. Since 'retirement,' he focuses on studying and writing about socio-political issues, and occasionally takes on consulting work in ethics, quality and risk management. Rama is also a member of The Society for the Promotion of Human Rights (PROHAM).

**The contents of this paper represent the views of the author and do not necessarily reflect the views of IDEAS or any one individual at the organisation.*

¹ The 106 page report was released in Malay. Titled *Kawalan Pengurusan Tadbir Urus 1 Malaysia Development Berhad (IMDB) - Kementerian Kewangan – 1 Malaysia Development Berhad (IMDB)*. A copy can be found here: <http://pardocs.sinarproject.org/documents/committees/public-accounts-committee/pac-13th-parliament-session/2016/kawalan-pengurusan-tadbir-urus-1malaysia-development-berhad-1mdb/dr32016-1mdb.pdf/view>

² For instance, (1) the recommendation that the authorities prosecute the former CEO of IMDB, Datuk Shahrol Azrai Ibrahim Halmi and (2) news reports of the alleged "exoneration" of Prime Minister Datuk Seri Najib Tun Razak of responsibility for the failures observed in IMDB.

³ IMDB's is treated as an SOE, rather than a Sovereign Wealth Fund because IMDB was never a member of the International Forum of Sovereign Wealth Funds (SWF). See <http://www.ifswf.org/members> and Box 1. See also the Santiago Principles which state that SWF are "commonly established out of balance of payments surpluses, official foreign currency operations, the proceeds of privatizations, fiscal surpluses, and/or receipts resulting from commodity exports" (see Sovereign Wealth Funds Generally Accepted Principles and Practices "Santiago Principles," International Working Group of Sovereign Wealth Funds, October 2008, page 27 <http://www.iwg-swf.org/pubs/eng/santiagoprinciples.pdf>).

⁴ The OECD Guidelines on Corporate Governance of State-Owned Enterprises begins with a section titled "Rationales for state ownership." See 2015 Edition, page 19. The guidelines can be found here: <http://www.oecd.org/daf/ca/OECD-Guidelines-Corporate-Governance-SOEs-2015.pdf>

Why did the PAC investigate IMDB?

The PAC investigated IMDB in response to widespread negative reports on local and international media. The reports generated continuous discussion about the operations and financial standing of IMDB, an enterprise owned by the Ministry of Finance.⁵

There were seven key reasons for the public's interest in IMDB: excessive borrowings by IMDB, its risk of loan default, the negative impact to Malaysia's sovereign credit rating, the revaluation of assets purchased by IMDB, the sale of IMDB assets to another state-owned enterprise, the allegations of funds being misused to finance political elections as well as the investigations and findings of local financial authorities.

Seven (7) reasons why IMDB is important to public interest

01 Excessive borrowings

IMDB's 2014 financial statement showed it had borrowings amounting to RM42 billion, backed by assets worth RM51 billion. The interest rates ranged from 7.25 – 9.85 per cent for loans amounting to RM26.6 billion (IMalaysia Development Berhad, 2014).

02 Risk of loan default

IMDB's March 2014 financial statement revealed that it had requested a 6 months extension on the full repayment of a RM6.17 billion loan which was due on 22 November 2013 (IMalaysia Development Berhad, 2014). After a further 6 months, IMDB extended the loan repayment date again (Fuentes, 2014).⁶ The financiers were Maybank Investment Bhd and RHB Investment Bank, both of which are state-owned enterprises. There were concerns that IMDB borrowed at "particularly high" (IMDB Press Release, 2014) interest rates and was unable to repay its commitments.

03 Sovereign credit rating

The Malaysian economy, like the economies of most other nations, depend upon borrowings from international fund markets. To avoid excessive interest rates on borrowings, Malaysia must maintain a good credit rating from credit rating agencies such as Moody's and Fitch. IMDB's defaults put Malaysia's credit rating and thus economy at risk (Williams, 2016).

⁵ PAC Report, paragraph 1.1. The English version of the report can be found here: <http://www.parlimen.gov.my/pac/review/docs-110-116.pdf>

⁶ The PAC Report noted that the application to extend the loan was submitted to the lender, Maybank Investment Bank Bhd 3 weeks prior to approval by the board of IMDB (para 7.3.8, page 91).

