

THE ILLICIT ENRICHMENT LAW AND FINANCIAL DISCLOSURE SYSTEM IN MALAYSIA

Noratikah Muhammad Azman Ng¹
Zainal Amin Ayub²

¹ Ph.D candidate, School of Law, UUM College of Law, Government and International Studies, Universiti Utara Malaysia. Email: noratikahng@gmail.com

² School of Law, UUM College of Law, Government and International Studies, Universiti Utara Malaysia. Email: z.amin@uum.edu.my

Accepted date: 31-12-2018

Published date: 06-01-2019

To cite this document: Muhammad Azman Ng, N. & Ayub, Z.A. (2018). The Illicit Enrichment Law and Financial Disclosure System in Malaysia. *International Journal of Law, Government and Communication*, 3 (13), 331-341.

Abstract: *This article discusses the issue of corruption in Malaysia and the anti-corruption law in Malaysia which is the Malaysian Anti-Corruption Commission Act 2009 and Penal Code (Act 574). This article intends to highlight the main topic of concern which is the illicit enrichment crime or living beyond means among public officials in Malaysia. Besides, there is also a lack of legislation and enforcement on the financial disclosure system or asset declaration system by the public officials in Malaysia. The financial disclosure system in Malaysia must be strengthened and be taken seriously in monitoring the public official's wealth to prevent any possibility of illicit enrichment. Furthermore, this article will adopt the doctrinal approach and qualitative study as a research methodology. The researcher will use the semi-structured interview in collecting the data in order to develop the validity and authenticity of the results. The semi-structured interview will make the researcher knows deeper and complete understanding of the experiences, opinions, and attitudes of the respondents towards the issue of illicit enrichment. This article will contribute significantly towards strengthening the existing law of prevention of corruption in Malaysia, thereby will help to reduce corruption rate especially those involved with illicit enrichment crime.*

Keywords: *Corruption, Malaysia, Illicit Enrichment, Financial Disclosure*

Introduction

Corruption hurts all countries, in every region of the world (Corruption Perceptions Index 2016, 2016). There is no single country in the world can claim that it is free from any corruption practices (Birney, 2013). Corruption is commonly defined as the abuse of public or corporate office for private gain (Bhargava, 2005).

Besides that, corruption is two-way traffic. If there are no givers, they will be no takers. But what happens if you do not give is things seem to move ever more slowly or not at all (Lo, 2017). Corruption and abuse of power had reached such unprecedented heights that the normally staid. Overall, across all institutions, the key reason for bribery is to ‘speed things up’. For example, the situation in Malaysian public sector is that, people often give or receive bribery to make their works run easily and faster. Corrupt act undermines good governance, leads to misallocation of resources and harms the growth of the public and private sectors. Corruption is also the single greatest obstacle to economic and social development (Bhargava, 2005). It undermines development by compromising the rule of law and weakening the institutional foundations upon which economic growth depends. If there is a perception that corruption in a country is dire, and the cost of doing business has therefore escalated, that country will find its foreign and domestic investors shying away from further investing and doing business in the country. In this instance, economic expansion is slowing down, competitiveness drops, income levels fall, jobs are lost and the people suffer (Bhargava, 2005).

Corruption from Islamic Perspectives

The word “bribery” as the synonym of corruption is mentioned in the Holy Quran about 53 times (Ali Khalaf S, 2018). Allah says in the Holy Quran, Surah Al Baqarah Verse 188:

“And do not consume one another's wealth unjustly or send it [in bribery] to the rulers in order that [they might aid] you [to] consume a portion of the wealth of the people in sin, while you know [it is unlawful].”

(Al-Baqarah :188)

Accordingly, we find Sharia law, a law set out by Allah, forbids corruption or bribery and considers it one of the most terrible sins (Ali Khalaf S, 2018). The aforesaid verse from the Holy Quran clearly prohibits people against bribery and corruption. The verse explains that it is unlawful to use property that does not belong to us, or what we do not deserve. Consuming other wealth in any illegal way, as bribery is prohibited and is a sin. Corruption gives bad effects to the society and country as it inflicts damage on well-being, governance, and quality of life (M. Nichols, 2018). One of the most important objectives of Islam is to promote justice in human society (Satar, 2018) by prohibiting corruption and bribery in life.

