

Understanding pricing policies prohibited under the Malaysian competition ACT 2010

ABSTRACT

Pricing policy is one of the most critical business policies that most enterprises place great emphasis on the day-to-day decisions making. In a perfect competition market, enterprises would formulate their pricing policies freely in line with the firms' bottom line objectives. However, such practice by certain enterprises is hindered ever since the Malaysian government enacted the Competition Law in 2010 as legislation to regulate the competitiveness of the overall business environment with fair trades among enterprises. The competition law applies to all profit-making business organisations in Malaysia. Despite the Malaysian Competition Act 2010 has come into force on 1 January 2012, but to date, the awareness among the business enterprises are still very low. This can be evidenced from the total number of 362 cases being investigated by the Malaysia Competition Commission since 1 January 2012. In order to avoid any breaches of the law, understanding and complying seems the best remedy. The purpose of this paper is to explore the pricing policies prohibited under the Malaysian Competition Act 2010 and to enable the enterprises to grasp it with greater awareness and prevent future chances of infringements when implementing pricing policies. The research methods applied are by content analysis, Acts and case laws studies. It is concluded that the enterprises must comply with the Malaysian Competition Act 2010 stringent pricing policies.