04 *Revaluation of assets*

IMDB's surplus in value of assets over liabilities came largely from revaluation of properties: IMDB posted revaluation gains of RM826 million, RM 569 million and RM2.7 billion for the financial years (ending March 31) 2011, 2012 and 2013 (Wong, 2014).

05 *Sale of an asset to another state-owned enterprise*

IMDB entered into an agreement to sell 1.56 acres of land to Lembaga Tabung Haji for RM188.5 million, 42 times the price for which IMDB had bought the land from the Government 4 years earlier. (Ali, Sharidan Ali, 2015 and Arfa Yunnus, 2016)

06 *Allegations of IMDB funds used for electioneering*

Although there were allegations that IMDB's funds were misappropriated to fund elections, the Prime Minister said a foreign currency payment of USD 680 million made into his personal account was a political contribution from the royal family of Saudi Arabia, not IMDB. (Peel et al, 2016). Nevertheless, allegations remained that this fund was linked to IMDB.

07 *Investigations by financial authorities*

IMDB was investigated and found guilty of non-compliance with the Bank Negara's (Central Bank of Malaysia) directions (New Straits Times Online, 2016). IMDB continues to be the subject of investigations in foreign jurisdictions. As a result of investigations into IMDB related transactions, Singapore and Switzerland have taken actions against individuals and banks in their jurisdictions (Letzing et al, 2016). On 20 July 2016, the US Department of Justice filed a civil forfeiture complaint seeking the forfeiture and recovery of more than \$1 billion in assets associated with an alleged international conspiracy to launder funds purportedly misappropriated from IMDB, under the Kleptocracy Asset Recovery Initiative (United States Department of Justice, 2016).

The remainder of this paper will focus on actions that minimize the risk of similar issues recurring in all state-owned enterprises in Malaysia.

BOX I

Defining State-owned Enterprise (SOE), Sovereign Wealth Fund, GLC, GLIC

The Trans-Pacific Partnership Agreement (TPPA) has adopted the following definitions:

- “ **State-owned enterprise** means an enterprise that is principally engaged in commercial activities in which a Party:

 - (a) directly owns more than 50 per cent of the share capital;
 - (b) controls, through ownership interests, the exercise of more than 50 per cent of the voting rights; or
 - (c) holds the power to appoint a majority of members of the board of directors or any other equivalent management body.

- “ **Sovereign wealth fund** means an enterprise owned, or controlled through ownership interests, by a Party that:

 - (a) serves solely as a special purpose investment fund or arrangement for asset management, investment, and related activities, using financial assets of a Party; and
 - (b) is a Member of the International Forum of Sovereign Wealth Funds or endorses the Generally Accepted Principles and Practices (“Santiago Principles”) issued by the International Working Group of Sovereign Wealth Funds, October 2008, or such other principles and practices as may be agreed to by the Parties, and includes any special purpose vehicles established solely for such activities described in subparagraph (a) wholly owned by the enterprise, or wholly owned by the Party but managed by the enterprise (Ministry of Foreign Affairs New Zealand).

In Malaysia, GLCs (Government-Linked Companies) and GLICs (Government-Linked Investment Companies) fall under the TPPA definition of SOE.

GLICs include the Employees Provident Fund (EPF), Khazanah Nasional Bhd (Khazanah), Retirement Fund Incorporated (Kumpulan Wang Persaraan, KWAP), Armed Forces Fund Board (Lembaga Tabung Angkatan Tentera, LTAT), Pilgrims Fund Board (Lembaga Tabung Haji, LTH), Minister of Finance Incorporated (MoF Inc) and Permodalan Nasional Bhd (PNB).

The Government's response to the PAC report

The Deputy Finance Minister told Parliament that the Government has taken the following actions in response to the PAC's recommendations:

- Accepted the resignation of IMDB's Board of Directors effective 31 May 2016.
- Asked the Royal Malaysian Police (PDRM) to investigate the management of IMDB.
- Transferred IMDB's subsidiaries and assets to the Minister of Finance Incorporated.

The Minister also said IMDB has settled all its debts with local banks and its short-term loans (Borneo Post Online, 2016).

