

RESEARCH ARTICLE

Assessing the ISO 37001 anti-bribery management system as a defence under section 17A of the Malaysian Anti-Corruption Commission Act 2009

Nur Athirah Syuhada binti Hasni*, Hartinie Abd Aziz, Aminuddin bin Mustaffa

Faculty of Law and International Relations, Universiti Sultan Zainal Abidin, Gong Badak, Kuala Terengganu, Malaysia

Abstract - Section 17A of the Malaysian Anti-Corruption Commission Act 2009 introduced corporate liability for commercial organisations and imposed a legal burden on them to prove they had "adequate procedures" in place to defend against prosecution. In response, the ISO 37001:2016 Anti-Bribery Management System (ABMS) has emerged as a global standard to enhance governance and mitigate bribery risk. This paper assesses whether ISO 37001 certification can serve as a viable defence of adequate procedures under Section 17A. Employing a doctrinal qualitative approach, the study analyses statutory provisions, the Ministerial Guidelines on Adequate Procedures, and judicial developments in the United Kingdom and the United States, given the lack of Malaysian case law. The findings indicate that while ISO 37001 aligns closely with the T.R.U.S.T. principles published by the Prime Minister's Department, certification alone is unlikely to satisfy judicial scrutiny. The paper concludes that although ISO 37001 provides a solid foundation for corporate compliance, it must be supported by a strong organisational culture, active leadership commitment, and ongoing monitoring to meet the legal threshold of Section 17A. Ultimately, organisations must go beyond formal paper compliance by embedding an ethical, anti-corruption culture, effective internal controls, and continuous risk assessments. Furthermore, as the enforcement of Section 17A since 2020 has yielded very few reported cases, its long-term effectiveness in combating corporate corruption remains an area for ongoing legal observation.

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1. Introduction

Corruption is insidious, as it corrodes and undermines not only humanity but also societies' social and economic development. The worldwide campaign against corruption, including initiatives such as the United Nations Convention Against Corruption (UNCAC), has also focused on the role of collective bodies in the private sector in promoting ethical business practices. Malaysia is a signatory to UNCAC. Among Malaysia's initial steps to curb corruption was establishing the Malaysian Anti-Corruption Commission in 2009 (Balasingam & Rukumani, 2020). Since then, Malaysia has developed strategies and plans to move forward while fighting corruption. The recent National Anti-Corruption Strategy 2024-2028 demonstrates Malaysia's efforts to address governance, integrity, and anti-corruption issues (National Anti-Corruption Strategy 2024-2028, 2024). Malaysia has made some progress in global corruption perception ratings, rising to 54th in 2025 from 57th last year (Transparency International Malaysia, 2025). The National Anti-Corruption Strategy states that Malaysia will be ranked 27th by 2028. One attempt Malaysia has made to improve its position in the Corruption Perceptions Index is the introduction of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act. This addition has critical consequences for corporate criminal liability, especially in preventing bribery (Low & Low, 2020). This clause, which concerns commercial organisations and persons related to them, highlights the importance of corporate governance systems, including the board of directors, in ensuring compliance with anti-corruption laws.

The Malaysian legislative body introduced an amendment to Section 17A of the MACC Act, which suggests corporate culture as a mechanism to prove the offence (Mohd Ali et al., 2023). This amendment was made in relation to the United Kingdom Bribery Act. If a corporation fails to prevent corrupt acts, it will be liable for the offence. This provision sets out the specific acts of corruption (Suhor, 2020). Another significant aspect of this law is section 17A(3), the "deeming provision," which places personal liability on controllers, senior management, and directors unless they can demonstrate that the crime was committed without their knowledge and that they exercised appropriate due diligence. The consequence of failure to do so is dire: a fine of not less than 10 times the gratification or RM1 million, whichever is greater, and/or 20-year imprisonment. The statutory defence that an organisation can provide is to demonstrate that it implemented the "adequate procedures" that were meant to stop the occurrence of the said corrupt actions. To define this standard, the Prime Minister's Department introduced Ministerial Guidelines anchored on five core principles called T.R.U.S.T. (T-Top level commitment; R-Risk assessment; U-Undertake control measures; S-Systematic review, monitoring, and enforcement; and T-Training and communication).

