

MALAYSIA

2020

TOBACCO
INDUSTRY
INTERFERENCE
INDEX

Background and Introduction

Over the past four 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). The findings of this annual TI Interference Index show there is a further deterioration in Malaysia.

British American Tobacco (BAT) Malaysia, Japan Tobacco International (JTI) and Philip Morris Malaysia control 97 percent of the cigarette market.¹ BAT is the dominant tobacco company controlling about 58 percent of the cigarette market share. In 2017, BAT shut down its cigarette manufacturing facility in Petaling Jaya, citing increasing contraband cigarettes in Malaysia and a challenging business environment as its reasons. However just one year later, in October 2018, BAT opened a new manufacturing facility in Johor stating it can leverage on the proximity for better management of materials, machinery parts as well as resources. Malaysia still provides an attractive investment environment for the tobacco business. In 2019, BAT claimed it will lay off about 20 percent of its workforce in Malaysia, citing among its reasons tax-led price increase which led to high illicit cigarette trade.²

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.

The TI is becoming bolder in the way it is conducting its business and response to the government in Malaysia. Despite a ban on tobacco advertising promotions and sponsorship in Malaysia, in 2019, BAT reported³ it launched 10 brands, of which seven were cigarette brands. The ban on TAPS extends to ban on advertising at points of sale.

BAT brands launched in 2019³



¹ Globaldata. Malaysia Cigarettes, 2019

² Tobacco Reporter. Layoffs at BAT Malaysia, November 5, 2019. <https://tobaccoreporter.com/2019/11/05/layoffs-at-bat-malaysia/>

³ BAT Malaysia. Annual 2019 <https://bit.ly/2yqa7ZO>

The last tax increase in Malaysia was in 2015. However, the TI uses the issue of illicit trade in tobacco as its standard argument to criticise the government about tax policy and more recently effort to ban e-cigarettes. BAT's 2019 cover of annual report illustrates "Malaysia World's largest consumer of illegal cigarettes." The high smuggling figures referred to are from a study funded by the TI.

In 2019, the government faced legal action from both the TI and a few of its customers on issues related to regulation:

1. BAT filed a judicial review against the Ministry of Health for overturning initial approval granted on July 12, 2018 for BAT to sell its "mini-cigar" (Dunhill HTL-Cigarillo) as a non-cigarette tobacco product.⁴
2. Seven smokers brought a judicial review in January on the Ministry of Health's ban on smoking in eateries. The High Court today dismissed the challenge in October saying it is not filled with illegality and impropriety.⁵

⁴ Emir Zainul. BAT Accuses Health Ministry of selective prosecution. The Edge Financial Daily November 15, 2019 <https://www.theedgemarkets.com/article/bat-accuses-health-ministry-selective-prosecution-0>

⁵ Hafiz Yatim. Smoking at eateries still banned as high court dismisses constitutional challenge by seven smokers. October 29, 2019 The Edge <https://www.theedgemarkets.com/article/smoking-eateries-still-banned-high-court-dismisses-constitutional-challenge-seven-smokers>

Summary of Findings

There has been no progress in implementing Article 5.3, but a deterioration. Summary findings are as follows:

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Overall, Malaysia has maintained a ‘no direct participation of the tobacco industry’ in policy-development. The tobacco industry and its spokespersons ran an aggressive campaign using high smuggling figures to oppose tax increase. This resulted in another year with no excise tax increase. The Border Security Agency, AKSEM which has the Kenaf Board in the committee (Japan Tobacco is on the Kenaf Board) continued with its activities to conduct raids on smuggling of tobacco.

2. INDUSTRY CSR ACTIVITIES

PMI continued to sponsor Yayasan Salam Malaysia’s activity on ‘Back-to-School’ programme which was officiated by the political secretary of the Prime Minister and endorsed by the government and the Chief Minister of Kedah.

3. BENEFITS TO THE INDUSTRY

In 2017, PMI started to sell its IQOS heated tobacco product without pictorial health warnings (PHW) and there has been no enforcement to apply the PHW on these products. According to the Control of Tobacco Products Regulation, heated tobacco products are tobacco products. Several outstanding tobacco control issues such as plan packaging of tobacco products, licensing of retailers and ban on e-cigarettes saw no progress. Malaysia continues to allow international travellers an allowance of 200 sticks of cigarettes to bring into Malaysia. On the plus side, in ATIGA (ASEAN Trade in Goods Agreement), Malaysia has maintained to keep tobacco in the sensitive list and has not reduced import duties to zero.