Furthermore, according to news reports, the Ministry of Finance has said it will dissolve the IMDB Board of Advisors and remove Article 117 in IMDB's Articles "which requires the Prime Minister's written approval for all its financial commitments, including investments and matters such as appointment of the board of directors. It would also change all references of 'Prime Minister' to 'Minister of Finance.'" (Menon, 2016).

The Government should be commended for taking rapid action and for committing to act on the PAC's recommendations. These actions and commitments will help Bank Negara to persuade global lenders to maintain Malaysia's sovereign credit rating instead of downgrading it.

Lessons learned: Moving beyond IMDB

To-date, reports and responses to the PAC report on IMDB have been centred on IMDB. This is expected, but it is important to go beyond this.

Instead, Parliament and other regulatory agencies should eliminate the root causes which enabled the IMDB problem to occur.

Parliament and regulatory agencies must identify other SOEs which may be similarly mismanaged out of public sight – that is until they default or dip into public savings. There must also be systemic improvements to raise the overall governance of our SOEs.

Learning from the IMDB saga, we make the following recommendations.

1. Establish a mechanism to track the performances of all state-owned enterprises

Malaysia's economy has high dependence on SOEs. According to the Putrajaya Committee on GLC High Performance (PCG)⁷:

“GLCs and their controlling shareholders, GLICs, constitute a significant part of the economic structure of the nation. GLCs employ an estimated 5% of the national workforce and account for approximately 36% and 54% respectively of the market capitalisation of Bursa Malaysia and the benchmark Kuala Lumpur Composite Index.⁸”

The PCG believes that there are enormous opportunities for improvements. For instance, in 2005 the PCG said “enhancements in procurement practices and systems alone is estimated to result in annual bottom-line impact of over RM11 billion for the G-15”.⁹

“G-15” denotes the 15 SOEs included in the GLC Transformation Program announced in 2014.¹⁰ Clearly the opportunity for cost-avoidance is more than RM11 billion if all SOEs enhanced their practices.

Yet, we neither have a registry of SOEs, nor rankings of SOE performance according to established measures of business success. IMDB was not noticed until it got into trouble.

⁷ The PCG, chaired by the Second Finance Minister, was formed in January 2005 to follow through and catalyse the GLC Transformation Program. Other members include heads of the GLICs. More information can be found here http://www.pcg.gov.my/about_us_overview.asp

⁸ Putrajaya Committee on GLC High Performance. The list of GLCs as of 28 February 2013 can be found here. It covers 17 'large' GLCs. <http://www.pcg.gov.my/PDF/List%20of%20G20%20GLCs%20as%20at%2028%20February%202013.pdf>

⁹ This comes from the FAQ section of the PCG Website, Question 5: *How does the GLC Transformation Program affect each stakeholder?* which can be found here <http://www.pcg.gov.my/FAQ.asp>

¹⁰ It includes Maybank, Telekom Malaysia, Tenaga Nasional, Sime Darby, Commerce-Asset Holding, Golden Hope, MAS, Proton Holdings, Kumpulan Guthrie, Affin Holdings, UEM World, Boustead Holdings, BIMB Holdings, Malaysian Resources Corporation Berhad, and Malaysian Building Society Berhad.

Currently there is no official registrar of all SOEs in Malaysia and it is possible that even the Government does not have the total number. Since there is no list of SOEs, there is a risk that SOEs will grow so numerous that it will be impossible for the Ministry of Finance to monitor them effectively.

We recommend the following: establish a registry of SOE¹¹, establish performance criteria to be publically reported by each SOE, establish a report submission mechanism and establish a review mechanism with appropriate assistance and sanctions. Promulgating an SOE Governance Act¹², with strict penalties, will help regulate SOEs in line with international agreements, and assure the public that SOEs are better managed.

2. Set and enforce expectations for debt gearing of state-owned enterprises

IMDB's debt (borrowings) brought IMDB into the public eye and eventually resulted in the decision to transfer its assets (and liabilities) to the Minister of Finance Incorporated.

Borrowing domestically and from foreign markets are common practices of all governments and many private businesses. Borrowers must know how much they have borrowed as well as their capacity to make repayments. Banks have a duty to their shareholders to act against borrowers who cannot fulfil their loan commitments.