Nevertheless, these are not prescriptive but principle-based guidelines; what is considered "adequacy" is a question for the judiciary, given the facts and circumstances of that particular case (Guidelines on Adequate Procedures, 2020). This means the principles should be applied practically, depending on the scale, nature, industry, risk, and complexity of the organisation (Ahmad & Hingun, 2023). In this ambiguous legal space, Malaysia has adopted ISO 37001 as MS ISO 37001:2016. The certification has become the leading model for outlining adherence to the T.R.U.S.T. principles. In addition to legal compliance, certification has become a regulatory requirement. To ensure all G7 contractors have a chance to secure a public tender, 1/2025 requires all to be certified to ISO 37001 by January 2027 (Pekeliling CIDB - Bil 1/2025, 2025). Moreover, the MACC has indicated that government projects valued at more than RM100 million can

only be bid by certified G7 organisations (What Is ISO 37001 ABMS Certification? 2026). Regardless of these requirements, the effectiveness of ISO 37001 as a defence has yet to be well tested in court. The initial case under Section 17A of Pristine Offshore Sdn Bhd highlighted the uncertainty over how the judiciary will assess the sufficiency of procedures in cases involving top management. Moreover, the upgrade to the ISO 37001:2025 standard, with its focus on anti-bribery culture and improved conflict-of-interest management, further complicates the situation for organisations seeking a future-proof anti-corruption defence. The purpose of the article is to evaluate the legitimacy of the ISO 37001 certification in meeting the adequate procedures under Section 17A of the MACC Act 2009, or whether it becomes a "bare minimum" box-ticking exercise of giving a false assurance of security to the corporate organisation (Mohamed et al., 2023).

2. Literature Review

2.1 Section 17A Malaysian Anti-Corruption Act

Section 17A of the MACC Act 2009 is one of the key efforts highlighted in the National Anti-Corruption Plan (NACP) 2019-2023, which was introduced in 2019. In 2024, the government introduced the National Anti-Corruption Strategies (NACS) 2024-2028. NACS outlines five core strategies to prevent corrupt practices in the country and continues the NACP 2019-2023 (Hana Naz Harun, 2024). According to the NACS, 85 out of the 111 NACP initiatives were completed, amounting to 77%. The new clause on corporate liability is a copy of the United Kingdom Bribery Act 2010 (Sharija Che Shaari, 2020). Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act) is an important piece of legislation targeted at combating corruption in corporate organisations in Malaysia. This clause establishes the liability of business entities for corrupt practices by their associated persons, such as employees, agents, and other persons acting on behalf of the company. This section has far-reaching implications because it shifts responsibility to organisations to ensure sufficient processes are in place to deter corruption and foster a culture of compliance and integrity in the corporate world (Raof et al., 2021). Section 17A has a significant legal impact. Companies that have committed offences under this section are heavily punished with fines of up to ten times the value of the bribe or RM1 million, whichever is higher, and imprisonment of up to 20 years. This strict liability approach reflects the Malaysian government's commitment to fighting corruption and aligns with the global trend of holding corporate actors responsible for corruption (Raof et al., 2021).

Additionally, Section 17A has also led to a reconsideration of Malaysian corporate governance practices. Business organisations are now advised to adopt holistic anti-corruption practices and training programs to reduce corruption-related risks. Such a change is essential because, traditionally, the Malaysian corporate environment has been marked by cronyism and a lack of transparency, which has fostered a culture of corruption (Jones, 2022). Section 17A will help create a more ethical business environment and increase trust in corporate governance by requiring organisations to assume responsibility for the actions of associated persons. In conclusion, Section 17A of the MACC Act is a key instrument in the Malaysian context to combat corruption, as it imposes liability on businesses engaging in corrupt acts and promotes the development of strong compliance mechanisms. The effects of this Act are not just legal; they also drive a shift towards a culture of honesty and responsibility in the Malaysian corporate world.