United Nation Convention against Corruption (UNCAC)

Many programs, tools and laws have been implemented to combat corruption in public sectors in Malaysia. One of it is the ratification of United Nation Convention against Corruption (UNCAC) by Malaysia. In 2003, United Nation have adopted the UNCAC in providing the basis for a truly global anticorruption architecture. The effectiveness and impact of UNCAC to countries will depend on national implementation and enforcement (A. Low, 2006). On 24th September 2008, Malaysia had ratified the UNCAC in proving that Malaysia is serious in its actions to eliminate corruption in the country as well as abroad and this would make Malaysia fully compliant to the ideas under the UNCAC (Leoi Leoi, 2008). Article 20 of the UNCAC states that each State Party shall consider adopting such legislative and other measures as may be necessary to establish as a criminal offence, subject to states’ constitution and the fundamental principles of its legal system (*United Nations Convention against Corruption*, 2004).

The important reason behind the adoption of the UNCAC is, it gives a clear message that the international community is determined to prevent and control corruption. It warns the corrupt

that betrayal of the public trust will no longer be tolerated, and it affirms the importance of core values such as honesty, respect for the rule of law, accountability and transparency in promoting development and making the world a better place for all (*United Nations Convention against Corruption*, 2004).

Countries that sign the UN Convention must assure their public services are promoting efficiency, transparency and recruitment based on merit. Once recruited, public servants should be bound by codes of conduct, requirements for financial and other disclosures, and appropriate disciplinary measures. Transparency and accountability in the management of public finances must also be promoted, and specific requirements are established for the prevention of corruption ("UNODC's Action against Corruption and Economic Crime", 2018).

Transparency International

Transparency International (TI) is an international non-governmental organisation which is based in Berlin, Germany and was founded in 1993. Its non-profit purpose is to take action to combat global corruption with civil societal anti-corruption measures and to prevent criminal activities arising from corruption. TI is leading the fight against corruption and its mission is to create change towards a world free of corruption (Transparency International, 2018)

The ongoing cases of corruption in Malaysia are considered worst when it is measured by the Corruption Perceptions Index (CPI). The CPI was established by TI in 1995 as a composite indicator used to measure perceptions of corruption in the public sector in different countries around the world (Transparency International, 2015). CPI for Malaysia shows that the issue of corruption should be taken seriously (Othman, Shafie & Abdul Hamid, 2014). The chart below shows the Malaysia's ranking under the Corruption Perceptions Index 2017 by the TI.

Table 1: Corruption Perceptions Index 2017

2017 Rank	Country	2017 Score	2016 Score	2015 Score	2014 Score	2013 Score	2012 Score	Region
1	New Zealand	89	90	91	92	91	90	Asia Pacific
2	Denmark	88	90	88	91	91	90	Europe and Central Asia
3	Finland	85	89	90	89	89	90	Europe and Central Asia
3	Norway	85	85	88	86	86	85	Europe and Central Asia
3	Switzerland	85	86	86	86	85	86	Europe and Central Asia
6	Singapore	84	84	85	84	86	87	Asia Pacific
62	Malaysia	47	49	50	52	50	49	Asia Pacific

Table 1 shows how corrupt is Malaysian public sector being perceived. A country is scored on a scale between '0' (highly corrupt) to '100' (clean), and then ranked according to the score they obtained. The current statistic by the Transparency International in 2017 shows

that Malaysia falls from ranking 55 to 62 out of 180 countries by the score of 47 only. 47 is the lowest score recorded by Malaysia from the year 2012 until 2017, as compared to the year 2016. This statistic indicates that Malaysia falls within the category of countries with serious corruption problems. This is not good for the Malaysian image as it reflects badly on the nation (Othman, Shafie & Abdul Hamid, 2014). No country gets close to a perfect score in the CPI 2017. In 2017, the index shows that more than two-thirds of countries score below 50, with an average score of 43 (Corruption Perceptions Index 2017, 2017). The countries who scored the best under ranking of CPI are New Zealand and Denmark with scores of 89 and 88 respectively, whereby Syria, South Sudan and Somalia rank lowest with scores of 14, 12 and 9 respectively (Corruption Perceptions Index 2017, 2017).

