

INSIDER TRADING

'THOSE INVOLVED SHOULD QUIT'

Keeping such executives or directors will erode public confidence, say economists

AMIR HISYAM RASID
KUALA LUMPUR
bt@mediaprima.com.my

SOME economists are pushing for corporate executives and directors embroiled in insider trading to leave their posts immediately in order for public confidence to return.

They said such executives and

directors should not remain on the boards or in management, especially of government-linked companies.

Retaining them would only erode the confidence of the public and investors, they added.

A recent case involved AirAsia Group Bhd executive chairman Datuk Kamarudin Meranun, who reached an out-of-court settlement with the Securities Com-

mission (SC) over insider trading of Malaysia Airlines shares.

The *New Straits Times* has also been made aware that a prominent figure in the banking sector is under investigation for possible insider trading.

Asian Strategy and Leadership Institute Centre of Public Policy Studies chairman Tan Sri Ramon Navaratnam said good governance and integrity should not be limited to the government but also adopted by the private sector.

"With the new government that places so much importance on good governance, there should

not be any exception. They (corporate officers) have to follow SC's rules. Those who have been charged with insider trading should set an example and step down, at least for some time."

Putra Business School business development manager Prof Madya Dr Ahmed Razman Abdul Latiff said offenders should not be given a second chance.

"Directors must have high integrity and place the organisation's objectives higher than their personal objectives.

"They must perform fiduciary and statutory duties to the com-

pany. They must act in good faith (bona fide). The fact that they have been found guilty of insider trading already violated that trust. There should not be a second chance, because what is to stop them from doing it again?"

Political and economic analyst Prof Dr Hoo Ke Ping said those charged with insider trading should be suspended.

"There is this principle that says 'innocent till found guilty' but that is not good. Once charged, even though they have not been found guilty, they should be suspended," he said.