2.2 Adequate Procedures under Section 17A Malaysian Anti-Corruption Act 2009

The main aim of the regulatory due diligence defence is to encourage the creation of a corruption-free business environment and to encourage all business entities to act reasonably and appropriately to ensure their businesses do not engage in corrupt acts to benefit themselves. It also aligns with the rationale of corporate liability, which delegates the duty to combat corruption to businesses through a regulatory model framework (Mogan et al., 2023). Adequate procedures defence under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act) is an important issue of corporate liability in cases of corruption in Malaysia. This section confirms that a commercial entity can escape liability for corrupt acts committed by individuals associated with it, provided it can show its procedures were sufficient to prevent such actions. The MACC Act provides harsh punishments, such as up to ten times the value of a bribe or RM1 million and imprisonment up to 20 years, which is why implementing proper procedures is a priority for organisations to reduce the risks that corruption poses (Raof et al., 2022). Section 17A does not provide a way to determine whether such measures are sufficient. Consequently, enterprises are only required to perform the "bare minimum" to show that proper procedures are in place within their company, and they will be "off the hook" in no time (Mohamed et al., 2023). The only guiding principle is the guidelines on adequate procedures added under Section 17A(5) of the MACC Act 2009 (Amendment 2018) to help commercial organisations understand how to implement adequate procedures to prevent corrupt acts in their business dealings. The guidelines on adequate procedures introduced by the UK Ministry of Justice under the UK Bribery Act 2010 were largely reflected in Malaysian guidelines on adequate procedures (Mohamed et al., 2023).

Organisations can develop these sufficient processes with the help of the T.R.U.S.T principles introduced by the Prime Minister's Department in 2018. This is meant to make sure that organisations can take sensible measures to avoid corruption within their operations (Rani, 2016). A strong compliance culture and operational systems, including due diligence checklists and risk assessments, are critical to helping organisations navigate the complexities of corporate liability under Section 17A (Raof et al., 2021). These steps will not only help companies meet legal requirements but also support long-term sustainability and ethical business practices (Raof et al., 2024). The legal environment requires organisations to adopt compliance activities to protect themselves against liability and to maintain a strong internal governance system with anti-corruption as its primary goal (Raof et al., 2021). By following the T.R.U.T.S. principles and adopting a thorough compliance system, organisations can reduce the risk of corruption and protect their interests in the event of legal consequences. The organisation must be proactive in setting up policies and business codes of conduct,

training employees and stakeholders to communicate these policies, and conducting assessments to ensure these measures are effective. Moreover, to introduce proper procedures, existing systems could be adopted, such as the Anti-Bribery Management System (ISO 37001) or the Corporate Integrity System Malaysia guidelines.

2.3 Anti-Bribery Management System

The introduction of an ABMS plays a vital role for organisations that want to reduce the risk of corruption and improve governance. The ISO 37001:2016 standard offers guidelines for developing, deploying, sustaining, and enhancing an ABMS, which is vital for preventing and addressing bribery, particularly in the public sector (Taufiq & Violita, 2022). Implementing these systems not only complies with corporate governance principles but also supports broader Environmental, Social, and Governance objectives, as organisations shift toward greater transparency and ethical behaviour (Veselovská et al., 2020). The document acknowledges that good international practice applies to various kinds of business organisations in various industries and jurisdictions by taking into consideration the type of bribery risks that are faced by such organisations, which is the reason why the policies, procedures and controls that are implemented should be commensurable and proportional to the same (Low & Low, 2020). ABMS is an internationally recognised set of actions and controls that provide best practices in anti-corruption and should be adopted by organisations to prevent and detect bribery. They include introducing an anti-bribery policy, assigning an individual to ensure due diligence on projects and business partners, implementing financial and commercial controls, and adopting reporting and investigation procedures (Haron et al., 2018). These include implementing reporting and investigation procedures, financial and commercial controls, assigning a person to oversee due diligence on projects and business partners, and instituting an anti-bribery policy. The organisation must carry out these actions in a fair and appropriate way (Haron et al., 2018). ISO 37001 can be used in all industries, including small, medium, and large organisations in the private, public, and non-profit sectors. ISO 37001 provides guidelines on how organisations should create policies, procedures, and controls that match the level of bribery risk they face (Putri et al., 2022).