According to the statistic, it can be seen that the situation of corruption for Malaysia is not stable as it went up and down for the previous years. As the statistic shows how corrupt is a country's public sector is perceived to be, the government efforts to curb corruption seem ineffective because the corruption level in Malaysia still remain at the high level. Even though numerous initiatives have been designed by the Malaysian government to fight corruption and various measures have been implemented to achieve a cleaner business environment in Malaysia, the problem of corruption is still unsettled. Besides, there are increasing awareness campaigns rigorously undertaken by the anti-corruption agency. This has however been like putting salt in the ocean. We ask this question, does more need to be done? Despite all the efforts, the result of the CPI does not reflect that the efforts taken have paid-off. The question remains, why is that so? (Othman, Shafie & Abdul Hamid, 2014).

Corruption rankings in one aspect could cause a country's separation and reduce possibility of investment. Although there is positive element in the ranking, on the other side of the coin, the ranking could damage a nation's reputation, such countries can carry a social label because they are stigmatised as countries that have corruption problem (Othman, Shafie & Abdul Hamid, 2014). Although the truth may be hurtful, the reputation of a country can be damaging due to the stigma given in the ranking (Othman, Shafie & Abdul Hamid, 2014).

Malaysia Anti-Corruption Commission & Penal Code (Act 574)

Regardless of having poor corruption ranking under Transparency International, Malaysia is very clear in its vision of creating a corrupt-free and developed nation, filled with high ethical and moral values. Every effort including preventive, educational and disciplinary ones have been carried out. The government has addressed this problem since Malaysia's independence. One of the significant actions taken by the Malaysian Government to combat corruption was the establishment of the Malaysian Anti-Corruption Commission (MACC), formerly known as the Anti-corruption Agency in 1967 to address corruption problems in the public as well as private sectors ("Malaysian Anti-Corruption Commission", 2017). The Malaysian Anti-Corruption Commission was enacted to prevent and control corruption in Malaysia.

The Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009) had been enacted to provide for the establishment of the MACC, to make further and better provisions for the prevention of corruption and for matters that are connected to corruption (*Malaysian Anti-Corruption Commission Act 2009*, 2009). Laws that govern issues on corruption in Malaysia are Penal Code (Act 574) and MACC Act 2009. However, despite having the Acts, the issue of corruption is not decreasing. Every day, the media reports the outgrowing case of corruption. 2017 annual statistic on arrest by MACC shows that the number of arrest is 879

compared to the year 2016 which is 939. Even though the number of arrest decrease from 2016 to 2017, the issue of corruption is still at a worrying level.

The Malaysian Government has always regarded addressing the threat and problems of corruption as its main agenda and an on-going commitment. Section 2 of the MACC Act 2009 provides the main objectives of the Act itself which are;

- i) To promote the integrity and accountability of public and private sector administration by constituting an independent and accountable anti-corruption body; and
- ii) To educate public authorities, public officials and members of the public about corruption and its detrimental effects on public and private sector administration and on the community.

