MALAYSIA

2021

TOBACCO INDUSTRY INTERFERENCE INDEX

Introduction

The COVID-19 pandemic was completely unexpected and changed our lives. The government bore the brunt of the responsibility of protecting our people, making public health the No.1 priority on the political agenda. Smokers are particularly vulnerable during the pandemic because according to WHO, smoking is associated with increased severity of disease and death in hospitalized COVID-19 patients.

There are about 5 million smokers in Malaysia and more than I million vapers. Although the people faced lockdowns and movement restrictions, that did not stop the tobacco industry from marketing its products. The tobacco industry continued selling its cigarettes throughout the pandemic. British American Tobacco (BAT) Malaysia, Japan Tobacco International (JTI) and Philip Morris Malaysia control 97 percent of the total cigarette market. BAT is the dominant tobacco company controlling about 52 percent of the cigarette market share. According to BAT, "combustible tobacco will be at the core of our business for some time to come, ...". See Figure I for cigarette market share in Malaysia.

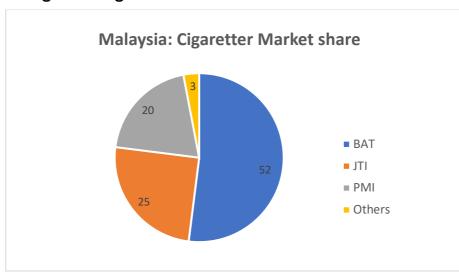


Figure 1: Cigarette market share

Despite the pandemic, BAT launched a new cigarette brand, KYO, a cheap brand priced at MYR 12.00 which is the minimum price set by the government. BAT described KYO's performance as "exceptional" (2.5% market share) and as the no.1 choice among smokers in Penang and Ipoh.

In November, BAT upgraded its Dunhill pack describing it as "bold, new premium and progressive look and feel" which increased its sales by I percent in the mass market and 4 percent in convenience stores (Figure 2).

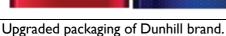
¹ Globaldata, Malaysia Cigarettes, 2019

² BAT Annual report 2020 https://bit.ly/3ueb4fB

³ BAT Malaysia. BAT's purpose and strategy. March 2020. https://bit.ly/3o26kHV

Figure 2: BAT marketing its cigarettes in 2020







Advertising at point of sale is banned, but BAT's KYO brand is advertised as a cheap brand.

Over the past six years, Malaysia has not made any progress in implementing Article 5.3 guidelines of the WHO Framework Convention on Tobacco Control (FCTC) and is faring poorly in protecting public health policies from interference from the tobacco industry (TI). As a result, several tobacco control policies have been put on hold, delayed or derailed. These include tax increase on tobacco, standardized packaging of tobacco, ban on pack display at points of sale and licensing of retailers to sell tobacco. The tobacco industry and those representing its interests (such as retailers, chamber of commerce, research entities) have applied pressure on the government and interfered against these measures.

The findings of this annual TI Interference Index show there is a further deterioration in Malaysia's performance with the total score of 66 compared to 63 in 2020.

On the positive side, new import license for tobacco was frozen and duty-free status of cigarette has been removed in duty-free islands and any free zones that have been permitted the retail sale of duty-free cigarettes.

This report uses the questionnaire developed by the Southeast Asia Tobacco Control Alliance based on the Article 5.3 Guidelines. Information used in this report is obtained from the public domain. A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country. Dependence on information from the public domain has its limitation and this limitation is acknowledged. If you have information that can strengthen this report, contact us at: mywatch.malaysia@gmail.com

Summary Findings

I. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Following an extensive campaign by the tobacco industry against tax increase, the Ministry of Finance did not increase tax in the 2021 budget. BAT in its annual report said it "engaged with the government through regular meetings and public consultations" and this included dialogue and providing information related to illicit tobacco, sending information related to new tobacco products and recommendations on tobacco control regulations.

In September 2020, the Deputy Finance Minister II told the Dewan Negara that the Multi-Agency Task Force (MATF) to address smuggling has been revived and strengthened with the addition of agencies such as the National Kenaf and Tobacco Board, National Security Council, and the Malaysian Anti-Corruption Commission. The National Kenaf & Tobacco Board provides a seat for the tobacco industry, represented by Japan Tobacco International. The National Kenaf & Tobacco Board (LKTN) participates in inter-sectoral tobacco control meetings.

