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Welcome address by

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**At the
Conference on Year 2000:
Readiness of the Malaysian Capital Market
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Conference Hall, Securities Commission

Yang Berhormat Tun Daim Zainuddin, First Minister of Finance and Minister of Special Functions,
Honourable Guests,
Ladies and Gentlemen.

Assalamualaikum warahmatullahi wabarakatuh.

A very good morning to you. Welcome to the Conference on Year 2000 : Readiness of the Malaysian Capital Market.

Like all other agencies in Malaysia, the SC has worked and is continuing to work very hard to ensure that its constituents namely capital market institutions and intermediaries take all necessary measures to prepare themselves for the roll-over to the Year 2000 with minimal systems disruption. These efforts which began in 1997 have been intensified over the past year or so. The SC has also been involved in international efforts in addressing this problem through involvement in The Joint Year 2000 Council.

Despite these efforts however, the SC is fully cognisant of the fact that the efforts must be made known to the public in general, and to investors in particular, to ensure investor awareness of and confidence in the efforts that are being taken. This conference is indeed a major effort in this direction.

The SC is therefore very honoured to have Yang Berhormat Tun Daim Zainuddin, First Minister of Finance to officiate the Conference on Year 2000 today and to deliver his keynote address entitled "Challenges Facing Financial Markets in Addressing the Year 2000 Problem". Yang Berhormat Tun Daim's presence here today emphasises the commitment of the government towards ensuring public and private sector readiness to face the Year 2000 Problem and it exemplifies the serious attention and commitment required from top management to address the issues and potential problems posed by the Millennium Bug. This issue is not just a local or regional issue; it is a global issue.

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Indeed, we have included a topic entitled "Global Update on Year 2000 Readiness" in this conference to keep ourselves abreast of developments in the international scene and to enable us to benchmark our efforts against those taken internationally.

As we move to the new century, we have to work proactively to ensure our readiness to minimise the onslaught of potential dangers posed by the Year 2000 or Y2K Problem. Over the last two years we have made key preparations in our effort to deal with the problem. The SC started with an awareness campaign in July 1997 with the market institutions, the exchanges, clearing houses and the public listed companies. Briefings were organised for the chief executives of these organisations. We have come a long way since the initial awareness campaign, culminating now into detail progress reports from the respective organisations concerned. In the short period remaining before we enter the Year 2000, we need to re-assess our preparations and to consider what else needs to be done. In fact we are now in the later stages of our preparations with internal and external testing and devising contingency plans. The respective speakers today will go into more depth on each of these issues.

The importance and priority needed to address the Y2K issue cannot be over-emphasised. As a regulator, I would like to stress on the need for front-line institutions to continue with grit, taking on a leadership role to tackle likely unforeseen problems no matter how well-prepared we think ourselves to be. The vulnerability of our systems - software, hardware, intra- and inter-networks, is compounded by the uncertainty of the extent of the problem and the consequent complications it may bring irrespective of the level of preparedness.

In collaboration with the relevant authorities, the Securities Commission will also continue its activities towards ensuring open channels for national and international liaison and facilitating avenues for information sharing. This conference, for example, serves as a platform to inform and allow the public to assess the state of readiness in the financial services sector.

Besides the market institutions and intermediaries, the public listed companies must also ensure their readiness in facing the new millennium. Public-listed companies must take adequate preparatory actions and adopt contingency plans to meet the problem head-on to ensure minimum disruption to its operations. Disclosing Year 2000 efforts in public documents is also necessary in order to keep investors informed. Investors are encouraged to monitor the state of preparedness of public-listed companies in which they have a stake, by looking for the appropriate disclosures companies are expected to make in their annual reports. Individual shareholders are also encouraged to exercise their rights in AGMs to ask the top management of the company on this issue and assess for themselves the level of preparedness of the company in handling the Y2K Problem.

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Information sharing and disclosure of preparedness for the Y2K Problem will minimise any element of surprise in the market. It will reduce the possibility of systemic risk exposure and minimise, if not eliminate disruption in the marketplace. But, I wish to stress again this is not just a technical or IT problem to be left to technical staff within an organisation. It is a matter that requires awareness, commitment and direction from top management. Hence, top management of companies must continue their responsible efforts to ensure that their computer systems are ready for the Year 2000. Our efforts must continue to be thorough; no stone can be left unturned and no corner can be left unexplored to seek out the possible areas of fault and failure in the systems.

In summary, we cannot relax until the problem is over and we are well-assured that the integrity of the market infrastructure is intact and free from any setbacks that are detrimental to investor confidence. Efforts do not stop here. Each one of us, especially those in top management need to steer the company ahead to ensure that we overcome the Y2K problem successfully. Addressing the problem remains a priority in our list of priority things to do. We must ensure that our preparations over the last two years capture the necessary contingencies to face the Y2K Problem, with a view to ultimately eradicating it as we cross into the next century.

On this note, on behalf of the Securities Commission, I would like to specially thank Yang Berhormat Tun Daim Zainuddin for his presence and support today. I would also like to thank the speakers and panellists who have taken time off from their busy schedules to speak in this conference. To the participants at this conference I hope you will find the deliberations useful and informative.

Thank you.