Besides, the four (4) main offences stipulated in the Malaysian Anti-Corruption Act 2009 are:

1. Soliciting/Receiving Gratification (Bribe) [section 16 & 17(a) MACC Act 2009]
2. Offering/Giving Gratification (Bribe) [section 17(b) MACC Act 2009]
3. Intending to Deceive (False Claim) [Section 18 MACC Act 2009]
4. Using Office or Position for Gratification (Bribe) (Abuse of Power/Position) [Section 23 MACC Act 2009]

Section 24(1) of the MACC Act provides penalty for offences involving giving or accepting gratification under Section 16, 17, 18, 20, 21, 22 and 23. The offences are such: any person who commits an offence under section 16, 17, 18, 20, 21, 22 and 23 shall on conviction be liable to imprisonment for a term not exceeding twenty (20) years and a fine of not less than five times the sum or value of the gratification which is the subject matter of the offence, where such gratification is capable of being valued or is of a pecuniary nature, or ten thousand ringgit, whichever is the higher. Section 24(2) further provides on the penalty for offences provided under Section 18 where, any person shall on conviction be liable to imprisonment for a term not exceeding twenty (20) years and a fine of not less than five times the sum or value of the false or erroneous or defective material particular, where such false or erroneous or defective material particular is capable of being valued, or of a pecuniary nature, or ten thousand ringgit, whichever is the higher.

Besides MACC Act 2009, Penal Code (Act 574) also has provisions regarding corruption in Malaysia. The purpose of the Penal Code is to provide punishment of offences committed within Malaysia. Section 2 of the Act stated that every person shall be liable to punishment under this Code and not otherwise for every act or omission contrary to the provisions thereof, of which he shall be guilty within Malaysia (*Penal Code (Act 574)*).

Chapter IX of the Penal Code (Act 574) provides legislation of gratification for public servants. Section 161- 163 provides the types of corruption offences such as: public servant taking a gratification, other than legal remuneration, in respect of an official act, taking a gratification in order, by corrupt or illegal means, to influence a public servant and taking a gratification, for the exercise of personal influence with a public servant respectively (*Penal Code (Act 574)*).

Meanwhile, section 164 of the Penal Code provides legislation for punishment of the said offences: Punishment for abetment by public servant of the offences above defined as: Whoever, being a public servant, in respect of whom either of the offences defined in sections 162 and 163 is committed, abets the offence, shall be punished with imprisonment for a term

which may extend to three years or with fine or with both. Apparently, Penal Code (Act 574) provides lesser punishment to the corruption offences for public servants compared to the MACC Act 2009.

Whatever inspired by Malaysian government in combating corruption is also encouraged by Islamic practices as stated in Surah Al-Baqarah. Besides, the international anti-corruption drive such as UNCAC and MACC Act 2009 were established to fight corruption including the other criminal offences that may derive from the corrupt activity under the Penal Code (Act 574) and Anti-Money Laundering and Anti-Terrorism Financing Act 2001. Preventing corruption also requires an effort from all members of society at large. The effort to prevent corruption does not only rely to the authorized commission but must be involved with society and to promote actively public awareness of corruption (United Nation Convention against Corruption, 2017). Corruption in any means or form should be rejected categorically (Satar, 2018).

Living Beyond Means / Illicit Enrichment in Malaysia

One of the corruption offences that is going to be discussed thoroughly in this article is the illicit enrichment crime. Illicit enrichment or unexplained wealth is defined as a crucial significant increase in the assets of a public official that he cannot reasonably explain in relation to his lawful earnings (Muzila, 2012). Article 20 of the United Nation Convention against Corruption (UNCAC) defines illicit enrichment as:

“A crime that shows a significant increase in the assets of a public official, which he or she cannot reasonably explain in relation to his or her lawful income and it is committed intentionally”

The offence of illicit enrichment or ‘unexplained wealth’ is the ground offences of corruption (Gacheri Kamunde, 2018). Illicit enrichment is prescribed as an offence against corruption and in preventing and combating corruption, therefore, all countries have, with the purpose of strengthening capacities in the fight against corruption, introduced illicit enrichment as a criminal offence in their legislation. However, despite this fact, the criminalisation of illicit enrichment is not universally accepted as an anticorruption measure (Muzila, 2012). The insufficiency of legislation to govern the issue of illicit enrichment in Malaysia is the main problem in Malaysia.

