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PUBLICATION : BERNAMA
SECTION : Main News
DATE : June 19, 2009
TITLE : **Restoring Economic Stability Biggest Challenge of Capital Market**

KUALA LUMPUR, June 19, 2009 - Restoring economic stability and confidence in the capital market is the biggest challenge now, says Deputy Finance Minister, Datuk Wira Chor Chee Heung.

"The government has implemented a number of strategic measures to boost the economy, maintain financial stability, facilitate market development to strengthen the confidence of the rakyat and ease the burden," Chor said.

"I am confident that together we will be able to face this difficult and challenging environment," he said in his keynote address at the Malaysian Institute of Certified Public Accountants 51st annual dinner here Friday.

Chor said the route of the current global economic crisis, has been traced to poor corporate governance, the lack of transparency in trading procedures, and financial instruments and balance sheet position of major financial institutions which have also exacerbated market failures.

"Poor capital regulation, and accounting rules contributed to excessive risk taking by banks," Chor said.

He said in addition, some rating agencies were also not subjected to the jurisdiction of the national regulators.

"Within the context of both domestic and international challenges, the accountancy profession has a vital role to play in this span of challenging times," Chor added.

"As the profession is so intimately linked to the financial infrastructure of the country, prompt response to the issues emerging from the current crisis is essential to help maintain the integrity and confidence in the financial system and market," Chor noted.

He said as the capital market becomes increasingly global the changeover from Malaysian financial reporting standards to the International Financial Reporting Standard (IFRS) will help Malaysian businesses to be on a level playing field with international counterparts.

The Malaysian Accounting Standards Board will bring Malaysia to full convergence with IFRS by January next year.

At the annual dinner, Senator Tan Sri Amirsham A. Aziz was presented the 2009 President Award by MICPA.