4. UNNECESSARY INTERACTION

The Deputy Minister of International Trade and Industry attended the American Malaysian Chamber of Commerce (AMCHAM) year-end signature event, the Thanksgiving and MY AMCHAM CARES celebrations. Philip Morris Malaysia was among the main sponsors of the event.

5. TRANSPARENCY

There is no official record keeping of when the tobacco industry meets with government officials. 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

There were no new appointments among recent senior government retirees. The former Secretary General of the Ministry of Home Affairs remains the Chairman of BAT Malaysia. The employee provident fund (EPF) continues to hold shares in tobacco business - BAT.

7. PREVENTIVE MEASURES

No progress in preventive measures. While the Ministry of Health started to develop a code of conduct for Ministry of Health officials several years ago, however there was no progress on it in 2019. There is still no procedure in place for disclosing records of interactions with the tobacco industry and its representatives.

Recommendations

1. 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. Tobacco control legislation must be implemented.
4. Tobacco companies should not be involved in agencies responsible for regulation, such as AKSEM.
5. Code of conduct for government officials to provide guidance on dealing with the tobacco industry. The Code will stop government officials from endorsing tobacco related activities and the tobacco industry.

Results and Findings

	0	1	2	3	4	5
INDICATOR 1: Level of Industry Participation in Policy-Development						
1. The government ⁶ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry ⁷ in setting or implementing public health policies in relation to tobacco control ⁸ (Rec 3.1)		1				
No incident of government endorsement or collaboration with the TI was found for 2019. However, the TI, the vaping industry and their spokespersons conducted an aggressive media campaign to oppose tax increase and oppose ban on e-cigarettes that the Ministry of Health proposed. ^{9,10,11,12} On both issues the industry highlighted how the government stands to lose as the illegal trade worsened, ¹³ that the government needs to consult with the industry and that they want to be involved in the development of regulations.						
2. The government accepts, supports or endorses <u>policies or legislation drafted by or in collaboration with the tobacco industry.</u> (Rec 3.4)				3		
The PMI funded “Asia Illicit Tobacco Indicator 2017: Malaysia” report by Oxford Economics was referred to in media articles. ¹⁴ In November 2018 cigarette prices were increased slightly (average 40 sen per pack) when the Sales and Service tax came into force on 1 September to replace the GST. ¹⁵ The government announced it will not raise excise tax for 2019. BAT made a statement acknowledging the government for listening to it: “While we understand a price increase is inevitable given the implementation of the new tax system, we are glad the government has taken our interpretation into consideration to result in today’s price increase.” ¹⁶						
In 2019 following the aggressive campaign by the TI over many months, at the 2020 budget announcement in October, the government did not raise tobacco tax. The industry continued with its media campaign on portraying Malaysia’s massive smuggling problem to prevent any other effort by the government to consider a tax increase.						
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

⁶ 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

⁷ The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

⁸ “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour

⁹ Wong Swee May. BAT says no to ban on e-cigarettes, vaping products. The Edge Financial Daily. September 25, 2019 <https://www.theedgemarkets.com/article/bat-malaysia-says-no-ban-ecigarettes-vaping-products>

¹⁰ Red flag raised over Malaysia’s tobacco industry. July 25, 2019 <https://www.theedgemarkets.com/content/advertise/red-flag-raised-over-malaysia-tobacco-industry>

¹¹ The Edge Malaysia. A rising national epidemic July 25, 2019 <https://www.theedgemarkets.com/content/talking-edge-illicit-cigarettes-rising-national-epidemic-0>

¹² Bloomberg. Malaysia smokers turn to black market after tobacco tax raised. June 21, 2019 <https://www.theedgemarkets.com/article/malaysian-smokers-turn-black-market-after-tobacco-tax-raised>

¹³ Justin Lim. Illegal vaping market estimated to be RM2b, says JTI Malaysia. August 6, 2019. The Edge Malaysia <https://www.theedgemarkets.com/article/illegal-vaping-market-estimated-be-rm2b-says-jti-malaysia>

¹⁴ Ronnie Teo. Smoke and mirrors; 28 October 2018; Borneo Post; <https://bit.ly/3dZlJdZ>

¹⁵ Martin Carvalho et al. Smokers may turn to illicit cigs; The Star Malaysia; 1 November 2018 <https://bit.ly/2RlkHb3>

¹⁶ Ayisy Yusof. Illicit cigarette sales on the rise; New Straits Times; 19/11/2018 <https://bit.ly/2Xjs7iR>

	0	1	2	3	4	5
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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 inter-sectoral 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 8 years, the Ministry of Primary Industries, which over-see the LTKN, and the LTKN itself have taken turns to make statements that they are still consulting with various stakeholders about the licensing.^{17,18} 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.”¹⁹ This is clearly a delay in the government taking action to address the issue of access to tobacco through licensing.