Nowadays, the media and MACC have reported the outgrowing cases of illicit enrichment among public and private sectors. It is reported by the Star Online that the government officers and clerks have been living beyond their means (Lo, 2017). There are cases where junior government officers and clerks with lower rank can afford to buy the latest iPhone models and drive expensive cars. Their flashy lifestyle does not match their small pay as young officers and administrative assistants under the government pay scale. The younger civil servants were more susceptible to corruption to meet their lifestyle demands (Lo, 2017).

Besides, the other case of illicit enrichment is reported by the New Straits Times on August 16, 2016, where three high-ranking civil servants were detained by the MACC for alleged corruption. All of them were attached to the Kuala Lumpur City Hall (DBKL), Public Works Department (JKR) and Tenaga Nasional Berhad (TNB) respectively. All of them were claimed to have ‘unusual wealth’ by possessing assets worth millions of ringgit such as cash money, unit trusts, bungalows, penthouses and luxurious cars such as Maserati, BMW and

AUDI. These assets are believed to be from the proceeds of corruption, abuse of power and money laundering (New Straits Times, 2018).

Furthermore, the current case of unexplained wealth or living beyond means can be seen in a recent case of 1 Malaysia Development Berhad (1MDB) which is involving the former Prime Minister of Malaysia, Datuk Seri Najib Razak. Datuk Seri Najib Razak during his reign, urged all Malaysians to combat graft as the country continues its effort to improve its position in Transparency International's CPI but unfortunately he is now involved with the worst corruption scandal in Malaysian history. The Royal Malaysian Police (PDRM) had seized expensive items from residences related to Datuk Seri Najib Razak in May over a probe into 1MDB which valued around RM1.1 billion. The seized items include cash, jewellery, branded watches and handbags as well as designer sunglasses (Perimbanayagam & Yaacob, 2018). The seizure of the expensive items and cash money worth RM1.1 billion from the former prime minister residences raises questions especially to the citizens of Malaysia. It is unbelievable for a prime minister who earns a monthly salary of around RM20,000-RM25,000 to have wealth up to RM1.1 billion. It raises question, where did he find the money and wealth? It would have taken him over thousand years on his salary in order to have such big amount of wealth. The entire 1MDB scandal displays a complete lack of governance, transparency, integrity and submission to the rule of law during the reign of Datuk Seri Najib Razak (Satar, 2018).

Where self-enrichment becomes the overriding aim, the style of the previous government can be described as a kleptocracy (Global Witness, 2009). Kleptocracy is a government with corrupt leaders that use their power to exploit the people and natural resources of their own territory in order to extend their personal wealth and political powers ("Kleptocracy Law and Legal Definition", 2018). The kleptocracy government generates much of its illicit wealth through the misappropriation of national assets, particularly the natural resources which should belong to the country's people and should be utilised for the common good, just like the 1MDB scandal (Global Witness, 2009). The mismanagement of natural resources can lead to conflict and failed country. The consequence is extreme poverty and human suffering. Besides, kleptocracy government is an assault on fundamental human rights (Global Witness, 2009).

These reported cases show that the problem of living beyond means and illicit enrichment are outgrowing in Malaysia. Living beyond means first existed as an offence in dealing with corrupt public officials when there was an absence of direct evidence of bribery against them (Satar, 2018). In all of the circumstances cases of 1MDB, the junior officers and public officers with lower ranks but living a flashy lifestyle, and even the higher rank officers who have acquired wealth beyond their means, it can be said that the investigation triggered only when there is report on corruption or fraud or misuse of power. All this while, everything can be seen by the public or community on the luxury items owns by the wife of Minister, a private jet owns by the Minister and the cases of young officers driving a Maserati. However, the corruption offence can only be charged against these people who live beyond their means after there is a report against them.

