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MEDIA STATEMENT

IDEAS AND BAIT AL-AMANAH: NEW GOVERNMENT MUST TABLE POLITICAL FINANCING BILL IMMEDIATELY TO AVOID POLITICAL CORRUPTION

Kuala Lumpur, 19 August 2021 - The Institute for Democracy and Economic Affairs (IDEAS) and Bait Al-Amanah organised a webinar on political financing reform in Malaysia titled "Transparency in Democracy: Building Support for Transparency in Political Financing", which called for the immediate tabling of a political financing act to help tackle the deep rooted issue of political corruption in Malaysia. The webinar was held on 18 August 2021.

The speakers for the webinar were Datuk Seri Mohamed Khaled Nordin, Vice-President of the United Malay National Organization (UMNO) and Board Member of Bait Al-Amanah, YB Syed Saddiq, MP for Muar and Co-founder of MUDA, YB Wong Shu Qi, MP for Kluang and member of the Democratic Action Party (DAP), and Dr. Magnus Ohman, Senior Political Finance Adviser for the International Foundation for Electoral Systems (IFES).

The organisers IDEAS and Bait Al-Amanah are part of a group of civil society organisations (including others such as Bersih 2.0, Transparency International, G25, KOMAS, Engage) that are pushing for a multi partisan group of MPs who are interested in political financing reform. The long-term goal is to ensure this group can be formed into an All-Party Parliamentary Group (APPG) on Political Financing.

Datuk Seri Khaled Nordin stressed that Malaysia is now at an important juncture, which means that the time is ripe for accountability and transparency to be restored. Datuk Seri Khaled called for proper oversight of political donations and agreed that public funding is needed to level the playing field between political parties and to reduce the influence of money in politics.

The webinar highlights on some key points, among others;

1. The absence of a political financing legislation impacts upon other areas of public policy in Malaysia such as public procurement and good governance. Quoting YB Syed Saddiq on this matter, "current unregulated system makes it difficult for politicians with honesty and integrity to survive, and causes them to be forced to play the same game."



2. The need to re-introduce the Parliamentary Services Act and to reform Constituency Development Funds (CDFs). This is to combat public perception towards political parties that are in government to tap into public funds for their political activities. Such effort will also address the lack of clarity in the distinction between political and public funds.
3. The need to institutionalise the public funding system as a means to crystalise democratization process and transparency between the political parties and political donors.

Ultimately, IDEAS and Bait Al-Amanah stressed that for any political financing act to be effective in Malaysia, it would have to include the following:

First, public funding of political parties should be introduced, in order to reduce the reliance on private donors and business tycoons for donations, and to create a more level playing field for smaller political parties and as incentives for parties to nominate more women and minorities during elections.

Second, transparency in both donations made to political parties as well as how they spend their money. While the privacy of donors should be taken into consideration, donors who give above a certain threshold must be declared.

Third, government-Linked Companies (GLCs) should be prohibited from making political donations;

Fourth, large assets and businesses owned by political parties must be transparent and accountable.

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About IDEAS

The Institute for Democracy and Economic Affairs (IDEAS) is a nonprofit research institute, dedicated to promoting solutions to public policy challenges, focussing on three overarching missions – advancing a competitive economy, ensuring trust in institutions and promoting an inclusive Malaysia. IDEAS is Malaysia's first independent think tank, free of personal interests and partisan influences. For more information, visit www.ideas.org.my.

For enquiries, please contact:

Zokhri Idris, Ph.D

External Relations Director, IDEAS

zokhri@ideas.org.my



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About Bait Al-Amanah

Bait Al-Amanah is an independent research institute that promotes policy and decision making through sound, independent and multidisciplinary research and analysis in areas of governance and democracy, economics, security, and issues of national importance. Bait Al-Amanah also provides consulting services in Political & Economic Risk, Leadership, Social Development & Sustainability and Media, Big Data & Technology. For more information, visit <https://baitalamanah.com/>.

For enquiries, please contact:

Cellini Basri

Head of External Relations, Bait Al-Amanah

+6012 489 6585

cellinibasri.alt@gmail.com