The LTKN is also on the Board of the Malaysian Border Security Agency (AKSEM) which came into force in December 2017.²⁰ Under the Act, the new agency, the Malaysian Border Security Agency (Agensi Kawalan Sempadan Malaysia, AKSEM), will be “responsible for curbing smuggling and other illegal activities along the country’s land borders.” Through the LTKN, the tobacco industry is now also involved in the agency (AKSEM) that conducts enforcement activities of illegal tobacco trade.²¹

In June 2019, the managing director of Malaysian Industrial Development Finance Bhd (MIDF) Datuk Charon Wardini Mokhzani, participated in a forum, Oxford Economics Media Roundtable, which was held to promote TI funded report on illicit trade in Malaysia. Charon noted people will buy fewer cigarettes if prices are increased. "But what happens is that when prices are increased... lots of bad people come around saying that it's easier to sell smuggled cigarettes," he said.²²

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) ²³ (Rec 4.9 & 8.3)		1				
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There was no tobacco industry representative from the National Kenaf and Tobacco Board (LKTN) as in previous years, to COP8 session in 2018.²⁴

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)				3		
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¹⁷ No decision on licensing of tobacco distribution and production says MPIC; The Malay Mail; 28 December 2015

<https://bit.ly/3c25FyR>

¹⁸ Proposed licensing aimed at curbing illegal distribution of tobacco products; The Malay Mail 17 February 2017

<https://bit.ly/2VdFtL9>

¹⁹ Kenneth Tee. No decision yet on licensing for tobacco product sales, says Teresa Kok; The Malay Mail; 26 January 2019;

<https://bit.ly/2xZMt6o>

²⁰ New Straits Times; 29 December 2017 <https://bit.ly/3aY0qQL>

²¹ Anti-smuggling raid nets over RM26 mil worth of contraband cigarettes; The Star Malaysia; 2 Sep 2018 <https://bit.ly/3e8jgXq>

²² Wong Ee Lin. Zero excise duty revenue cigarettes would be good thing. The Edge Malaysia June 20, 2019

<https://bit.ly/34ILOlq>

²³ Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

²⁴ <http://www.who.int/fctc/en/>

	0	1	2	3	4	5
B. The government (its agencies and officials) receives contributions ²⁵ (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)						

Philip Morris Malaysia (PMM) funds Yayasan Salam Malaysia annually for its “Back to school” programme which is launched and officiated by government officials. The Yayasan Salam lists PMM as its sponsor on its website.²⁶



OUR PARTNERS



The 2019 back to school programme (Program Kembali Ke Sekolah) was launched and officiated by then political secretary of the Prime Minister, Tuan Muhammad Zahid Md Arip. The event was attended by then Chief Minister of Kedah, Datuk Seri Mukhriz Mahathir. The backdrop for the event carried the logos of PMM, Yayasan Salam and a government department.

Yayasan Salam post on its fb thanked Philip Morris Malaysia for the sponsorship, and the political secretary of the Prime Minister, for officiating the ‘Back To School 2019’ programme.²⁷



Photo: PMM is sponsor of the event, logo appears with logos of Yayasan Salam and government.

²⁵ political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

²⁶ Yayasan Salam Malaysia. <https://www.salam.org.my/>

²⁷ Yayasan Salam facebook post; <https://bit.ly/39YKdcK>

JTI Malaysia continues support for six years running



Food Aid Programme

JTI Malaysia's support of MyKasih's food aid continue for the sixth consecutive year, where JTI is currently supporting 300 families in six states, namely Johor (Pagoh), Selangor (Carry Island), Penang (Permatang Pauh), Pahang (Bentong), Perak (Gerik) as well as Sabah (Terau).

Travelling half an-hour through an oil palm estate to get to the nearest paved road, 38 Mah Meri Orang Asli families from Kampung Sungai Kurau and 12 families from Kampung Bakar Lelah in Selangor did their first cashless shopping under the Love My Neighbourhood food aid programme at Tesco Jerjarum on 22 February 2019.

The chosen food aid beneficiaries, who hail from 840 households earning a combined income below RM 1,500 per month, are receiving a monthly allowance of RM 80 through their MyKad account which can be spent on approved essential food items at participating neighbourhood retail outlets.