It is hypothesised that small business organisations might not know and/or comprehend the consequences of section 17A (Sharija Che Shaari, 2020). According to the Securities Commission Malaysia report, anti-corruption policies were established in only 59% of listed companies (Securities Commission Malaysia Annual Report, 2019). An Anti-Bribery Management System (ABMS) application could be a useful tool to help companies implement anti-corruption policies. In a survey conducted by Ali et al in the construction industry, most interviewees declared their strongly positive attitude towards the implementation of the ABMS, as they found that obtaining the certification of the ABMS system increases the chances of acquiring a client and reinforcing the confidence of the stakeholders in the chain of command of the organisation, which was also supported by SIRIM QAS International, according to which the certification (Ali et al., 2024). In some industries in Malaysia, including construction firms that require multimillion government tenders, the ISO 37001 certification is in the process of being made a requirement (Dr ISO Malaysia, 2024)

3. Methodology

This study adopts a qualitative doctrinal legal research methodology to examine whether ISO 37001:2016 ABMS can be regarded as part of the "adequate procedures" defence under Section 17A of the Malaysian Anti-Corruption Commission Act 2009. Doctrinal legal research is a well-established and traditional approach within the legal field that involves the systematic examination and interpretation of legal rules, principles, concepts, doctrines, judicial decisions, legal institutions, and legal issues or questions, either individually or in combination (Sharija Che Shaari, 2020). In this study, primary legal sources such as Section 17A of the MACC Act 2009 and the Guidelines on Adequate Procedures issued by the Prime Minister's Department were analysed in detail. In addition, comparative statutory provisions, particularly the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act (FCPA), were also examined to provide interpretative guidance on corporate liability and the concept of "adequate procedures," especially in the absence of extensive Malaysian case law. This doctrinal analysis is further supported by a review of relevant judicial decisions and enforcement cases from the United Kingdom and the United States, including *R v Skansen Interiors Ltd*, *R v Sweett Group plc*, and *United States v Siemens Aktiengesellschaft*. These cases were selected for their relevance in illustrating judicial approaches to evaluating the adequacy and effectiveness of corporate anti-bribery compliance systems. Secondary sources, including academic journal articles, legal textbooks, policy documents, and the ISO 37001:2016 standard, were used to support and contextualise the legal analysis.

The study employs a purely analytical and interpretative approach, whereby legal materials are critically examined and compared to determine how the concept of "adequate procedures" is constructed and applied in different jurisdictions. The ISO 37001 standard is then analysed against the T.R.U.S.T principles to assess its alignment with Malaysian statutory requirements. This method is appropriate as it focuses on legal reasoning and doctrinal interpretation rather than empirical data collection. It is particularly suitable for this study due to the limited availability of Malaysian case law on Section 17A, thereby necessitating reliance on comparative legal analysis to understand how courts may interpret the adequacy of corporate compliance systems in bribery-related offences

4. Results and Discussion

4.1 The Determination of Adequate Procedures

Section 17A of the MACC Act 2009 places liability on corporate entities, requiring them to have adequate procedures to prevent corruption; if they fail, the company will be penalised under this section. The provision neither provides a definite nor a standard determination of the 'adequacy' of corruption prevention (Khong Aik et al., 2021). Since 2020, Section

17A of the MACC Act 2009 has been added, but no precedent case specifies what constitutes adequate procedures. In common law, it is left to the court to objectively interpret the words and phrases of the legislation to determine the intention of Parliament (Korotana, 2024). As of today, only two cases are being prosecuted by MACC; however, the outcome is yet to be decided. Pristine Offshore Sdn Bhd and its director, Chew Ben Ben was charged on 18 March 2021. Pristine Offshore, an offshore vessel support company, was accused of bribery in one count, amounting to RM321350, to secure a subcontract from Petronas Carigali Sdn Bhd (Chin, 2021). In April 2024, Hydroshoppe Sdn Bhd was accused of violating Section 17A(1)(a) of the MACC Act 2009 and offering a bribe jointly to Dato Tan Ser Lay as a commercial organisation to give Tan Sri Annuar Musa a yearly bribe of RM500,000 over a period of 15 years to secure the acquisition of Menara KL (Chan, 2026). In both cases, the proceedings are still ongoing. Because the application of adequate procedures in Malaysia is considered new, reference needs to be made to the United Kingdom and the United States to examine how "adequate procedures" operate in both countries. Section 7 of the UK Bribery Act 2010 provides a strict liability offence for commercial organisations, as mandated by the UK legal framework. This clause provides that a commercial organisation can be liable where an individual who is in some way connected to it bribes with a view to gaining or retaining business or gaining a business benefit to such an organisation (Bribery Act 2010, s. 7(1)). The Act, however, offers a statutory defence: an organisation can escape liability by showing that it had applied "adequate procedures" intended to combat this behaviour (Bribery Act 2010, s. 7(2)).