The debt-to-equity ratio is a standard accounting measure of a firm's gearing. It is calculated by dividing a firm's total debt by its net assets.

In 2005 a researcher examined the gearing ratios of companies listed on the Main Board of KLSE for a seven year period with 1997, the crisis year, as the mid-point (Sharifah Raihan Syed Mohd Zain, 2005). She found that before the crisis year the ratio was 14%, during the crisis year it was 28% and after the crisis year it was 36%. The ratio is of course different for companies operating in different sectors of the economy: pre-crisis values ranged from 23% (Plantation) to 45% (Construction). For IMDB, the debt-to-equity ratio was 82% on loans amounting to RM42 billion. Moody's estimated this to be 2.5% of Malaysia's Gross Domestic Product (Damodaran, 2016). Presently we do not know how much more debt is owed by other SOEs.

We recommend the following:

- Establish gearing ratio goals for SOEs;
- Set limits on the amount SOEs can borrow;
- Seek the approval of Parliament before issuing letters of guarantee to support loans; include the loans in the national budget.
- Any non-compliances should be treated as crimes and appropriately punished.

These should be addressed in the upcoming SOE General Assembly.

“
While the agency can investigate a complaint, it then has to pass its recommendations onto the RMP and is unable to compel the RMP to take any follow-up actions.
”

¹¹ Khazanah Research Institute is in the process of drafting the State-Owned Enterprise Governance Act (SOEGA) which may require the Government to have a registrar of SOEs.

¹² See for example Namibia's Act which was promulgated in 2006 which can be found here <http://faolex.fao.org/docs/pdf/nam75977.pdf>

3. Stop appointing public officials to SOE Boards

Public officials have a duty to monitor, regulate and legislate. They cannot do so without bias if their emoluments also depend upon the performance of the companies that they are supposed to monitor and regulate.

Public servants who are appointed to SOE boards clearly have conflicts of interest, for the regulator's role is to enforce compliance, while the business person's goal is to minimize the cost of compliance. Furthermore, allowing public officials to take positions on the boards of SOEs gives the latter access to inside information and gives them an unfair advantage over private enterprises.

Public officials should instead explicitly set the goals for the board and monitor the compliance and performance of the boards.

In the case of IMDB, there were no public officials in the Board of Directors before May 31st 2016. However, the Board of Advisers included the Finance Minister, the Chief Secretary to the Government and the Chief Secretary of the Treasury.¹³

Finally, heavy participation of SOEs in the economy and the presence of public officials on their boards results in a particular dilemma: contributions of SOEs to political parties (Wright et al, 2015).

International guidelines such as the OECD Guidelines on Corporate Governance of SOEs do not prohibit members of the state administration from being board members. However, the lack of prohibition is fenced with caveats, as shown in Box 2.

BOX 2

OECD: The state should let SOE boards exercise their responsibilities and should respect their independence (OECD SOE Guidelines, 2015)

“... Employees of the ownership entity or professionals from other parts of the administration should only be elected to SOE boards if they meet the required competence level for all board members and if they do not act as a conduit for political influence that extends beyond the ownership role. They should have the same duties and responsibilities as the other board members and act in the interest of the SOE and all its shareholders.

Disqualification conditions and situations of conflict of interest should be carefully evaluated and guidance provided about how to handle and resolve them.

The professionals concerned should have neither excessive inherent or perceived conflicts of interest. In particular this implies that they should neither take part in regulatory decisions concerning the same SOE nor have any specific obligations or restrictions that would prevent them from acting in the enterprise's interest.

More generally, all potential conflicts of interests concerning any member of the board should be reported to the board which should then disclose these together with information on how they are being managed.

¹³ PAC Report, Table 1, page 15.

Based on the problems highlighted, we recommend the following:

- Create a registry of public officials who serve as board members in SOEs, and establish a timeline to replace them.
- The list should include both those who are elected to public office and those who are appointed.
- Forbid, by legislation, contributions of SOEs to political parties and to activities that can further the prospects of any political party or politician.