2. INDUSTRY CSR ACTIVITIES

The COVID-19 pandemic placed the government in a vulnerable position to receive contributions to meet grave needs in the country. The tobacco industry exploited the pandemic and made contributions. In August, JTI gave MYR150,000 worth of Personal Protective Equipment (PPE) to Polis DiRaja Malaysia. The Inspector General of Police collected the mock check.

3. BENEFITS TO THE INDUSTRY

There was no tax increase on tobacco in 2021 budget. The Finance Minister announced revenue collection strategies will be improved and enforcement will be strengthened through a Multi-Agency Task Force (MATF) where the Kenaf and Tobacco Board has a seat. This was welcomed by both JTI and BAT

The government abandoned the recommendation by the Ministry of Health to ban vape products, instead proceed to apply tax thereby "legalising" it. BAT reported, "Innovation in planning supply chain routes to ensure goods delivered on time and in full despite various Movement Control Orders in effect." It is not clear how tobacco was able to be supplied during MCO. Tobacco is not an essential consumer good.

Reversal of policy: The government reversed a policy made by the previous administration - The use of electronic cigarettes will now be jointly regulated by three ministries instead of just one. They are: Health Ministry; Science, Technology and Innovation Ministry, and Domestic Trade and Consumer Affairs Ministry (KPDNHEP). The Ministry of Health however remains consistent in its position on vaping, recognising there are various health risks linked to vaping or e-cigarettes, and that the ministry would not be supporting the industry but would push for tight regulation.

4. UNNECESSARY INTERACTION

A senior head assistant director of the enforcement division of the Ministry of Domestic Trade and Consumer Affairs participated and presented at the Global Tobacco and Nicotine Forum (GTNF), which is a tobacco industry sponsored annual international forum

5. TRANSPARENCY

In 2020, the US ASEAN Business Council (US-ABC) met virtually with senior government officials including the Minister of Finance. Other officials included: Minister in the Prime Minister's Office (Economy), Minister of Tourism, Arts and Culture, APEC Secretariat Executive Director.

There are no rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists does not exist.

6. CONFLICT OF INTEREST

The government continues to hold investment in tobacco companies: The Employees Provident Fund (EPF) is one of BAT's major shareholders.

In May 2020 the former Press Secretary of the Ministry of Tourism and Culture Malaysia became the Managing Director of Retail and Trade Brands Advocacy (RTBA) Malaysia. This an advocacy group that echoes the tobacco industry's opposition to tax increase using the smuggling argument. The RTBA also champions "regulation" of vapes instead of a ban because it claims, "the government stands to gain an estimated tax revenue of more than RM300 million if appropriate vape regulations are introduced.

7. PREVENTIVE MEASURES

There is no procedure for disclosing the records of any interaction with the tobacco industry in place and there has been no progress in taking this issue forward.

There has been no progress in the development and adoption of a code of conduct to protect government officials from tobacco industry interference. In 2014, the Ministry of Health started work on developing an Article 5.3 code of conduct for officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. The initiative then focused on just the Ministry of Health's staff several years ago. The Code was not finalised in 2020.

The government does not require the tobacco industry to submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. No movement in 2020.

The government has no specific policy to disallow the acceptance of contributions/ gifts from the tobacco industry. However, General Orders and anti-corruption law exist and this should apply overall.

Recommendations

- I. To ensure transparency there must be a procedure for government officials to record all interactions, where strictly necessary, with the tobacco industry.
- 2. Ban tobacco related CSR activities.
- 3. The tobacco industry should not be given any benefit to run its business. There must be a tax increase on tobacco in 2021.
- 4. Tobacco companies should not be involved in agencies responsible for regulation, such as MATF.
- **5.** Code of conduct for government officials to provide guidance on dealing with the tobacco industry must be adopted. The Code will stop government officials from endorsing tobacco related activities and the tobacco industry.

2021 Tobacco Industry Interference Index Results and Findings

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INDICATOR 1: Level of Industry Participation in Policy-Devel 1. The government ⁴ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry ⁵ in setting or implementing public health policies in relation to tobacco control ⁶ (Rec 3.1)		ome	ent	3							
BAT in its annual report said it "engaged with the government through regular meetings and public consultations". (pg 46): • "Two-way dialogue and information sharing related to the tobacco black market and its impact to government, • Two-way dialogue and information sharing related to New Category products, • Two-way industry led dialogue on tobacco control regulations" In December 2020, a member of parliament (Ahmad Maslan) told the Dewan Rakyat that the government should consider slashing tobacco taxes by half to curb the appeal of contraband cigarettes. He was the former Deputy Finance Minister. He suggested that the government conduct a two-year pilot programme to allow tobacco companies to sell legal cigarettes at RM8 per pack, which is closer to the price of a pack of illicit cigarettes. He quoted the data from the tobacco industry and pointed out that Malaysia has the largest "black market" for tobacco globally, accounting for 64% of the market share.8											
The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)				3							
Following an extensive campaign ⁹ by the tobacco industry against tax increase, the Ministry of Finance did not increase tax in the 2021 budget.											
3. The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8)						5					
No changes.											