The law to govern illicit enrichment in Malaysia is inadequate unlike in Hong Kong, they have specific law on illicit enrichment that can tackle this kind of issue. The Hong Kong Independent Commission against Corruption (ICAC) has the power to compel a person with "tremendous wealth" which does not match the income of his position to declare his or her

assets. Section 10 of the Prevention of Bribery Ordinance in Hong Kong states two offences that can be charged to the defendant which is living beyond means and possession of disproportionate assets (Satar, 2018). The defendant may be charged with only one of the offences, not both. However, proving the offence can be very difficult (Satar, 2018). The offenders will use common defense such as donation, gift, wealth inherited from relatives or from other sources of income (Satar, 2018). Nonetheless, the offences are still good to make life more difficult for the corrupt even if they become smarter and hide their assets. Only the regulators need to put more effort and resources in doing their job (Satar, 2018).

Besides, public officers who live lavish lifestyles beyond their income levels should bear the responsibility of explaining to the courts as to how they are maintained. MACC Act does not have such requirements. The law of illicit enrichment in Malaysia needs to be strengthened to allow investigations into unusual or unexplained wealth (Aziz, 2018). Transparency International Malaysia and the Bar Council have expressed their support for the law to be amended to give the MACC more powers to probe those suspected of living beyond their means.

The Financial Disclosure in Malaysia

UNCAC defines Financial Disclosure in Article 8 (5) as:

“systems requiring public officials to make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result with respect to their functions as public officials.”

Other definition of financial disclosure is defines by the Cambridge Dictionary as the act of giving financial details about a person or company to the government, investors or banks.

Financial disclosure system is one of the good measures in controlling illicit enrichment among public officials. When a public servant had been appointed to work for the government, they must disclose all of their assets and liabilities. This forces corrupt officials to justify their level of wealth and standard of living and makes concealing corrupt enrichment a more difficult and risky act (Gonzalez de Asis, 2006). However, these sets of measures are particularly difficult to implement and monitor (Gonzalez de Asis, 2006).

Asset declarations are considered a key instrument to uncover illicit enrichment. It is very clear that these declarations have to be presented to and reviewed by an independent and well-resourced public body. Due to privacy and security issues, the question of public disclosure of such declarations is still debated, though a common position is that countries should make the disclosure of interest and asset declarations mandatory, excluding information that is deemed to violate privacy rights (Martini, 2013). The effectiveness of an asset declaration system will depend on enforcement mechanism and on the application of penalty for non-compliance with the rules (Martini, 2013).

In Malaysia, there is no specific Financial Disclosure Act in governing the issue of financial disclosure in public sectors. The law to govern the assets disclosure for public officials in Malaysia is insufficient as public officials are only entitled to declare their assets based on the *Peraturan 10, Peraturan-Peraturan Pegawai Awam (Kelakuan dan Tatatertib) 1993, Pekeliling Bil 8 Tahun 1995 and Surat Pekeliling Perkhidmatan Awam Bil 2 Tahun 1999* (Kerajaan Seri Paduka Baginda Malaysia, 1999). The practice of declaring assets by top

government officials only ended at the Prime Minister's office. There has never been an independent body that was given access to view or analyse this information. Members of parliament, civil servants and government officials were required to declare their assets to the Prime Minister through the MACC (Lokman & Muhamading, 2018). Then, the policy was strengthened under the administration of former Prime Minister Tun Abdullah Ahmad Badawi when he announced that declarations of assets by government officials must be made twice every five years (one term). The time frame for this practice was later revised, compelling ministers, deputy ministers, special offers to ministers and other officials to declare their assets to the Prime Minister annually. Besides, the parliamentary code of ethics requires members of parliament to declare their wealth every two years, though they are not legally required to do so (Lokman & Muhamading, 2018).

Full public disclosure of the amounts and sources of financing and expenditure of the ministers, politicians and public servants must be enacted by law (Satar, 2018), as the administration of disclosure of asset requires an evaluation and monitoring agency to verify, investigate the information and take action against those who fail to comply (Satar, 2018).

