

# Examining Malaysia's Official Standpoint On AI Ethics, Morals And Governance, And Evaluating The Current Government's Legal And Regulatory Landscape Governing AI

Adam Mikael Aris Abdillah<sup>1</sup>, Sylvain Mwanangu<sup>2</sup>, Tariq Eldakruri<sup>3</sup>,  
Edip Senyurek<sup>4</sup>

<sup>1,2,4</sup>Department Of Computer Engineering / Vistula University, Poland

<sup>3</sup>Department Of Economics And Finance / Vistula University, Poland

---

## **Abstract:**

*As the public and private sectors in Malaysia are rapidly adopting Artificial Intelligence (AI) in their operations, it is important to put in place a solid governance framework to maintain ethical integrity along with technology advancements. This paper examines the relationship between the voluntary National Guidelines on AI Governance and Ethics (AIGE 2024) adopted in Malaysia and the regulatory environment created by this, by analyzing the structural tension between non-binding ethical principles and binding amendments to the Personal Data Protection Act (PDPA 2024), which, in this case, may be restrictive.*

*The methodology is based on the combination of the policy analysis, the PDPA 2024 examination, and the review of institutional readiness reflecting the established scholarly critiques and official records of the government.*

*The analysis reveals that Malaysia adopts a pro-innovation soft-law approach, strategically positioning it to align with the Association of Southeast Asian Nations (ASEAN) consensus, whereas the shortcomings in AI legislation are a risk that may permit AI integration to be executed without having clear ethical boundaries.*

*The gateway to high-trust AI operation and AI's environment of a political corrective tool is the division of AIGE's principles into hierarchical, risk-congruent mandates, particularly for the high-risk and public procurement sectors.*

**Key Word:** AI Governance, Malaysia, Soft Law, PDPA 2024, Algorithmic Fairness, ASEAN.

---

Date of Submission: 20-12-2025

Date of Acceptance: 30-12-2025

---

## I. Introduction

The current technological landscape has seen an unparalleled crossover of AI into our daily activities; in fact, we are witnessing unprecedented changes in human lifestyles. Countries worldwide are responding to the pressure of ensuring that the benefits of AI to the economy will be maximized, and that problems with AI will be alleviated by laying down strict rules and regulations of ethics. Situated in a complicated geopolitical milieu, Malaysia as a major player in the economy must find a path through this minefield by focusing on innovation and at the same time, setting the cornerstones of the ethical standards. The present work outlines the sustainable goals of Malaysia through its perception and ethical governance surrounding AI, outside which some evaluative report will be mentioned.

A consequence of the rapid growth of generative AI technologies is the IOU and the arrival of the AI governance dilemma. The generative AI technologies, which involve ethical and other risks such as systemic security threats, implications for employee displacement, fragmentation of global legislation, etc. are the primary drivers of the current urgency in the question of the AI governance [1]. The specific theoretical and empirical constraints associated with the regulation of AI have led to the manifestation of three principal international regulatory frameworks [2]. The European AI Act, which is an EU law, is a typical example of the EU's prescriptive, psychic, and human-oriented approach. The same way that protocols are central, the control of software is centrally dependent on protocols. The AI Act is an EU law that defines AI systems in terms of risk and stipulates strict conditions about quality of data and transparency for high-risk applications, and so it is a typical example of the EU's rights-based, or prescriptive, legislative guidance [2]. On the flip side, the U.S. is all for innovation and wants to maintain its competition and avoids any kind of comprehensive federal

legislation, thus, it is more decentralized, governed (>executive) and driven by market [2]. However, the case is quite different with nations such as China which are deeply entrenched in substantial and structured steering methods.

Regional integration, characterized by a “soft”, consensus-driven approach, ASEAN has a major influence on the policies of Malaysia [3]. The ASEAN Guide on AI Governance and Ethics, which comes out with the suggestion of regional interoperability, decentralizes the function of the governments of the member states to formulate the rule and the fundamental ethical principle [3]. The choice to embrace a voluntary, principles-based approach, was driven by the heterogeneous nature of the region and the differing degrees of AI readiness for the technological revolution [2]. For this reason, the adoption of voluntary guidelines by Malaysia, which stands in contrast to direct, binding measures is a conscious move toward ensuring the regional interoperability and is a way of relieving burdens on the companies, particularly the internationally operating micro, small and medium-sized enterprises (MSMEs)[2]. Should Malaysia choose to follow a legally binding, prescriptive rule that is profoundly different from the ASEAN norm, the risk would be inflated that this would disrupt cross-border services and digital integration initiatives [2]. Instead, the guidelines being voluntary at this time can be viewed as a geopolitical strategy, which prioritizes the regional market's flexibility over the unilateral, regulatory prescription that is immediate.