To shed more light on what is covered by this defence, official guidelines have been presented by the UK Ministry of Justice identifying six main principles as what constitute an "adequate procedure: (The Bribery Act 2010 Guidance, 2011). These principles are proportionate procedures, top-level commitment, risk assessment, due diligence, communication, and monitoring and review. This creates a dynamic, risk-based compliance model that can be applied to organisations of any size. Such procedures have been affirmed in enforcement initiatives like *R v Sweett Group plc* (2016), where failing to uphold good anti-bribery controls led to conviction. Prevention of bribery should thus be regarded as a strategic issue, especially among organisations that operate across multiple jurisdictions. This is particularly important because facilitation payments may be culturally acceptable, increasing the likelihood of non-observance of international anti-bribery practices (OECD, 1997). In the United States, there is no similar provision to Section 17A in the FCPA of 1977, but the courts have considered the meaning of "adequate procedures" in the context of preventing bribery, with reference to Section 13(b)(2) of the Securities Exchange Act of 1934 (Khong Aik et al., 2021). The FCPA was enacted to combat bribery of foreign government officials and to rebuild public trust in the honesty of the American business system (Foreign Corrupt Practices Act, 1977). It also forbids U.S. individuals and companies from paying bribes to foreign officials to obtain or retain business or gain an unfair benefit (Rani et al., 2023).

Practically, adherence to the FCPA would entail companies enacting detailed internal policies and controls. Such compliance programmes are commonly noted as an important part of enforcement, as in *United States v Siemens Aktiengesellschaft* (2008), where systemic compliance failures resulted in significant fines. Siemens AG was guilty of breaches of the books and records and internal controls provisions of the FCPA, and it admitted it had never had sufficient accounting systems and controls in place to prevent and detect corrupt payments (*United States v. Siemens Aktiengesellschaft*, 2008). As it turned out, Siemens had a long-standing history of paying bribes to foreign officials to help obtain business contracts, and the improper payments totalled more than USD 800 million. Another US case, *SEC v. ENI S.p.A. and Snamprogetti Netherlands B.V.*, concerns a large bribery scheme involving ENI and its subsidiary, which paid substantial sums to Nigerian officials through intermediaries to secure contracts for liquefied natural gas projects. The payments were improperly recorded, and the companies failed to maintain adequate internal controls. The matter was resolved through a settlement with the SEC, highlighting violations of the FCPA's accounting provisions. Since Section 17A of the MACC Act 2009 is modelled on Sections 7 & Section 8 of the UK Bribery Act 2007, UK case studies provide useful guidance on adequate procedures. The adequacy of the defence in respect of an "adequate procedure" was, so far, put to a real test during the Crown Prosecution Service (CPS) trial against Skansen Interiors Limited (Skansen) in 2018. In *R v Skansen Interiors Limited*, DTZ Debenham Tie Leung invited refurbishment contractor Skansen to tender for two refurbishment contracts. The previous managing director of Skansen had reportedly paid two payments of £10,000 and promised another payment of £29,000 to a former DTZ project manager. After conducting an internal investigation, Skansen reported the malpractice to the National Crime Agency, fired the managing director and head of commercial, and fully cooperated with the investigation.