After the 14th General Election that recently happen on the 9th of May 2018, the new government had been formed and Tun Dr Mahathir Mohamad had been appointed to be the Malaysian Prime Minister for the second time in Malaysian history. In handling the issue of asset declarations by the public servants, Tun Dr Mahathir has agreed to the formation of the National Centre for Governance, Integrity and Anti-Corruption (GIACC) which will coordinate and monitor all activities related to governance, integrity and combating graft (Abas, 2018). GIACC will be the custodian of information on assets declared by ministers, deputy ministers, political secretaries and top government officials. The asset declaration reports would be given to the Prime Minister and the Prime Minister would give to agencies dealing with corruption which is GIACC. This new GIACC is one of the good moves from the new government as it can be one of the medium to control illicit enrichment in public sectors (Abas, 2018).

Declaration of assets is a preventive measure against graft and other malpractices. It also helps determine the basic integrity of public servants. Apart from increasing transparency of and trust in the public administration, such declarations can prevent conflicts of interest, collusion, uncover illicit enrichment, false accusation of their wealth, and monitor wealth of politicians and public servants (Satar, 2018).

Conclusion

Besides learning and implementing other countries' laws on illicit enrichment, the Malaysian government need to think two steps ahead in order to prevent these white-collar criminals who are intelligent and manipulative from hiding their assets (Satar, 2018). With the new implementation of GIACC by the new formed government, it is believed to be a way towards improving the confidence of Malaysian citizens and foreign investors in the integrity, accountability and good governance of the government (Satar, 2018).

So, it must be considered that the best corruption law will not stay the best for long. It will have to be reviewed and revised so that it is able to sustain the deterrent effect on the bribers and the corrupt. The law of course will be effective only with a vigorous zero-tolerance enforcement policy (Satar, 2018). The law has to match the needs of the country and be revised from time to time to suit changing corrupt practices and environment. Then, after a

period of enforcement, people including the corrupt and bribers, begin to understand the legislation. If one wants to get involved in corrupt practices, he or she will find ways to avoid detection (Satar, 2018). The improvement of illicit enrichment law in Malaysia is a need and that is why this study is conducted.

The efforts to eradicate the crime of illicit enrichment, such as the financial disclosure law and the amendment to the anti-corruption law by strengthening the law of illicit enrichment must be done together to ensure the success in prevention of corruption in Malaysia. When there is a law implementation, there must be an application and enforcement from the official authority in punishing those who corrupted. A country that has good laws and comprehensive implementation and execution will determine the success of combating corruption in public officials. If corruption can be eradicated, in fact, the CPI ranking will increase and this will give a good picture to foreign countries to come and do investment in Malaysia.