The formulation of the National AI Roadmap (AI-Rmap 2021-2025) by the Ministry of Science, Technology, and Innovation (MOSTI) is the official step taken to show the commitment of Malaysia to AI [4]. Under the principles of reliability, inclusiveness, and accountability, the roadmap points out significant AI application examples in major areas such as healthcare, education, and agriculture [4]. After the AI-Rmap period, the National AI Technology Action Plan 2026-2030 will be carried out by the government, with the Ministry of Digital and the National AI Office (NAIO), which was recently set up, as its overseers [5]. This technological shift has major implications for the economy. It is estimated that by 2030, artificial intelligence (AI) will add about RM480 billion to the economy and thus will become a vital driver of national growth [6]. To reach this goal and enhance its AI ecosystem, the government is on a fast-track international collaboration and particularly targeting the United States (US) technology leaders to synchronize global standards which in turn will result in better positioning in the worldwide AI scene [7]. The establishment of the NAIO on December 12, 2024, was a remarkable institutional action meant to centralize the governance effort. The national AI policies, the governance framework, and the investment plans are specifically directed by NAIO with other initiatives such as the AI Technology Action Plan 2026-2030 [5].

This is an ambitious economic projection of RM480 billion and reveals a major inconsistency between the existing governance structure and the country's aspirations [6]. Non-binding rules typically have the problem of non-certainty of the regulations that the international investors, particularly those investors who can implement projects of this magnitude, desire [8]. In a market expected to be worth nearly half a trillion ringgit by 2030, the exclusive reliance on voluntary compliance is problematic because it creates systemic issues such as liability exposure, data security, and intellectual property. This strategic contradiction implies that the government regards the present phase mainly as a preparatory one in a slightly different manner, employing “soft law” to increase institutional capacity and stabilize the ecosystem through NAIO before the enactment of legally binding legislation that fulfils economic demands.

In 2024, Malaysia made a formal declaration of its ethical position by the introduction of the National Guidelines on AI Governance and Ethics (AIGE Guidelines) [9]. The central point at issue remains, though, the fact that there are no existing all-embracing specific laws on the application of AI and machine learning [5]. This reliance on a framework that is voluntary and not legally binding [10] is at the root of the regulatory issue of basic inconsistency. Even though the ambition is to reduce regulatory friction [9] and drive forward innovation, the lack of a statute so to speak has given rise to significant regulatory uncertainty, which inevitably leads to divergently distributed enforcement and compliance weak points across respective sectors [6]. Furthermore, the soft-law approach is not a remedy in itself. The legally binding restrictions on AI use that are in place right now are about the Data Protection Act which was renewed and implemented and specifically prohibits the use of personal data indeed the legislation is not AI oriented [11]. The conflict that has not yet been discussed is the contradiction between Malaysia's high ethical standard, voluntary AIGE Guidelines, and the practical constraints of the core data protection law (PDPA 2024) which is the main claim of this paper. A deep exploration of this problematic relationship is essential for the analysis of public confidence, technological progress, and the unique political reform agenda related to the promotion of use of algorithm in governance which is fair and just [12].

This study proceeds by first forming the components of Malaysia's governance architecture with multi-layers, institutional and legal instruments mapping (Section 2). Followed by a critical analysis of the regulation gaps and implementation issues (Section 3). Section 4 covers the illustrative implications of the policy choices, focusing on the sociopolitical dimension of AI governance, and suggests policy adjustments, culminating in a comprehensive conclusion (Section 5).

## II. Material And Methods

The current architecture governance of AI in Malaysia is a combination of strict underlying data protection law, central governmental strategy and non-binding ethical guidance, the operational processes and institutional structure which will be explored in the following section.

### The Institutional and Data Environment

The National AI Office (NAIO), established in 2024, centralizes policymaking and investment strategy to serve the governance of the coordinating hub [5]. It is developing the AI Adoption Regulatory Framework as well as initiating the Public Sector AI Adaption Guidelines [5], which are already in use by the organization to scale AI use internally among government agencies. An example of how the organization is addressing the weakness of insufficient state capacity is the deployment of Google Workspace's Gemini Suite to 445,000 public officers [5].