4. Establish rules to curb profiteering by selling state-owned assets

State property such as land, equipment and businesses belong to the public. The government manages the property in the interests of the public. It is legitimate for the government to allocate public assets for certain purposes, for example, land for transportation hubs, incinerators, hospitals and so on. However, when such properties have been transferred to SOEs for specific purposes there must be limits on how these properties can be 'traded off' to other SOEs.

There was huge public outcry when IMDB sold 1.56 acres of land to Lembaga Tabung Haji for a 'profit' of RM184 million (42 times the original price bought by IMDB from the Government). The public perceived that the sale was not a legitimate business gain, but a means to remove debt from IMDB's books.

The sale of assets to SOEs can result in a loss of revenue to the Government. Such sales can also be a tacit bail-out for SOEs in trouble due to mismanagement.

We recommend that contracts for the sale of public assets by the Government include the condition that any gains from subsequent sales (of the public asset) be shared with the Government.

5. Make public the quantum of fines imposed on those who flout regulations

According to news reports, Bank Negara imposed an administrative fine on IMDB for failing to abide by financial regulations.

Bank Negara has not revealed the specifics of IMDB's offence, or the quantum of the fine. This lack of transparency compares unfavourably with the actions of the authorities in Singapore and in Switzerland.¹⁴ From the perspective of reputational risks, lack of transparency does not augur well for the future of Malaysia as a financial centre to rival those two jurisdictions. We recommend that all charges brought and penalties imposed by regulators including Bank Negara be made public.

¹⁴ There are numerous reports of investigations in Singapore and in Switzerland, two jurisdictions which appear to be in a battle to demonstrate who does a better job of being a financial hub. See especially Michael Peel, Regulators accuse Swiss bank BSI over IMDB scandal, from Financial Times, 24 May 2016. Article can be found here <https://www.ft.com/content/be8247ec-2177-11e6-9d4d-c11776a5124d>

6. *Establish a programme of in-depth reviews of state-owned enterprises*

Standard financial audits assess compliance with regulations and established accounting standards. Such audits are not sufficient for discovering how well a public company is managed.

The insufficiency of general audits is the reason why the PAC rebuked the board of IMDB for making decisions without exercising 'due diligence.' It is also the reason why the PAC made observations and recommendations beyond what IMDB's auditors did when they conducted the financial audit of IMDB's accounts.

If a SOE with borrowings amounting to billions of ringgit could be so slack in conducting due diligence (as documented in the PAC report), it is hard not to believe that other SOEs are similarly lax.

We must ask whether any organisation which is unable to conduct due diligence should be allowed to exist as a structure.

We recommend that the Auditor General be provided with a mandate to conduct regular in-depth audits of SOEs. The audits should look into matters such as adherence to the stated aims of the business, due diligence prior to making investment decisions and missing financial reporting dates.¹⁵

¹⁵ The latest activity report on the www.audit.gov.my website is for 2014. A search for "GLC" in the Laporan Aktiviti Tahunan 2014 yielded zero results. The laporan can be found here <https://www.audit.gov.my/images/pdf/2015/Penerbitan/laporan%20aktiviti%20tahunan%202014.pdf>

