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Kenyataan Media

Press Release

For Immediate Release

MCMC PUSHES FOR GREATER TRANSPARENCY THROUGH ACCOUNTING SEPARATION IN THE COMMUNICATIONS AND MULTIMEDIA SECTOR

Cyberjaya, 7 September 2012 –Telecommunication service providers (telcos) will soon have to prepare separate wholesale and retail financials for their regulator in an effort to enhance industry transparency.

The release of a public inquiry paper today on the proposed Accounting Separation Framework and Implementation Plan is a major step forward by the Malaysian Communications and Multimedia Commission (MCMC) towards greater operational transparency for the industry.

“We believe that a robust accounting separation framework will propel the industry to a higher level of competition which, in the long run will benefit consumers,” said MCMC Chairman Dato’ Mohamed Sharil Tarmizi.

He added, “Service providers will also reap strategic benefits from accounting separation by gaining a better understanding of unit costs, profitability of different services and the impact of technological change on profitability.”

The objective of accounting separation is to reduce information asymmetry, enhance transparency and complement the existing regulatory instruments to address and prevent anti-competitive behaviour in the telecommunications industry. Once accounting separation is implemented, service providers will be required to produce regulatory financial statements for wholesale and retail services as if they were separate businesses.

MCMC is proposing to establish accounting separation using historical cost accounting in 2013, and then progress to current cost accounting from 2014 onwards.



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“Members of the public may also participate in this Public Inquiry by making written submissions on specific matters on which comments are sought in the Public Inquiry Paper. The documents can be downloaded from MCMC’s website at <http://www.skmm.gov.my>,” said Dato’ Mohamed Sharil.

[End]

Notes to Editor:

If your organisation wishes to include a quote from Malaysian Communications and Multimedia Commission (MCMC) in an article or news item, kindly attribute the quote to our organisation (MCMC) rather than an officer of the organisation, unless a designated spokesperson from MCMC is specified in the Press Release or reply to Press.

About Malaysian Communications and Multimedia Commission (MCMC)

The primary role of MCMC is to implement and promote the Government's national policy objectives for the communications and multimedia sector. MCMC is also charged with overseeing the new regulatory framework for the converging industries of telecommunications, broadcasting and on-line activities, in accordance with the national policy objectives set out in the Communications and Multimedia Act 1998 (CMA), as well as postal services and digital certifications. The CMA provides that MCMC undertakes a policy implementation role, while policy decision-making is vested with the Minister. The Minister may also give policy directions to the Commission.

For more information visit <http://www.skmm.gov.my>

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