⁴ The term "government" refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

⁵ The term, "tobacco industry' includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

^{6 &}quot;Offer of assistance" may include draft legislation, technical input, recommendations, oversees study tour

⁷ BAT Annual report 2020 https://bit.ly/3ueb4fB

⁸ Vinod, G. RTBA: cheaper ciggies will reduce contraband products appeal; Focus Malaysia. 24 Dec 2020 https://focusmalaysia.my/top/rtba-cheaper-ciggies-will-reduce-contraband-products-appeal/

⁹ Mohamad Haniki Nik Mohamad. Malaysia: did the tobacco industry collaborate with media to defeat tax increase? 26 January 2021. https://bit.ly/3f0dBUv

1. National Kenaf & Tobacco Board: According to the National Kenaf & Tobacco Board Act 2009, the tobacco industry has a seat in the Board (represented by Japan Tobacco International). The National Kenaf & Tobacco Board (LKTN) participates in intersectoral tobacco control meetings.

The LKTN took over jurisdiction of the licensing of tobacco retailers in 2011. Since then there has been no decision or movement on the issue. Over the past 9 years, the Ministry of Primary Industries, which over-sees the LTKN, and the LTKN itself have taken turns to make statements that they are still consulting with various stakeholders about the licensing. ^{10,11} In January 2019, the Minister of Primary Industries stated, "The government has not decided yet to impose issuing licenses to retailers to sell tobacco products." ¹² This is clearly a delay in the government taking action to address the issue of access to tobacco through licensing.

On 15 Sept 2020, the Deputy Finance Minister II told the Dewan Negara that the Multi-Agency Task Force (MATF) has been revived and strengthened with the addition of agencies such as the National Kenaf and Tobacco Board, National Security Council, and the Malaysian Anti-Corruption Commission.¹³

4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG) (Rec 4.9 & 8.3)

1

There was no tobacco industry representative in Malaysia's delegation to COP8 session in 2018.¹⁴

INDICATOR 2: Industry CSR activities

- 5. A. The government agencies or its officials endorses, supports, forms partnerships with or participates in so-called CSR activities organized by the tobacco industry. (Rec 6.2)
 - B. The government (its agencies and officials) receives contributions¹⁵ (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)

Giving money to the police is not considered a bribe - In August, JTI gave MYR150,000 worth of Personal Protective Equipment (PPE) to Polis DiRaja Malaysia (PDRM). The

¹⁰ No decision on licensing of tobacco distribution and production says MPIC; The Malay Mail; 28 December 2015 https://bit.ly/3c25FyR

¹¹ Proposed licensing aimed at curbing illegal distribution of tobacco products; The Malay Mail 17 February 2017 https://bit.ly/2VdFtL9

¹² Kenneth Tee. No decision yet on licensing for tobacco product sales, says Teresa Kok; The Malay Mail; 26 January 2019; https://bit.ly/2xZMt6o

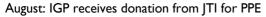
¹³ Teh Athira Yusof. Smoking gun: Malaysia world centre of illegal cigarette trade. The New Straits Times. I Oct 2020. https://www.nst.com.my/news/nation/2020/10/628752/smoking-gun-msia-world-centre-illegal-cigarette-trade

¹⁵ political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

Inspector General of Police collected the mock check.¹⁶ On 18 February, the IGP had a meeting with JTI executives to receive a contribution of vehicles through a hand over ceremony. The ceremony was witnessed by the Japanese Ambassador to Malaysia, H.E. Oka Hiroshi.¹⁷

Nine Perodua Myvi cars and two Kawasaki KLX motorcycles were handed over to the police for crime prevention activities, especially to eradicate smuggling. According to the IGP the cooperation from private parties with the police in eradicating crime is appreciated and this is in line with the police slogan, "police and society – no separation".







February: IGP receives contribution of vehicles from JTI, witnessed by the Japanese Ambassador

JTI and BAT contributed to MyKasih charity that raised funds for poor families affected by the pandemic. ¹⁸ MyKasih has high profile personalities in its board of trustees such as retired senior government officials including the former member of High Finance Committee of the Ministry of Finance, Secretary-General of Ministry of Trade and Industry, General Manager of Employee Provident Fund (KWSP) and Director of Criminal Investigation Department of the police.