 **RM 360,000**
Contributed

 **312**
Families supported

 **16**
Women trained with sewing skills

JTI Malaysia funds MyKasih for its programme to help the needy across six states.²⁸ Government officials/members of parliament participate when assistance packages are handed out.

INDICATOR 3: Benefits to the Tobacco Industry

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 for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)						5
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While the Ministry of Health strengthened its smoke-free measures (FCTC Article 8) in 2019, several other tobacco control policy decisions pending since 2016 did not make progress in 2019: plain packaging preparation, licensing of retailers and ban on e-cigarette.

1. In February 2016 the MOH announced they will start preparation on plain packaging of cigarettes. The statements suggested that the ministry had an implementation plan and strategy for plain packaging. The tobacco industry and lobby groups cautioned the Government through statements in the media that introducing plain packaging would violate international trade laws. The MOH back-tracked on its decision, the Health Minister claimed they want to talk to the tobacco companies on intellectual property rights.

In 2018, IDEAS (funded by PMI and JTI) ran newspaper articles opposing plain packaging, claiming it did not bring smoking down in Australia but instead curbed decline in smoking and that it was five years of failure,^{29,30} The plan has since been put on hold.

2. The Ministry of Primary Industries and the National Kenaf and Tobacco Board have delayed a decision on licensing of tobacco retailers claiming they are still consulting with stakeholder.

²⁸ MyKasih. MyKasih News January-June 2019. <https://bit.ly/3aXzpwG>

²⁹ <https://www.malaymail.com/news/what-you-think/2018/03/23/plain-packaging-five-years-of-failure-ideas/1605509>

³⁰ <https://www.freemalaysiatoday.com/category/nation/2019/01/24/ideas-took-money-from-tobacco-firms-and-opposed-anti-smoking-plans-says-uk-daily/>

In January, the Minister of Primary Industries announced, “Actually it is still in the process of internal discussion. We will make an announcement once there is a concrete decision.”³¹ No explanation was provided for the further delay.

Meanwhile pro-tobacco industry front groups such as the Malaysia Singapore Coffeeshop Proprietors' General Association (MSCSPGA) and the Malaysian Indian Restaurant Owners Association (Primas), opposed any stringent tobacco control measures. See answer in Q3.

3. Contrary to recommendations from the Health Ministry to ban e-cigarettes, non-nicotine e-cigarette will be allowed and three ministries will be responsible for regulating these products.

Although the Ministry of Health recommended a ban on e-cigarettes, the vaping industry lobbied the Ministry of Domestic Trade and Consumer Affairs to allow its sale. On 28 October, 2018 the Cabinet decided, e-cigarette with nicotine will be banned – under the jurisdiction of MOH. However the Ministry of Domestic Trade and Consumer Affairs (KPDNKK) will be responsible for regulating and enforcing safety standards for electronic cigarette devices and batteries and vaping devices under the Consumer Protection Act 1999 (Act 599). It would also regulate and enforce the marking and labelling of electronic cigarette devices and nicotine-free liquid and vapes through the Trade Descriptions Act 2011 (Act 730); Act 599; the Price Control and Anti-Profiteering Act (Act 723) and the Weights and Measures Act. Five states, Johor, Kedah, Penang, Kelantan and Terengganu have already banned e-cigarettes. Health Ministry study found e-cigarettes were currently used by 300,000 students and had been tried by 710,000.³²

4. Heated tobacco product: There is confusion around whether heated tobacco products are classified as tobacco products, so that they are subject to Control of Tobacco Products Regulations. In 2017, PMI started to sell its IQOS heated tobacco product without pictorial health warnings and there has been no enforcement to apply the PHW.³³ Following PMI, in 2019, BAT has also started selling its brand of HTPs- glo – without pictorial warnings.



BAT's glo store on sale in Kuala Lumpur

³¹ Kenneth Tee. “No decision yet on licensing for tobacco product sales yet,” says Teresa Kok. Malay Mail. January 26, 2019 <https://www.malaymail.com/news/malaysia/2019/01/26/no-decision-yet-on-licensing-for-tobacco-product-sales-says-teresa-kok/1716762>

³² www.thestar.com.my/news/nation/2016/12/31/subra-up-to-states-to-ban-sale-of-ecigs-and-vapes/#tZAxQYkScTQWU3h9.99

³³ <https://www.thesundaily.my/local/tobacco-product-firms-call-for-regulations-on-smoking-alternative-devices-DH768489>

	0	1	2	3	4	5
7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)				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 ATIGA (AFTA). MIDA promoted news items on BAT on its website showing support for tobacco business.^{34,35}

Malaysia continues to allow an allowance of 200 sticks of duty-free cigarette to be brought into the country by international travellers. Both Singapore and Brunei have withdrawn duty free status on cigarettes.