### The National Guidelines on AI Governance & Ethics (AIGE 2024)

The AIGE guidelines are also aligned with the regional ASEAN guide on AI governance and ethics and other international principles, as they are not only based on the ethical stance of Malaysia [9] but also seek to encourage the development and use of AI across all sectors [4]. This framework is significant as it clearly delineates roles across the AI ecosystem [10] with a focus on creating an innovation ecosystem in Malaysia:

**Table 1: Key AI Stakeholders and Primary Responsibilities**

Stakeholder Group	Key Responsibilities & Strategic Focus
Policymakers	Balance international cooperation, promote AI literacy and public interest.
AI Value Chain Entities (Developers / Suppliers)	Assess the impact of AI systems and ensure they are ethical and safe by integrating privacy and maintaining privacy.
AI End Users	Users, who should be educated on responsible AI usage.

Although voluntary, the Guidelines require adherence to five very specific disclosure requirements [13]:

**Table 2: Mandatory Disclosure and Transparency Requirements [13]**

Requirement	Category	Detailed Description
Input Transparency	Decision-Making Information	A complete disclosure of the information utilized by the AI system for decision-making.
Purpose Alignment	Intended Use	Disclosure of the AI system's intended use.
Data Integrity	Training Data & Bias	Disclosure regarding training data, including a description of the data any historical or social biases and the methods used to ensure data quality.
Operational Audit	Maintenance & Assessment	Documentation of AI system maintenance and assessment.
User Recourse	Contestability	Providing users with the ability to contest the AI system's decisions.

The five requirements are detailed to serve with being accountable and applying transparency without passing a formal law [13]. These disclosures focus on three central ethical risks: bias, transparency, and due process, which would be required by law in any jurisdiction with a comprehensive AI act; by putting them in voluntary guidelines, the government sets a benchmark for industry "best practice" [10]. The main weakness of this soft law strategy is that these guidelines are not legally enforceable, which is a significant weakness if there is widespread algorithmic bias or harm.

### The Binding Constraints

The Personal Data Protection Act (PDPA) functions as the most significant binding regulatory instrument governing the input layer and processing activities of AI systems operating in the absence of specific AI legislation [5].

This Amendment Act significantly strengthens the data protection requirements, by treating biometric data as "sensitive personal data" [9] and requiring explicit consent for processing of biometric data unless one of a narrow set of exceptions applies [9]. It is possible that the Malaysian definition of biometric data could be broader than that under the European Union's General Data Protection Regulation (GDPR), as it does not expressly require the data to verify unique identification [9]. This legal change sets a higher compliance and consent standard for many AI applications and directly affects systems that depend on deep personal data processing.

Furthermore, the PDPA's Retention Principle mandates that personal data must not be kept longer than necessary for its original collection purpose [14]. When training is ongoing, the machine learning models hold continuous prolonged access, and this is why the principle initiates the regulatory friction for AI development

[14]. With this legal restriction, it slows down any model development due to repeated consents by build or complex data deletion protocols [14].

The government seeks rapid innovation through soft law while imposing high data protection standards through hard law [9], the PDPA is made to protect citizen privacy, but its rules restrict the ability of models' performance to learn from diverse datasets over time. This is considered as an internal friction of the Malaysian governance model.

### **Sectoral Oversight and Sandboxes**

Bank Negara Malaysia (BNM)'s Regulatory Sandbox is one of the specialized mechanisms in minimizing AI adoption risks utilized by high stake sectors. Regulators like BNM and the Security Commission (SC) use this framework to facilitate the testing of innovative financial technology under controlled regulatory environments [15].

BNM operates under a proportional approach where regulatory requirements and risk parameters are determined on a case-by-case basis depending on the complexity, scale of operations, and risks posed by the technology being tested [16]. And enhancements in 2024, such as the "Green Lane" accelerated track, demonstrate an attempt to sync the sandbox process with faster industry innovation cycles [15]. By requiring applicants to suggest alternative risk mitigation measures where it is not feasible to comply with standard regulation, BNM supports "robust policy development and calibration" that may influence future national frameworks [16].