INDICATOR 3: Benefits to the Tobacco Industry

¹⁶ Malaysiakini. Japan Tobacco International Malaysia contributes RM120,000 worth of PPE to police frontliners. 21 Aug 2020 https://m.malaysiakini.com/announcement/539545

¹⁷ Polis DiRaja Malaysia Facebook

https://www.facebook.com/pdrmsiaofficial/photos/a.3013397458670541/3013406968669590/

¹⁸ Malaysiakini. MyKasih raises RM 3mil for food aid during MCO 7 Apr 2020 https://www.malaysiakini.com/announcement/519315

		0	2	3	4	5
6.	The government accommodates requests from the tobacco					
	industry for a longer time frame for implementation or					
	postponement of tobacco control law. (e.g. 180 days is common					5
	for PHW, Tax increase can be implemented within I month)					
	(Rec 7.1)					

No tax increase on tobacco in 2021 budget. The Finance Minister announced revenue collection strategies will be improved and enforcement will be strengthened through a Multi-Agency Task Force (MATF) with the participation of the Malaysian Anti-Corruption Commission (MACC) and the National Financial Crime Centre (NFCC). This was welcomed by both JTI and BAT.¹⁹ ²⁰

Vape products – government abandoned the recommendation by the MOH to ban vape products instead proceed to apply tax thereby "legalising" it. "Budget 2021 signaled the Government's intention to move in the direction of legalising vaping with the introduction of excise on vaping devices and liquids."²¹

BAT reports: "Innovation in planning supply chain routes to ensure goods delivered on time and in full despite various Movement Control Orders in effect." It is not clear how tobacco was able to be supplied during MCO. Tobacco is not an essential consumer good.

Reversal of policy: The government reversed a policy made by the previous administration - The use of electronic cigarettes will now be jointly regulated by three ministries instead of just one. They are: Health Ministry; Science, Technology and Innovation Ministry, and Domestic Trade and Consumer Affairs Ministry (KPDNHEP).²³ It must be acknowledged that the Ministry of Health is consistent in its position on vaping, that there are various health risks linked to vaping or e-cigarettes, and that the ministry would not be supporting the industry but would push for tight regulation.²⁴

In January 2020 the Minister of Housing and Local Government announced it will spend money to build smoking areas near restaurants.²⁵

The tobacco industry recommended to the government not to raise the minimum price of a pack of cigarettes to MYR15 as proposed by the Health Ministry. This TI proposal was followed and there was no increase of the minimum price which remained at MYR12.²⁶

²² BAT Annual Report 2020 https://bit.ly/33muxPF

¹⁹ World Trade Organisation. Govt's measures on illicit cigarette will preserve tobacco industry. 8 Nov 2020 https://importlicensing.wto.org/content/govts-measures-illicit-cigarette-will-preserve-tobacco-industry

²⁰ Cheah C. S. The first step to tackle tobacco black market has begun. FocusMalaysia. 11 Jun 2021 https://focusmalaysia.my/business/the-first-step-to-tackle-tobacco-black-market-has-begun/

²¹ BAT Annual report 2020 https://bit.ly/3ueb4fB

²³ Soo Wern Jun. Whos in charge of regulating vaping now? Malay Mail. https://bit.ly/3ts7t]O

²⁴ Ida Lim. MOH fears vaping will cost Malaysia more than potential tax income seeks tighter controls on industry. 4 Dec 2020. Malay Mail. https://www.malaymail.com/news/malaysia/2020/12/04/moh-fears-vaping-will-cost-malaysia-more-than-potential-tax-income-seeks-ti/1928868

²⁵ United against smoking in Malaysia – concerned doctors. The Malay Mail. 13 Jan 2020 https://www.malaymail.com/news/what-you-think/2020/01/13/united-against-smoking-in-malaysia-concerned-doctors/1827634

²⁶ Adam Aziz. |TI Malaysia: Don't raise minimum ciggie price; The Edge Malaysia 19 Feb 2020

	0	_	2	3	4	5
7. The government gives privileges, incentives, exemptions or			2			
benefits to the tobacco industry (Rec 7.3)			_			