INDICATOR 4: Forms of Unnecessary Interaction

8. Top level government officials (such as President/ Prime Minister or Minister ³⁶) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)				3		
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On November 25, 2019, the **Deputy Minister of International Trade and Industry, Dr. Ong Kian Ming, attended the AMCHAM year-end signature event, the Thanksgiving and MY AMCHAM CARES celebrations** (photo below).³⁷ Philip Morris Malaysia was among the main sponsors of the event.



Photo: AMCHAM – event was held at the Four Seasons Hotel, Kuala Lumpur

9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on			2			
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³⁴ 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-/>

³⁵ 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/>

³⁶ Includes immediate members of the families of the high-level officials

³⁷ AMCHAM Thanksgiving and AMCHAM cares celebration 2019. November 25, 2019

<https://amcham.com.my/2019/11/26/amcham-thanksgiving-my-amcham-cares-celebration-2019/>

	0	1	2	3	4	5
tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)						
Border security Agency, AKSEM - the Coordinating Committee has Kenaf Board as a member. JTI sits on the Kenaf Board. No other publicly available information.						
10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1) <i>NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i>	0					
No report available in the public domain.						
INDICATOR 5: Transparency						
11. 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)				3		
<p>On September 26, 2019 US ASEAN Business Council and US Chamber of Commerce met with the Prime Minister in New York.³⁸ He was joined by other senior members of his Cabinet including the Minister of Foreign Affairs and Minister of Economic Affairs. PMI is on the board of Directors of US-ABC³⁹ while the US Chamber of Commerce champions the interests of PMI.</p> <p>The AMCHAM continued to hold its annual meeting with the Ministry of Finance (April 29, 2019) to convey the interests of its members including PMI.⁴⁰ AMCHAM noted “Interest in the dialogue was very high and attendance exceeded 50 people, of which approximately half were government officials and half were AMCHAM members.”</p>						
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:						

³⁸ Bernama. Mahathir meets with investors in New York. The Malaysian Reserve. September 27, 2019

<https://themalaysianreserve.com/2019/09/27/mahathir-woos-investors-in-new-york/>

³⁹ <https://www.usasean.org/about/board-of-directors>

⁴⁰ AMCHAM. Roundtable discussion with Ministry of Finance inland revenue board. April 29, 2019.

<https://amcham.com.my/2019/04/30/roundtable-discussion-with-ministry-of-finance-inland-revenue-board/>

	0	1	2	3	4	5
<p>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.</p> <p>The EPF, which previously announced that it would be gradually decreasing its stake in the group, now holds about 5% stake.⁴¹</p> <p>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.</p>						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)					4	
<p>No newly retired government official joined the tobacco industry in 2019. The previous retiree still remains in his position with BAT.</p> <p>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.⁴² His responsibility as the Chairman of BAT includes, "establishing and maintaining relationships with the stakeholders of the Company including government institutions."⁴³</p>						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)	0					
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						5

⁴¹ The Star Malaysia; 21 April 2018 <https://www.thestar.com.my/business/business-news/2018/04/21/contraband-cigarettes-smoking-out-big-tobacco/#oXO5eV8F0BJXGb9j.99>

⁴² BAT Malaysia [http://www.batmalaysia.com/group/sites/bat_7ryj8n.nsf/vwPagesWebLive/DO7SUKSJ/\\$FILE/medMDAX45BC.pdf?open&pg38](http://www.batmalaysia.com/group/sites/bat_7ryj8n.nsf/vwPagesWebLive/DO7SUKSJ/$FILE/medMDAX45BC.pdf?open&pg38)

⁴³ BAT Annual report 2019 [http://www.batmalaysia.com/group/sites/bat_ap6d2l.nsf/vwPagesWebLive/DOAP8FP4/\\$FILE/medMDBMYCUQ.pdf?open&pg59](http://www.batmalaysia.com/group/sites/bat_ap6d2l.nsf/vwPagesWebLive/DOAP8FP4/$FILE/medMDBMYCUQ.pdf?open&pg59)

	0	1	2	3	4	5
they should comply in their dealings with the tobacco industry. (Rec 4.2)						
The Ministry of Health started work on developing 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 Ministry of Health's staff several years ago. The Code was not finalised in 2019.						
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 2019.						
19. The government has a program / system/ plan to consistently ⁴⁴ 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 2019. 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 exists and this should apply overall.						
TOTAL					63	

⁴⁴ 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.