References

- IMDB Press Release. 2014. Retrieved from <http://lmbd.com.my/faq>
- Malaysia Development Berhad. 2014. *Report of the Directors and Financial Statement Year Ended 31 March 2014*. Retrieved from https://drive.google.com/a/ideas.org.my/file/d/0B3yYZy9gZ3_NMnppLUh3ODEtekU/view
- Arfa Yunus, Azeez. 2015. Free Malaysia Today. *Tabung Haji to develop TRX land*. Retrieved from <http://www.freemalaysiatoday.com/category/nation/2016/02/04/azeez-tabung-haji-to-develop-trx-land/>
- Borneo Post Online. 2016. *PAC's recommendations on IMDB implemented: Johari*. Retrieved from <http://www.theborneopost.com/2016/05/25/pacs-recommendations-on-lmbd-implemented-johari/>
- Damodaran, Rupa. 2016. New Straits Times Online. *IMDB payment default increases contingent liabilities, credit negative for rating: Moody's*. <http://www.nst.com.my/news/2016/04/141878/lmbd-payment-default-increases-contingent-liabilities-credit-negative-rating>
- Fuentes, Shane. 2014. Free Malaysia Today. *IMDB scandal coming to the surface*. Retrieved from <http://www.freemalaysiatoday.com/category/nation/2014/12/13/lmbd-scandal-coming-to-the-surface/>
- Letzing, John and Jake Maxwell Watts. 2016. The Wall Street Journal. *Switzerland Opens Criminal Proceedings Against BSI Over IMDB Dealings: Singapore central bank orders BSI's local unit to cease operations*. Retrieved from <http://www.wsj.com/articles/singapore-orders-swiss-private-bank-bis-local-unit-to-cease-operations-1464072408>
- Menon, Praveen. 2016. Reuters. *Malaysia dissolves IMDB advisory board headed by PM Najib*. Retrieved from <http://www.reuters.com/article/us-malaysia-scandal-lmbd-idUSKCN0XV007>
- Ministry of Foreign Affairs, New Zealand. *State-Owned Enterprises and Designated Monopolies*. Chapter 17, Article 17.1: Definitions. Retrieved from https://www.mfat.govt.nz/assets/_securedfiles/Trans-Pacific-Partnership/Text/17.-State-Owned-Enterprises-and-Designated-Monopolies-Chapter.pdf
- New Straits Times Online. 2016. *IMDB: We have fully paid off Bank Negara fine*. Retrieved from <http://www.nst.com.my/news/2016/05/147711/lmbd-we-have-fully-paid-bank-negara-fine>
- OECD. 2015. *OECD Guidelines on Corporate Governance of State-Owned Enterprises*. Retrieved from <http://www.oecd.org/daf/ca/OECD-Guidelines-Corporate-Governance-SOEs-2015.pdf>

Peel, Michael and Vasagar, Jeevan. 2016. Financial Times. Malaysia: The IMDB money trail. Retrieved from <https://next.ft.com/content/0981b2c8-cfe3-11e5-92a1-c5e23ef99c77>

Ram, Sadho. 2015. *What You Should Know About The Resignation Of Abdul Samad Alias From IMDB's Advisory Board*. Retrieved from <http://says.com/my/news/Imdb-adviser-abdul-samad-alias-resigns>

Sharidan M Ali, 2015. The Star Online. *Tabung Haji defends decision to buy TRX land from IMDB*. Retrieved from <http://www.thestar.com.my/news/nation/2015/05/08/tabung-haji-defends-decision-to-buy-trx-land-from-Imdb/>

Sharifah Raihan Syed Mohd Zain. 2005. International Islamic University Malaysia. *Gearing Differences Across Malaysian Public Listed Companies*. Capital Markets Review Vol 13 No.1&2 (Special Issue), pp. 33-46. Retrieved from <http://www.mfa.com.my/wp-content/uploads/2015/03/vol-13-2005-33-46.pdf>

United States Department of Justice. 2016. Office of Public Affairs. *United States Seeks to Recover More Than \$1 Billion Obtained from Corruption Involving Malaysian Sovereign Wealth Fund*. Retrieved from <https://www.justice.gov/opa/pr/united-states-seeks-recover-more-1-billion-obtained-corruption-involving-malaysian-sovereign>

Williams, Ann. 2016. Straits Times. *IMDB default heightens risks on Malaysia's balance sheet, says Moody's*. Retrieved from <http://www.straitstimes.com/business/economy/Imdb-default-heightens-risks-on-malaysias-balance-sheet-says-moodys>

Wong Wei-Shen. 2014. The Star Online. *IMDB's land assessments set a precedent*. Retrieved from <http://www.thestar.com.my/business/business-news/2014/04/23/complexities-of-revaluation/>

Wright, Tom and Bradley Hope. 2015. The Wall Street Journal. *IMDB and the Money Network of Malaysian Politics: Prime Minister Najib Razak tapped wealth fund to ease ruling party's victory*. Retrieved from <http://www.wsj.com/articles/the-money-network-of-malaysian-politics-1451355113>

IDEAS is inspired by the vision of Tunku Abdul Rahman Putra al-Haj, the first Prime Minister of Malaysia. As a cross-partisan think tank, we work across the political spectrum to improve the level of understanding and acceptance of public policies based on the principles of rule of law, limited government, free markets and free individuals. On 17 January 2013, IDEAS was announced as the 5th best new think tank in the world (up from 13th in 2011) in a survey of 6,603 think tanks from 182 countries.