Part of MIDA (Malaysian Industrial Development Authority)'s policy is to increase investments for exports – Incentives for Investment [Book 3 Guide] for Malaysian manufacturer. Under this policy, incentives are provided for the manufacturing sector – the incentives include tax incentives and duty exemptions on raw materials, components, machinery and equipment; tax exemption on the value of increasing exports; exemption of duties includes tobacco – over and above ATIGA. Import duties on cigarettes and tobacco leaves less than 5% under <u>ATIGA</u> (AFTA). MIDA promoted news items on BAT on its website showing support for tobacco business.^{27, 28}

П	NDICATOR 4: Forms of Unnecessary Interaction			
8	. Top level government officials (such as President/ Prime Minister			
	or Minister ²⁹) meet with/ foster relations with the tobacco			
	companies such as attending social functions and other events			5
	sponsored or organized by the tobacco companies or those			
	furthering its interests. (Rec 2.1)			

BAT was awarded the Best International Organisation and Outstanding Practice – Initiative for Women Workforce at the prestigious LIFE AT WORK 2019 Awards. Organised annually by the Ministry of Human Resources (MOHR) through its agency, Talent Corporation Malaysia Berhad (TalentCorp) and in collaboration with the Ministry of Women, Family and Community Development (KPWKM).³⁰

Ministry of Domestic Trade and Consumer Affairs: A senior head assistant director of the enforcement division of the Ministry of Domestic Trade and Consumer Affairs, (KPDNHEP) participated and presented at the Global Tobacco and Nicotine Forum (GTNF), which is a tobacco industry sponsored annual international forum.³¹

EUROCHAM: EUROCHAM's Intellectual Property Rights (IPR) Committee is headed by Chew Phye Keat³² from the law firm, Raja Darryl & Loh, which represents JTI. Raja Darryl & Loh and JTI are members of EUROCHAM. The Committee's main objective is to bring more attention to the topic of Intellectual Property Rights among Malaysian Government Authorities and business communities. In August, EUROCHAM met with the Director General of Intellectual Property Corporation of Malaysia (MyIPO), Dato' Mohd Roslan Bin Mahayudin, where they "brainstormed a few ideas/topics for our upcoming joint webinars." PMI is also a member of EUROCHAM.

²⁷ The Star. BAT to consider opening another Malaysian factory. April 19, 2019 https://www.mida.gov.my/home/8737/news/bat-to-consider-opening-another-malaysian-factory-/

²⁸ Bernama. BAT seeks to introduce alternative tobacco products. April 18, 2019 https://www.mida.gov.my/home/8725/news/bat-seeks-to-introduce-alternative-tobacco-products/

²⁹ Includes immediate members of the families of the high-level officials

³⁰ Ministry of Human Resources Malaysia. Life at work awards. https://lifeatwork.my/winners/2019/

³¹ Global Tobacco and Nicotine Forum. 22 Sep 2020 https://gtnf.org/agenda

³² Eurocham. Intellectual Property Rights. https://www.eurocham.my/advocacy/#OurCommittees

³³ EUROCHAM. https://www.eurocham.my/news/?pagedetail=1660





8 August: EUROCHAM's meeting with the DG of Intellectual Property Corporation of Malaysia (MyIPO)

 The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)

2

In November 2020, the Finance Minister announced the enforcement of anti-illicit trade in tobacco will be strengthened through a Multi-Agency Task Force (MATF).³⁴ The National Kenaf and Tobacco Board will have a seat in the MATF; JTI is on the Board. There is no other detail available publicly on the MATF.

10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1) NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.

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No report available in the public domain.

INDICATOR 5: Transparency

II. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)

2

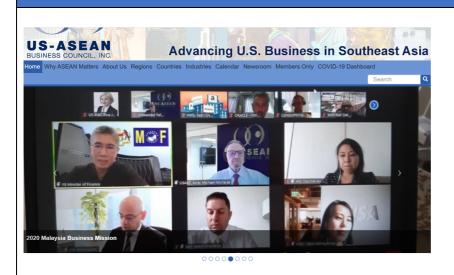
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In 2020, the US ASEAN Business Council (US-ABC) met virtually with senior government officials including the Minister of Finance. Other officials included: Minister in the Prime Minister's Office (Economy) Dato' Sri Mustapa Mohamad, Minister of Tourism, Arts and Culture Dato' Sri Hajah Nancy Shukri, APEC Secretariat Executive Director Tan Sri Datuk Rebecca Fatima Sta Maria. US-ABC members companies joined the 2020 Virtual Malaysia Business Mission including PMI.³⁵ PMI is one of the Board of Directors of US-ABC, represented by J.B. Simko, Vice President of External Affairs.³⁶

³⁴ Ayisi Yusof. Govt's measures on illicit cigarette will preserve tobacco industry. New Straits Times. 8 November 2020. https://bit.ly/3vKRtEo

³⁵ US-ASEAN Business Council. Press Release: U.S. Businesses Discuss Malaysia's Economic Response and Recovery from COVID-19. 30 Oct 2020 https://bit.ly/39FnYvb

³⁶ US-ASEAN Business Council. Board of Directors. https://www.usasean.org/about/board-of-directors



12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)

5

There are no rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists does not exist.