When Skansen was prosecuted for bribery, he claimed that the company had proper procedures to prevent bribery. Skansen's defence was that, although it had no special policies, it had made it clear throughout the organisation that staff should not give any bribes. The contracts also included anti-bribery clauses. Because of the size of the company (about 30 employees), Skansen reasoned that such checks and balances would be sufficient and that the company did not need elaborate, sophisticated control processes to be considered sufficient. The jury returned a guilty verdict and ruled that the controls at Skansen were not enough. Skansen was found guilty of failing to stop bribery. The guilty verdict in Skansen's case seems to suggest that companies are expected to implement robust written procedures and communicate them effectively. Having compliance records is also important. It suggests that larger firms should have a dedicated compliance director to oversee anti-bribery efforts. This trial was resolved through a jury trial, and the case cannot provide a clear guideline on what procedures or measures organisations should take to be considered "adequate procedures". The insight we can draw from this case is that the mere existence of policies and internal controls is not sufficient to make preventive measures adequate (Khong Aik et al., 2021). The other cases that discuss adequate procedures were not decided based on contested arguments. In *R v Sweett Group PLC*, it was found that Sweett Group PLC not only lacked proper policies and procedures to prevent bribery, but also deliberately disregarded two KPMG reports in 2011 and 2014 that highlighted

weaknesses in the firm's systems and controls. The company was guilty of the charges. This case also emphasised that merely having policies in place is insufficient; the organisation's leadership must demonstrate a commitment to anti-bribery, from the top down to employees (Khong Aik et al., 2021). The following cases were resolved through Deferred Prosecution Agreements instead of prosecution; however, the factors considered by the court may guide adequate procedures. *Director of the Serious Fraud Office v Amec Foster Wheeler Energy Limited*, in which the case was ruled based on a deferred prosecution agreement. Amec Foster Wheeler Energy Limited was accused of ten counts of bribery in Nigeria, Saudi Arabia, Malaysia, India, and Brazil before its acquisition by Amec plc, where it operated as Foster Wheeler Energy Limited. It was found that, in October 2007, lawyers for Foster Wheeler Energy Limited drafted a risk report concerning the possibility of corruption in the four countries.

Nevertheless, Foster Wheeler Energy Limited failed to report any of the discoveries and findings in the risk report to any authorities in any jurisdiction. However, the board knew that some senior employees and directors had been involved in activities that would most likely have violated anti-bribery laws. Additionally, similar reoffending was witnessed in a relatively short period. The Southwark Crown Court noted that the board of Foster Wheeler Energy Limited failed to implement its policies, and this was deplorable. In *Serious Fraud Office v Glencore Energy UK Ltd*, Glencore Energy UK Limited defended by submitting that it tried to put in place preventative measures, including publishing anti-bribery and corruption policies and appointing a compliance officer. However, the Southwark Crown Court held that they were ineffectual and feeble, as one of the policies was outdated and there was no evidence that the terms were enforced or that their importance was emphasised. Indeed, two staff members at Glencore Energy UK Limited who had ethics in their job descriptions were the same staff members investigated by the Serious Fraud Office. The Southwark Crown Court ultimately ordered Glencore Energy UK Limited to pay a confiscation order of £93,479,338.95, seven counts of corruption fines of £182,935,392.95, and payment of Serious Fraud Office prosecution costs of £4,550,362, due within 30 days of the order date. The adequate procedures test appears to be an impossible standard for a company to satisfy to enjoy the defence to an offence (Jones, 2022). The UK House of Lords Select Committee (2019) wrote in its report that it was unlikely that "adequate" would be interpreted too strictly. The Committee recommends that the definition of adequate be construed as reasonable under all the circumstances. What constitutes "adequate" could depend on the case and the type of business; a general policy with unsatisfactory practical application will not suffice and is liable to judicial interpretation (Mohamed et al., 2023). Moreover, adequate procedures can be demonstrated by maintaining compliance records and up-to-date written policies that expressly refer to the required statutory provisions (Balasingam, 2022). In the Skansen case, it is evident that training and communication are critical, as all staff must be well trained and informed about the necessary anti-bribery measures. In addition, organisations must have a well-defined reporting line and a member of management charged with anti-bribery responsibilities.