Please support us by making a donation. You can make a contribution by cheque payable to “IDEAS Berhad” or by transfer to our account CIMB 8001367104. We can only survive with your support.

© 2016 IDEAS. All rights reserved.

Institute for Democracy and Economic Affairs (IDEAS)
F4 Taman Tunku, Bukit Tunku, 50480 Kuala Lumpur
www.ideas.org.my
Reg No: 940689-W



Donation Form

- I enclose a cheque made payable to “IDEAS Berhad”
 I have transferred my donation to IDEAS (CIMB Account No: 8001367104)

Amount

- RM 500 RM 5,000
 RM 1,000 RM 10,000
 RM 2,500 other amount:

The information below is optional. But please supply full details if you need a receipt.

Name (with titles): _____

Address: _____

City / State: _____ Postcode: _____

Email: _____ Tel: _____ Fax: _____

- For donations above RM5000, please tick here if you agree to being listed as a donor on our website and literature.

Please send this form with your donation to:
Institute for Democracy and Economic Affairs (IDEAS)
F4 Taman Tunku, Bukit Tunku
50480 Kuala Lumpur, Malaysia.

Selection of IDEAS' Publications (2013-2016)

How can Malaysia's Asset Declaration System be improved to help combat corruption? By Shaza Onn, Brief IDEAS No. 1 (May, 2015)

The New Face of KWAN: Proposals to improve Malaysia's Natural Resource Fund by Sri Murniati, Policy IDEAS No. 19 (March, 2015)

ICT in Classroom Learning: Exploring the Discrepancies Between Ideal Conditions and Current Malaysian Policy by Jenny Gryzelius, Policy IDEAS No. 18 (February, 2015)

Setting up special needs centres: A focus on early intervention centres for the underprivileged by Tamanna Patel, Policy IDEAS No. 17 (December, 2014)

Public procurement in FTAs: The challenges for Malaysia by David Seth Jones, Policy IDEAS No. 16 (December, 2014)

School choice and school vouchers programmes: Why do they succeed and why do they fail? Lessons for Malaysia by Jenny Gryzelius, Policy IDEAS No. 15 (November, 2014)

Morality and the Rule of Law: Inspirations from Raja Aziz Addruse by Tunku Zain Al-'Abidin ibni Tunku Muhriz, Policy IDEAS Special Edition (October, 2014)

Dropping out of school in Malaysia: What we know and what needs to be done by Tamanna Patel, Policy IDEAS No. 14 (August, 2014)

Generating best value for taxpayers' money: How to improve transparency and accountability in Malaysia's public contracting system by Sri Murniati, Policy IDEAS No. 13 (July, 2014)

Malaysian education: what do the poor really want? A look at education needs and aspirations of the bottom 40 percent of households in Malaysia by Tamanna Patel, Policy IDEAS No. 12 (April, 2014)

The Malaysian Trust School Model: It's good but is it sustainable? by Dr Arran Hamilton, Policy IDEAS No. 11 (February, 2014)

Transparency in European public procurement: benefits and lessons for Malaysia by Dr Francesco Stolfi and Sri Murniati, Policy IDEAS No. 10 (January, 2014)

Market solutions to the education crisis by Myron Lieberman by Tamanna Patel and Wan Saiful Wan Jan, Policy IDEAS No. 9 (December, 2013)

The hardware and the software to overcome a middle-income trap by Wolfgang Kasper, Policy IDEAS No. 8 (November, 2013)

Key failings in the Malaysian public procurement system and how they can be addressed by greater transparency by David Seth Jones, Policy IDEAS No. 7 (October, 2013)

After GE13: Strengthening Democracy in Malaysia by Dato' Muthiah Alagappa, Policy IDEAS No. 6 (August, 2013)

Private education for the poor? The case of India and lessons for Malaysia by Joanna Lim and Wan Saiful Wan Jan, Policy IDEAS No. 5 (July, 2013)

Giving Voice to the Poor by Wan Saiful Wan Jan, Policy IDEAS No. 4 (February, 2013)

