



**Resolution Adopted at the 77<sup>th</sup> Annual General Meeting of the Malaysian Bar  
(Held on 18 March 2023)**

**Resolution Regarding the Enactment of Political Financing Laws**

**Whereas:**

- (1) There is currently no legislative framework on political financing in Malaysia except for the outdated provisions in the Election Offences Act 1954. The lacuna is exacerbated by the inadequacy of effective criminal laws, and insufficient enforcement powers of the Election Commission.
- (2) The term “political financing” generally refers to the activity of sourcing funds for expenditure incurred during political party activities, and to sustain the party machinery such as fundraising, maintaining permanent offices, carrying out policy research, conducting polls, providing political education, running advertising campaigns for policies, and mobilising voters.
- (3) While funding for political parties and politicians for the election process is needed, disclosure of the sources of funding, and of how the funds are channelled and utilised, must be properly regulated, with the view of being fully accountable to the public. Concerns surrounding this issue include foreign interference with domestic politics, funds being exchanged for political favours, and money being given out to the electorate to secure votes.
- (4) Under the Societies Act 1966, political parties are required to submit their financial accounts to the Registrar of Societies. However, there is no requirement for political parties to reveal their sources of funding.
- (5) In Australia, Germany, India, Japan, South Africa, and the United States, there are elaborate laws to regulate what conduct is permissible for politicians, and to curtail foreign interference that could affect the rights of citizens to democratically elect their leaders.

- (6) The importance of enacting legislation to regulate political financing has been raised time and time again in Malaysia by various parties, including the following:
- (a) Following the 1Malaysia Development Berhad (“1MDB”) scandal, the Government formed the National Consultative Committee on Political Financing which suggested that a new Political Donation and Expenditure Act be introduced;<sup>1</sup>
  - (b) In 2018, the Pakatan Harapan administration included in its election manifesto its intention to introduce a political financing control act to ensure funding of politics in Malaysia is transparent and free from corrupt practices;<sup>2</sup> and
  - (c) In May 2022, the then-Prime Minister Dato’ Sri Ismail Sabri Yaakob stated that the Government had agreed in principle to the proposed enactment of a political funding bill, and that the scope of the policy would be tabled to the Cabinet soon.<sup>3</sup> However, no concrete action has seemingly been taken to materialise political financing legislation.
- (7) Without legislation to govern political financing in Malaysia, nebulous practices will continue unchecked within the domestic political scene.
- (8) There is therefore an urgent need for a legislative framework in Malaysia to regulate public and private funding of political parties and the subsequent use of the funds, to combat corruption, cronyism, conflict of interest, and abuse of power.

**Therefore, it is hereby resolved that** the Malaysian Bar strongly calls for the immediate enactment of legislation to govern political financing, without further delay.

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<sup>1</sup> “Political Financing in Malaysia: Reinforcing Integrity”. *National Consultative Committee on Political Financing*. 29 August 2016. Accessed at: <http://transparency.org.my/filemanager/files/shares/LAPORAN-JKNMPP-ENGLISH.pdf>.

<sup>2</sup> “Buku Harapan Rebuilding Our Nation Fulfilling Our Hopes”. *Pakatan Harapan*. 8 March 2018. Accessed at: [https://dl.dapmalaysia.org/repository/Manifesto\\_PH\\_EN.pdf](https://dl.dapmalaysia.org/repository/Manifesto_PH_EN.pdf).

<sup>3</sup> “PM Ismail Sabri: Political funding bill's policy scope to be tabled to Cabinet”. *Malay Mail*. 19 May 2022. Accessed at: <https://www.malaymail.com/news/malaysia/2022/05/19/pm-ismail-sabri-political-funding-bills-policy-scope-to-be-tabled-to-cabinet/7694>.