4.2 Alignments of Guidelines on Adequate Procedures and ISO 37001 ABMS

Guidelines on Adequate Procedures, which follows subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) ("MACC Act 2009"), the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (MACC Amendment Act 2018), have been introduced by the Prime Minister's Department. These guidelines are meant to guide commercial organisations on the appropriate procedures to employ to deter corrupt practices in their business activities. In the case of larger commercial organisations, they may decide to use an Anti-Bribery Management System certified to ISO 37001:2016. The International Organisation for Standardisation ("ISO") is a global association of national standards organisations (ISO member bodies). Recognising that the law is not enough to combat bribery, ISO 37001 was proactively developed as an anti-bribery management system to establish a culture of integrity, transparency, openness, and compliance. ABMS, as applied to corporate organisations, can exist separately or be incorporated into the overall management system; it has specific requirements and guides the development, implementation, maintenance, evaluation, and continual improvement of the system of relationships with organisational activities. Clauses 1 and 2 of the Standard state only the scope and normative references of ABMS 37001:2016, while Clause 3 lists definitions for all relevant terms.

Clause 4 of the standard highlights the organisation's context. The organisation should pinpoint internal and external problems pertinent to the organisation that influence its ability to achieve the objectives of its anti-bribery management system. The fourth clause (4.5) instructs organisations to carry out a risk assessment that resembles the second principle of the TRUST guidelines. All organisations should conduct bribery risk assessments regularly to run an ABMS. Risk assessment is achieved by identifying reasonable organisational bribery risks and analysing, assessing, and prioritising them. A risk assessment is also carried out by evaluating the suitability and effectiveness of the organisation's controls to reduce the assessed risk of bribery. The organisation must develop parameters to assess the extent of bribery risk, and they must reflect the organisation's policies and goals (Olsen, 2010). Clause 5 of the standard emphasises leadership, and Clause 5.2.2 provides that top management shall provide leadership and dedication regarding the anti-bribery management system. This aligns with the first principle under TRUST guidelines: Top Level Management. The high command of an organisation needs to demonstrate a high level of open and moral standing towards anti-corruption. This includes developing clear policies, setting an example, providing sufficient resources, and frequently evaluating and controlling the risk of corruption. Moreover, leadership dedication is a critical factor in effective realisation of ISO 37001 ABMS. As an anti-bribery framework, ISO 37001:2016 offers guidelines to help organisations establish, implement, maintain, and improve an anti-bribery program (Putri et al., 2022). This standard highlights the importance of active engagement and leadership commitment to reduce the impact of bribes and encourage an organisational culture of integrity (Januarsyah et al., 2022).

Organisations should also have strategies to respond to risks and opportunities, as stipulated in Item 6 of the standard. The organisation will set the goals of anti-bribery management systems and identify the actions that must be undertaken to attain the goal. The third principle of the TRUST guidelines, Undertake Control Measures (U), mandates that organisations do the same. Organisations should put in place sound controls, policies, and procedures to minimise the identified risks. These can include due diligence processes, whistleblowing, and internal and external reporting systems. In addition to leadership commitment, organisations should employ thorough risk management strategies to curb bribery. Companies are also advised to undertake a comprehensive risk analysis to identify potential weaknesses related to bribery and corruption. The ISO 37001 standard offers guidelines that organisations can use to design and establish anti-bribery management systems that can greatly help reduce bribery risks (Veselovská et al., 2020). This proactive approach supports not only compliance with requirements but also the overall corporate governance framework (Veselovská et al., 2020). The fourth principle of Systematic Review, Monitoring, and Enforcement (S) is reflected in Clause 8, Clause 9, and Clause 10 of the Standard. The processes required to satisfy the anti-bribery management system requirements shall be planned, implemented, reviewed, and controlled; in Clause 8, the corporation shall plan, implement, review, and control the processes needed to achieve the actions determined in the risk register. The corporation should also be encouraged to conduct due diligence during implementation under Clause 8. Anti-corruption policies and procedures should be reviewed and updated regularly to ensure that they are effective. This includes checking compliance and responding to violations with due enforcement and penalties. The next Clause 7.3 emphasises Awareness and Training, similar to the previous principle of training and communication. Organisations must provide relevant training to staff and other stakeholders and communicate the organisation's anti-corruption policies effectively. This ensures that everyone knows their role and responsibilities in the fight against corruption. Based on the comparison and comprehensive analysis of the clauses of ISO 37001 and the TRUST Guidelines, it is possible to conclude that both conditions could be adjusted to ensure that companies prepare themselves with sufficient procedures.