INDICATOR 6: Conflict of Interest

13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11)

5

The government continues to hold investment in tobacco companies: The Employees Provident Fund (EPF) is one of BAT's major shareholders, which has stated its intention to move towards ESG (environmental, social and governance) investments, has been paring down its stake in the group.

The EPF, which previously announced that it would be gradually decreasing its stake in the group, now holds about 5% stake.³⁷

Corporations are not required to declare their contributions to political parties, hence there is no official record of contributions, if any from tobacco companies to political parties.

14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)

4

³⁷ Aruna, P. Contraband cigarettes smoking out Big Tobacco. The Star Malaysia; 21 April 2018 https://bit.ly/2R7Kuq7

In May 2020 the former Press Secretary of the Ministry of Tourism and Culture Malaysia (Jun 2010 - Apr 2018) became the Managing Director of Retail and Trade Brands Advocacy (RTBA) Malaysia. This an advocacy group that echoes the tobacco industry's opposition to tax increase using the smuggling argument.³⁸ The RTBA also champions "regulation" of vapes instead of a ban because it claims, "the government stands to gain an estimated tax revenue of more than RM300 million if appropriate vape regulations are introduced." The MD, Datuk Fazli Nordin, is a senior lawyer with a law firm Akmar & Co.

No newly retired government official joined the tobacco industry in 2020. The previous retiree still remains in his position with BAT.

Tan Sri Dato' Seri Dr Aseh Che Mat was appointed the new Chairman of BAT Malaysia in January 2017. He was the former Secretary General of the Ministry of Home Affairs, Malaysia, till his retirement on 22 October 2007; he is currently associated government linked companies - appointed as the Chairman of Social Security Organisation (SOCSO) in August 2017 and active in community service with his roles as Trustee and Chairman of the Football Association of Malaysia Vetting, Monitoring and Integrity Committee; he is an influential person. His responsibility as the Chairman of BAT includes, "establishing and maintaining relationships with the stakeholders of the Company including government institutions."

15. <u>Current government officials</u> and relatives hold positions in the	_			
tobacco business including consultancy positions. (Rec 4.5, 4.8,	0			
4.10)				

There has been no record of current government officials and relatives holding position in tobacco business.

INDICATOR 7: Preventive Measures			
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)			5

There is no procedure for disclosing the records of any interaction with the tobacco industry in place and there has been no progress in taking this issue forward.

17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2)

³⁸ Malay Mail. Narrow tobacco taxes to curb black market, says RTBA Malaysia. 24 Dec 2020 https://www.malaymail.com/news/malaysia/2020/12/24/narrow-tobacco-taxes-to-curb-black-market-says-rtba-malaysia/1934696

³⁹ Syafiqah Salim. Tax revenue of RM300m possible if vape regulated. The Edge Malaysia https://www.theedgemarkets.com/article/tax-revenue-rm300m-possible-if-vape-regulated-%E2%80%94-rtba-malaysia
⁴⁰ BAT Malaysia. BAT website https://bit.ly/3fCwNK0; pg 38

⁴¹ BAT Annual report 2019, https://bit.ly/3114qlq pg 59

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No progress. In 2014, the Ministry of Health started work on developing an Article 5.3 code of conduct for officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. The initiative then focused on just the Ministry of Health's staff several years ago. The Code was not finalised in 2020.											
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)						5					
The government does not require the tobacco industry to submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. No movement in 2020.											
19. The government has a program / system/ plan to consistently ⁴² raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)			2								
A number of government agencies are part of the FCTC Steering Committee coordinated by the Ministry of Health where issues of Art 5.3 are addressed. The Committee did not meet in 2020. There is no information on Article 5.3 on the Ministry of Health's website.											
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)				3							
The government has no specific policy to disallow the acceptance of contributions/ gifts from the tobacco industry. However, General Orders and anti-corruption law exist and this should apply overall.											
TOTAL	66										

 $^{^{42}}$ For purposes of this question, "consistently" means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.