References

- Abas, A. (2018). PM agrees to GIACC formation to handle governance, integrity and anti-graft. *New Straits Times*. Retrieved from <https://www.nst.com.my/news/nation/2018/06/375513/pm-agrees-giacc-formation-handle-governance-integrity-and-anti-graft>
- A. Low, L. (2006). *The United Nations Convention Against Corruption: The Globalization of Anticorruption Standards* (p. 21). London, England: Conference of The International Bar Association International Chamber of Commerce Organization for Economic Cooperation and Development.
- Ali Khalaf S, A. (2018). *An Overview of the Saudi Arabian Criminal Justice Procedures against Corruption in the Public Sector* (p. 123). 138TH International Senior Seminar Participants' Papers.
- Aziz, A. (2018). MACC Bill Makes Firms Liable for Graft. *The Edge Markets*. Retrieved from <http://www.theedgemarkets.com/article/macc-bill-makes-firms-liable-graft>
- Birney, M. (2013). *The London School of Economics and Political Science, Decentralization and Veiled Corruption under China's Rule of Mandates*, 1.
- Corruption Perceptions Index 2016. (2016). Retrieved from http://www.transparency.org/news/feature/corruption_perceptions_index_2016
- Corruption Perceptions Index 2017. (2017). Retrieved from https://www.transparency.org/news/feature/corruption_perceptions_index_2017.
- Dreher, A. & Herzfeld, T. (2005). The Economic Costs of Corruption: A Survey and New Evidence. *Economic Growth Ejournal*, 2.
- Gacheri Kamunde, N. (2018). The Crime of Illicit Enrichment Under International Anti-Corruption Legal Regime. Retrieved from <http://kenyalaw.org/kl/index.php?id=1891>.
- Global Witness. (2009). *Undue Diligence: How Banks Do Business with Corrupt Regimes*.
- Gonzalez de Asis, M. (2006). *Anticorruption Reform in Rule of Law Programs*. Washington D.C: The World Bank.
- Kerajaan Seri Paduka Baginda Malaysia. (1999). *Surat Pekeliling Perkhidmatan Bilangan 2 Tahun*.
- Kleptocracy Law and Legal Definition. (2018). Retrieved from <http://definitions.uslegal.com>.
- Leoi Leoi, S. (2008). Malaysia Ratifies UN Convention against Corruption. *The Star*. Retrieved from <http://www.thestar.com.my/news/nation/2008/09/17/malaysia-ratifies-un-convention-against-corruption/>.
- Lo, A. (2017). Broad Impact of Bribery. Retrieved from <http://www.thestar.com.my/metro/views/2017/03/10/broad-impact-of-bribery-graft-takes-food-off-the-table-hampers-education-and-impedes-healthcare/>.

- Lokman, T., & Muhamading, M. (2018). GIACC to handle asset declarations. *New Straits Times*. Retrieved from <https://www.nst.com.my/news/nation/2018/06/378125/giacc-handle-asset-declarations>
- M. Nichols, P. (2018). The Psychic Costs of Violating Corruption Laws. *Vanderbilt Journal of Transnational Law*, V 45, (No. 145), 145.
- Malaysian Anti-Corruption Commission Act 2009 (2009).
- Malaysian Anti-Corruption Commission. (2017). Retrieved from <http://www.sprm.gov.my/index.php/en/>
- Martini, M. (2013). Declaration of Interests, Assets and Liabilities: Oversight Mechanisms, Disclosure Policy and Sanctions. Retrieved from https://www.transparency.org/whatwedo/answer/declaration_of_interests_assets_and_liabilities_oversight_mechanisms_disclo.
- Muzila, L. (2012). *On the Take Criminalizing Illicit Enrichment to Fight Corruption* (pp. 9,106). Washington DC: International Bank for Reconstruction and Development/The World Bank.
- New Straits Times. (2018). MACC Finalising Ips On Three Senior Govt Officers. Retrieved from <https://www.nst.com.my/news/2016/08/169170/macc-finalising-ips-three-senior-govt-officers>
- Othman, Z., Shafie, R., & Abdul Hamid, F. (2014). Corruption – Why Do They Do It? *Procedia - Social and Behavioral Sciences*, V 164, 248,251.
- Penal Code (Act 574).
- Perimbanayagam, K., & Yaacob, M. (2018). Police: Total Value of Seized Items In 1MDB Probe Around RM1.1B. Retrieved from <https://www.nst.com.my/news/crime-courts/2018/06/384569/police-total-value-seized-items-1mdb-probe-around-rm11b>
- Satar, A. (2018). *Corruption and Crime in Malaysia: Perception or Reality?* (1st ed., pp. 20,22,26,30,31,33,34,35,44,52,67). Kuala Lumpur: Akhbar & Associates.
- Surah Al-Baqarah.
- Transparency International. (2015). *Topline Report of Corruption Perceptions Index 2015. United Nations Convention against Corruption*. (2004).
- United Nation Convention against Corruption, <https://www.unodc.org/unodc/en/corruption/index.html?ref=menu> (accessed 4th April, 2017)
- UNODC's Action against Corruption and Economic Crime. (2018). Retrieved from <https://www.unodc.org/unodc/en/corruption/index.html?ref=menu>