GLOBAL FINANCE

Hot Port for IPOs: Malaysia | Audits of Brokers

Market Surges as Investors Snap Up a String of Debuts; Economy Is Strong

Another Malaysian company, this time the owner of the counthis time the owner of the coun-try's busiest port, is looking to test investor appetite for an ini-tial public offering. It would be the latest in a string of big-ticket deals that are making the

this year.

The company, Westports Malaysia Sdn. Bhd., began inviting bankers to pitch to advise it on plans to raise about \$1\$ billion from an IPO, three people familiar with the transaction said Monday, adding to a long queue of billion-dollar-plus listings.

The company is current by earth.

of billion-dollar-plus listings.
The company is owned by entities linked to Hong Kong tycoon Li Ka-shing and Malaysian
industrialist G. Gnanalingam.
Benefiting from a strong tradibulic stocks and a resilient
economy, Malaysia is already
borne to two of three biggest economy, Malaysia is already home to two of three biggest IPOs in the world this year, be-hind Facebook Inc.: the \$3.1 bil-lion offering from state-backed palm-plantations owner Felda Global Ventures Holdings Bhd., and hospital operator IHH and hospital operator IHH Healthcare Bhd.'s \$2 billion dual Singapore and Malaysia listing

last month.

With those listings and others pending, from a cable-television operator and a domestic power firm, Malaysia has become a rare bright spot for offerings, while

Enting, according to Dealogic, beating last year's top fave and the planned \$1.5 liblion IPO, according to people familiar with the Both Felds and HiH had heavy investing from Malaysia's Employees Provident Fund and other state funds, which took on so-called comerstone roles that committed them to holding those stocks for at least six months after they were listed, in each age for a rearry dish in the secknage for early dish in the carbage for early dish in the most back by the resilience of Malaysia's months after they were listed, in each age for the state of the state



Westports Malaysia, operator of Port Klang, is looking to raise about \$1 billion in an IPO.

the success of Felda and IHH, other companies such as cable-TV operator Astro All Asia Net-works PLC and power company Malakoff Corp. Bhd. are all plan-ning to list in the next year or so, people with knowledge of the plans said. Malakoff recently lined up

bright spot for offerings, while elsewhere markets are suffering from an IPO drought. Last year, Malaysia ranked 12th in new listings globally, but has waited to living blace this waited to living blace this waited to living blace this mean for the Malaysia China, according to bealogic, beating last year's top draw beating last year's top draw flong Kong, which has fallen to fourth place.

the success of Felda and IHH. comes as IPOs elsewhere have

comes as IPOs elsewhere have either been delayed or scrapped owing to volatile market condi-tions.

In Hong Kong, pulled IPOs have become common U.K.-based Graff Diamonds scrapped its \$1 billion IPO this year, while in Singapore, motor-sport franchise Formula One Group post-

The Southeast Asian country is home to two of year's top IPOs not named Facebook: Felda Global's and

Hutchison Port Holdings Trust, which is controlled by Hong Kong's Mr. Li and operates 52 ports in 26 countries, has a 31.5% stake in Westports, which was formed by Mr. Ganalingam, who is listed as the country's 24th-richest person, according to Forbes, from the privatization of government port assets in the early 1990s. His oldest son, Ruben, is chief executive of the company. Hutchison Port Holdings declined to comment on the prospective IPO. Westports Malaysia wasn't immediately available for comment. Hutchison Port Holding

wasn't immediately available for comment.

The IPO would be the most recent equity-capital raising for groups linked to Mr. Li in Southeast Asia in recent years. Hutchison Port Holdings raised \$5.5 billion in Singapore's larg-est-ever IPO in early 2011. Mr. Li one of the wealthings I. mr. in est-ever IPO in early 2011. Mr. Li, one of the wealthiest men in Asia, also held the first yuan-denominated IPO outside China last year in Hong Kong—the \$1.6 billion IPO of Hui Xian REIT.

—Isabella Stege and Jason Ng contributed to this article.

Found Deficient

23 audits of broker-dealers by 10 audit firms.

The board found independence problems in two cases where the auditors prepared, or assisted in preparing, financial statements they were auditing, something allowed under rules by the American Institute of Certified Public Accountants but not under the stricter rules for broker-dealer auditors under the Securities and Exchange Commission.

ission. The board said it wouldn't

By Ltz Moven

Audits of broker-dealers have edisturbing' deficiencies, including two instances where the firms that conducted the audits didn't adhere to rules requiring independence among auditors, a new report found. The report, by the Public Charles of the report o

tempt, pleaded not guilty to 31 charges of fraud last week.

The PCAOB said Monday that its first swipe at reviewing audits was just a small sample of what it will ultimately review.

While the results of these general zero tall securities broker and dealer audits and represent only a small portion of the inspections planned for the interim program, the nature and extent of the findings are of concern to the board," said James Doty, PCAOB chairman.