Likewise, the Securities Commission is working on a framework for technology risk management for the capital market, which would give entities more ability to handle risks from the widespread use of new technologies and the increased prevalence of cyber threats [17]. In the absence of a national, cross-sector risk-classification framework (analogous to the EU's), the sector-specific application of proportionality and technology risk frameworks functions as a decentralized mechanism for high-risk regulation, which offers needed protections in highly sensitive areas and provides a valuable repository of regulatory lessons that can be scaled up into enforceable national legislation.

## **III. Result**

The government policy is a demonstration of a balanced strategy focusing on AI adoption risk protection but is considered by many as seriously inadequate. The deployment of soft law as a means of fast-tracking innovation creates flexibility but at the same time introduces considerable risks of legal loopholes, lack of proper institutional capacity, and accountability deficits [18].

### **Policy Coherence, Trust, and the Risk of Ethics Washing**

An inherent weakness in the Malaysia AI policy is seen in the dependence it places on the voluntary adoption of the AIGE Guidelines [9]. The clear-cut objective as set out in the AI-Rmap which seeks to promote completely the two items namely the reliability and accountability [10] the latter mostly are not perfectly attained to the extent of the actual realization of these aims mentioned that latterly parts are not the main causes of the project partners not achieving the total success.

This voluntary approach is strategically useful for regional interoperability and rapid development; however, it may lead to a major fragmentation problem of organizations in ASEAN interpreting and applying the rules alone, which would impair the overall credibility, as a technological hub [8]. A primary issue is the lack of measures for obligatory auditing, compliance verification, or enforcement, which could lead to the situation of "ethics washing" where companies only pretend to adhere to the principles of AIGE but exploit the loopholes in reality, which is the main reason of public distrust [8], a significant problem that the government points out may affect AI acceptance and compliance [1].

### **Legal Lacunae**

The existing legal framework continues to adhere to conventional methods, which makes it difficult for it to operationalize the policies into enforceable laws, resulting in the AI technologies still being theoretically entitled to 11 prevailing laws [19].

Specific and pressing gaps exist concerning:

**Table 3: Key Regulatory and Accountability Gaps in AI Governance**

Category	Objective
Liability	Clear legal liability for autonomous AI systems that cause harm or error.
Notification	Mandatory breach notification protocols specific to AI system failures (beyond standard data breaches).
Contestability	The actual enforceability of the user's right to contest algorithmic decisions, which is promised in the voluntary AIGE Guidelines [13].

The issues are particularly glaring around AI in Healthcare (AIH), which has been constantly climbing the ladder since 2017 [19]. AIH deployment raises serious ethical issues on issues of patient autonomy, data management, and liability for misdiagnosis related to the use of AI. The unclear legal context in the face of both local regulatory agencies' manpower shortages presents the most formidable challenge to local AIH innovation as it leads to the bureaucratic bottlenecks [19]. Even though the government specified what constitutes a responsible AI system's reporting (the five AIGE criteria [13]), it has not clearly defined the repercussions or legal remedies in situations where harm is inflicted by non-compliant systems, which has resulted in the industry being in an "enforceability trap" as the legal uncertainty about liability is hampering the investments that are required in the high-risk, high-value areas [19].

**Institutional Readiness and Capacity Constraints**

The primary obstacle is the absence of institutional capacity (i.e., insufficient resources, skills, or effective organizations) [20]. Improvements in governance are fragmented, because different agencies regularly neglect to cooperate and coordinate, which results in the failure of alignment across different sectors [6].

The acute skill deficit drives this fragmentation further: governance cannot be performed without technical experts who are able to cope with the technical, legal, and ethical aspects of the situation [20]. The shortage of technical skills needed to review intricate AI setup and operations means that the regulation and the ethical bodies are the most prey to this capacity gap in the AIH framework [19]. The success of NAIO will partially hinge on its ability to bring together the capabilities in addressing the fragmentation and the capacity deficit [5]. The structural deficit of capacity is mainly responsible for the fact that the government has not yet moved from the soft law endorsement to the hard law enforcement, and this will not be solved with any binding legislation until the internal capacity is built, as in the case of the large-scale deployment of AI tools to public officers [5], which will ultimately settle the skill deficit [20].

**Comparative Analysis of ASEAN Models**

A comparison with regional and global counterparts highlights Malaysia's unique position and the specific gaps in its framework.

