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Tajuk : *Ministry bidding to recognise cooperatives as business entities*

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KUALA LUMPUR: Entrepreneur Development and Cooperatives Ministry and Suruhanjaya Koperasi Malaysia (SKM) will set up engagement and collaboration with related ministries and agencies to ensure that cooperatives are recognised as business entities, similar to micro, small and medium enterprises (MSMEs).

Its minister Datuk Ewon Benedick said currently, there are legal restrictions preventing cooperatives from venturing into certain business sectors unless they establish subsidiaries under the Companies Commission of Malaysia (SSM).

"This is despite cooperatives being similar to other business entities that need to generate income through their business activities.

"The ministry welcomes initiatives by certain ministries and government agencies that have started to pay attention to this issue and provide cooperation to facilitate business activities in the cooperative sector.

"Collaboration with other ministries and government agencies is crucial to ensure that this sector remains competitive, sustainable, and a significant contributor to Malaysia's socio-economic development and societal well-being," he said at the launch of International Year of Cooperatives 2025 (IYC2025) at the national level here today.

Ewon said the ministry is in the final stages of completing the draft amendments of the Cooperative Act 1993.

The policy paper on the proposed amendments has also been distributed to all ministries, and the feedback received has been positive, he added.

"I will first present the Cabinet paper at the policy level this month, and the full draft will be tabled in Parliament next year.

"However, before I bring it to Parliament, I must hold a final engagement with the leadership of the national cooperative movement, such as Angkatan Koperasi Kebangsaan Malaysia Bhd (Angkasa), Majlis Perundingan Koperasi Kebangsaan, and especially with members of Parliament as lawmakers. "I do not want the MPs to only be involved after it has been tabled; I want them to be involved beforehand," he told reporters after the launch.

In his speech, Ewon said the potential act is to strengthen the legal framework and governance structure of cooperatives so that the sector remains relevant amid the changing economic landscape.

He added that the new act will help cooperatives become more competitive by liberalising regulations to facilitate cooperative business activities.

The minister shared that the number of cooperatives has grown to 16,009, with a membership of 7.2 million.

"The sector has recorded revenue of RM33.1 billion. Concurrently, the cooperative movement's involvement in various economic sectors has increased the accumulation of share capital and fees to RM18.0 billion, with asset generation totaling RM171.4 billion," he said.