Less than 1% of broker-dealers, 30 in total, have net capital requirements of \$1 billion or

missions and action of the auditThe board said it wouldn't
identify the names of the auditidentify the names of the auditidentify the names of the auditing firms or the broker dealers. 30 in total, have net capital
regions of the auditing a conference call to discuss
the interin report Monday, representatives of the accounting
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The review program began
is the PCAOB's new oversight authority
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This year, the PCAOB will look at
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James Doty's PCAOB is concerned about broker-dealer audits

Swiss Banks Share Names With U.S.

BY ANTA GREIL
AND MARTA FALCON

after UBS AG in 2009 admitted
wrong doing in helping Americans hide from tax authorities.

UBS agreed to turn over the
shards of their employees, as
they seek to fend off any criminal prosecution over allegations
that they helped Americans
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nal prosecution over allegations that they helped Americans evade taxes.

The handover, which initially didn't attract much attention in Switzerland, has become a major controversy about personal pricontroversy about

The Case So Far Squaring Off Over Privacy

◆ UBS admitted in 2009 to helping Americans hide taxes.

♦ Thousands of Americans have disclosed their accounts as part of U.S. tax amnesties.

◆ Washington and Swiss officials have been discussing details of a broad agreement on the tax issue.

Spokesmen for the Department of Justice and the Internal Revenue Service declined to comment on any aspect of the matter, including how the agencies might use the information.

inature, including how the agen-cies might use the information.

"I feel completely betrayed, said Eric Delissy, a 71-year-old the said Eric Delissy, a 71-year-old the said Eric Delissy, who said he never dealt with U.S. clients, lodged a criminal complaint with Swiss prosecutors against HSBC, members of the Swiss spowerment and the financial markets regulator, with the Swiss state prosecutor. The complaint was turned down by prosecutors on Monday, Mr. Delissy plans to appeal.

HSBC said it is aware of the decision to dismiss the complaint. It said it continues to cooperate with U.S. authorities.

HSBC "has carefully evaluated the process of how it cooperates and believes full cooperation is in the best interest of all stake and believes full cooperation is in the best interest of all stake issue. Today's decision supports this view," spokesman Medard Schoemmackers said.

Douglas Hornung, a Genevahased lawayer, said he represents about 50 former and current bank employees whose names. One, and a said of the cooperation o worked in Switzerland," said Mr. Schoemmackers, the HSBG spokesman. "We have a highly diverse work force in Switzerland, so there are many nationalities involved. We haven't selected documents nor names in esterd documents nor names in establishmission of information to the U.S."

Not all names that have been disclosed to U.S. officials belong to Swiss citizen. "The Swiss should offer the U.S. track down tax dodgers, but they should make clear that they will only do so within the country's legal framework," said Martin Janssen, a professor of finance at Zurich University. "For land over the armses of employses the beforehand, violates Swiss that work the Swiss government's negotiating power at the bargaining table."

Bank officials and Mario Toura spokesman for the Swiss man of the Swiss is made ministry, said it is in the Swiss government's negotiating power at the bargaining table."

Bank officials and Mario Toura spokesman for the Swiss framer ministry, said it is in the swiss government's negotiating to pressure U.S. companies to the swiss government's negotiating to the companies would have to report whether their goods contain any of the African minerals, and the banks were in a very difficult position," said from sa Sutter, a share of the swiss power of the paragining table, and the swiss of the swiss o

U.S. Business Groups Oppose 'Congo' Rule

WASHINGTON—U.S. market regulators are targeting violence in central Africa and corruption

with the rule, as well as whether companies' minerals reports would be subject to the same level of liability that applies to annual reports and other important filings to the SEC. In its 2010 proposal, the SEC said the rule would cost businational Association of Manufacturers said it would cost between \$9 billion and \$16 billion, since some companies would have to scour supply chains comprising hundreds or even thousands of vendors. The control of the same companies would have to scour supply chains comprising hundreds or even thousands of vendors. Chamber of commerce saled the SEC to repropose the rule, saying the regulator hadri are subject to the rule. The SEC ddn't provide a cost estimate for the rule forcing enter the second of the rule of the second of the rule of the rule. The SEC ddn't provide a cost estimate for the rule forcing enter for developing oil and gas fields abroad. The American Petroleum Institute, the oil and gas industry's major trade group, said costs could run into the tens of billions of dollars if the SEC companies when a host country's laws prohibit disclosure of companies when a host country is laws prohibit disclosure of the payments. Without the exception, com-

laws prohibit discussing on any apparents.
Without the exception, companies could be forced to wind down their operations in Qatar, Angola and other countries in order to comply with SEC rules as well as foreign law, the group

y as well as foreign law, the group
1 said.

The disclosure rule would
force U.S. listed oil companies to
hand over valuable competitive
information to foreign and government-run competitors who
s won't have to comply with the
y rule, the API said.

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HSBC's private-banking unit and at least several Swiss banks shared employee names with U.S. Investigators.