**Table 4: Comparative AI Governance Models (Malaysia, ASEAN, and Global)**

Jurisdiction	Core Approach	Legal Standing	Key Features & Mechanisms	Focus / Risk Areas
European Union	Rights-based, Risk-classified	Legally binding	EU AI Act; sets prohibitions and requirements for high-risk AI	Safeguarding fundamental rights, stress on transparency, quality data [2]
Singapore	Guidelines and Toolkit-based	Voluntary / Trusted	Model AI Governance Framework, AI Verify Toolkit	Emphasis on trust, transparency, and technical assurance [21]
Malaysia	Guidelines-based	Non-binding (reliance on PDPA)	National Guidelines on AI Governance & Ethics	Focus on innovation with an eye on efficiency, capacity, and ethics [5]
ASEAN	Best practice, Consensus-driven	Voluntary / Consensus-based	ASEAN Guide on AI Governance and Ethics	Interoperability, adaptability, and respectful of local context [2]

Malaysia is an example of an approach that closely follows the overall voluntary ASEAN consensus [3], but Malaysia currently does not have the technical assurance that Singapore provides through the AI Verify toolkit, which can objectively and technically verify system performance against the ethical principles [21], mitigating the trust deficit associated with voluntary guidelines.

**IV. Discussion**

Implementing soft law for the Malaysian government is a short-term pragmatic and defensible policy decision. The exposure of the burgeoning local AI ecosystem to the immediate challenges and costs of strict regulation is avoided by this. This is a crucial offensive move that prevails simulation and development of the ecosystem [9].

While it is true that addressing the immediate innovation requirement is the central focus of this method, temporary structural solutions may simultaneously cause systemic long-term risks to be added, especially with respect to liability, data grip, and legal loopholes [1]. The risk assessment should be dominated by regulation clarity rather than adaptability as the-yielded economy gain from AI-sought is around RM480 billion [8].

The PDPA 2024's policy schizophrenia complicates this transformation. Even though innovation is ostensibly promoted, the essential data inputs, especially sensitive data like individual biological characteristics are now governed and entangled with many obstacles thus making it difficult and too expensive for AI model developers to keep the processes continuously updated [14]. The conflict thus requires a joint effort of the authorities that would be able to bring together the interests of the private sector in securing data with the technical necessities of AI systems that are learning daily. On the one hand, the data protection regulations stand up to is very hard, consequently, the AI program appears to be soft and permissive [9].

The implementation of effective AI governance in Malaysia would have some socio-political implications that would be different from the ones in just technological control. Research shows that AI governance frameworks can be how the Malay political culture experiences a paradigm change [12]. Formerly, the government of Malaysia has been characterized by systems that are grounded in a quasi-feudal political culture, where power is mostly reliant on patron-client relationships, individual loyalty, and the delegating of public resources, thus leading to the autonomous corruption [12].

The notions of rule-consistency, transparency, and data-driven decision-making, which are the basis of AI governance, are in essence opposite to the logic of patronage politics [12]. Through the lens of the algorithmic rationality being a neutral, post-feudal corrective mechanism, the government might introduce a rational egalitarian stating that the same standards are applied to every issue through AI systems. By that, it could turn upside down the basic grounds of systematic corruption by reinterpreting political legitimacy through algorithmic justice instead of personal loyalty.

Thus, the ethical and moral responsibilities given in the AIGE Guidelines are more than just technical standards; they are also potential political tools. The main assessment will be based on the success of the Public Sector AI Adaption Guidelines and the wide-ranging use of AI tools internally [5] by public officials. The government's vow to uphold transparency and to stay out of patronage systems will be evidenced by its willingness to adopt the AIGE principles in its own administrative and procurement decision-making processes [12]. If these criteria are not made mandatory for high-risk public sector applications, it will be interpreted as the very reluctance to introduce the necessary accountability mechanisms for systemic political modernization.

To transition to smart regulation, Malaysia must immediately strategically mitigate two major obstacles. Firstly, institutional capacity and fragmentation. It is necessary to overcome the difficulty of coordinating numerous agencies while dealing with a lack of skilled professionals [20]. NAIIO needs to position itself as the centralized hub, for coordination driving alignment among core regulators such as the PDPD (PDPA 2024) sector-specific bodies like BNM and SC and strategic ministries such as MOSTI [6]. Capacity-building should be prioritized, perhaps by scaling technical-training programs beyond the current internal-use pilots before embarking on any major legislative drafts.