5. Conclusion

The adoption of ISO 37001 aligns with the T.R.U.S.T. provisions on adequate procedures expressed by the Malaysian Anti-Corruption Commission; however, to finalise whether ISO 37001 is sufficient to meet Section 17A, it is up to the court to determine. Every case and offence are highly subjective, based on the nature and capability of the business. Thus, determination of what amounts to adequate procedures under Section 17A would likely be made by considering what the reasonable measures in all circumstances. Although ISO 37001 has been broadly welcomed as the best independently tested evidence of "adequate procedures" in the market, it does not automatically give a right to rely on it in law. The sources assert that, if a corruption incident were to arise, the judiciary's final decision on a case-by-case basis will depend on whether the organisation indeed put the required safeguards in place. Having a certificate on its own might not be sufficient when implementation is identified as a "bare minimum" or "box-ticking" exercise rather than an operational system.

One noticeable comment in the literature is that, despite certified procedures, a bad mood at the top can undermine or destroy the sufficiency of the defence, especially when senior management is implicated in corrupt activity. Attaining an anti-corruption culture requires complex coordination between ethical leadership and sound systemic controls. Rather than having policies on paper, organisations should act as exemplars of a real culture against bribery. The new ISO 37001:2025 standard clearly stipulates that leadership must promote ethical conduct and help create an atmosphere in which integrity is accepted as a norm rather than a policy. Organisations need to implement precautionary actions within the organisation to safeguard business entities from corporate liability charges. The T.R.U.S.T. Principles (in particular, Principle IV: Systematic Review, Monitoring, and Enforcement) require that anti-corruption steps must not be one-dimensional. An auditing system, or one that is not routinely audited to capture changing business risks, can be considered inadequate during an offence. To ensure continuous assurance to the board and stakeholders, organisations are expected to undertake thorough corruption risk assessments internally and externally.

The main limitation of this study is that Section 17A is now viewed as inexplicable, and its practical implementation remains extremely limited. With the provision in effect since 2020 and a negligible connection rate, only two high-profile cases have been brought to others at the time the study was written. This complicates the evaluation of the law's long-term effectiveness in reducing corporate corruption. The fact that an ABMS is based on compliance with ISO 37001 does not imply that the defence of Adequate Procedures will be successful under Section 17(4) should the commercial organisation be charged under Section 17A (1). However, if the commercial organisation has been duly complying with its ABMS, which has been put in place and is certified under ISO 37001, it can argue that there were adequate procedures. There is no one-size-fits-all approach, as what constitutes "adequate procedures" depends on a critical and clear understanding of the nature, scale, and complexity of the organisation's activities, with periodic reviews on a timely basis to ensure the measures remain proportionate as the business evolves. All current guidelines, such as the Anti-Bribery Management System, can be applied by commercial organisations and modified depending on the size of the organisation. The most important thing is to ensure the guidelines are strictly implemented at every level of the organisation, with no exceptions, and not as a minimum compliance measure.

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The authors declare no conflicts of interest.

CRedit Authorship Contribution Statement

Nur Athirah Syuhada Hasni: Conceptualization; Analysis; Verification; Methodology; Writing-original draft

Hartinie Abd Aziz: Conceptualization; Investigation; Supervision; Writing-revise & review

Aminuddin Mustaffa: Conceptualization; Verification; Supervision; Writing-revise & review

Availability of Data and Materials

The data supporting this study's findings are available from the corresponding author upon request.

Ethics Declarations

This study did not involve human participants or animals. Ethical approval was therefore not required.

Generative Artificial Intelligence Declarations

The authors claim that artificially intelligent-assisted technologies, such as generative AI, were not used to generate content, ideas, or theories. We have just utilised AI to enhance readability and refine the language. We used it under strict human control and oversight. The authors take full responsibility for reviewing and approving the content.

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