Secondly, balancing regulation and innovation. The current policy aims to achieve a balance between the risk of unethical use and excessive regulation, which may stifle growth [20]. The answer is a phased hardening of AIGE principles rather than quick, broad, high-burden legislation:

- a. **Mandatory Sectoral Compliance:** The AIGE principles need to be changed from voluntary guidelines to mandatory compliance or licensing requirements for AI systems functioning in clearly high-risk industries (such as healthcare, finance, and critical infrastructure). This should make use of the risk-proportionate regulatory frameworks that BNM and the SC now oversee.
- b. **Public Procurement Mandates:** All public sector procurement and deployment of AI systems must adhere to complete, mandatory compliance with the AIGE Guidelines, including finalized Data Protection Impact Assessments (DPIAs) and Automated Decision-Making (ADM) guidelines. This would give internal government use of technologies like the Gemini Suite immediate enforceability [5].
- c. **Technical Assurance Mechanism:** Malaysia should create or strategically implement a national technological assurance toolkit, possibly replicating or incorporating Singapore's tested AI Verify model, in order to bridge the trust gap found when compared to Singapore [21]. Instead of depending solely on voluntary self-declaration, such a mechanism would offer objective confirmation of adherence to ethical standards.

The fast-growing developmental stage of the regulatory scene in Malaysia is a challenge for evaluators. Central governance instruments, for instance, the proposed guidelines on Data Protection Impact Assessments (DPIAs), Automated Decision Making (ADM), and NAIIO's AI Code of Ethics, are yet to get out of the labyrinth of consultation or of early implementation stage [9]. Therefore, the situation does not yet allow us to determine the efficiency of these tools or the legal binding forces they will ultimately carry.

Future research should be directed toward evaluation of the decreasing economic impact and compliance friction respectively caused by PDPA 2024 is the special requirement and especially regarding these issue data retention and biometric classification on the cost and viability of home-grown AI innovations [9]. On the other hand, a longitudinal study that would document NAIIO's effectiveness in the role of coordinator will be a necessary component in assessing whether it can resolve the age-old problems of fragmented institutions and lack of capacity [14]. Finally, a comprehensive juxtaposition of the mechanisms of enforcement utilized by the

sector-specific regulatory bodies, for instance, BNM and SC against those in the unregulated sectors is fundamental to ascertain whether a layered sector-focused hardening scheme is practically viable.

## V. Conclusion

Malaysia's determination in tackling issues of AI ethics and governance and its consistency in doing so can only be viewed as ambitious and strategically well-thought-out as the country has embraced the ethical principles of reliability, inclusiveness, and accountability, which are clearly indicated in the National Guidelines on AI Governance and Ethics (AIGE 2024) [9]. Malaysia's commitment to doing this with the strategic use of a soft law approach which mainly targets practical results and is in agreement with ASEAN [4] for the preference of technology and flexibility to stay in a fast-developing technological market [3] is seen as the country's prominent vision.

The tension in the system is apparent because of the regulatory framework's contradiction at the structural level; the non-existence of obligatory AI legislation [5] is the cause of regulatory ambiguity and accountability gaps in high-stakes areas where the matters of legal liability and consumer protection are crucial and the Personal Data Protection Act (PDPA 2024) [6], which mentions the rules on data retention and biometric data consent that create the operational hurdles and thus act as friction in the benefiting of AI models with continuous improvement and training [14], times promote a voluntary ethical framework that is a tool for increasing the technological deployment.

The consolidation of the fragmented governance structure in Malaysia is a decisive step necessary for the implementation of the country's vision to make the most of AI's RM480 billion economic potentials by 2030. NAI0 [5] is the designated institutional means to combat the internal fragmentation challenges and to deal with the inadequate capacity that forces the current use of soft law [20].

Adopting the mandatory route as well as risk-proportionate compliance in critical areas reflects the need for the shift from a simple voluntary adherence to the deployment of AI in a trustworthy and responsible manner trajectory. Among these measures is the strengthening of the AIGE principles through the installation of obligatory technical assurance mechanisms such as Singapore's AI Verify [21] that are implemented for the objective verification of ethical compliance. Then, the pathway to actual change hinges on obligatory compliance through public procurement guidelines and by the integration of AIGE principles into the existing sectoral regulations administered by agencies such as BNM and SC. The overarching success of Malaysia's AI governance, however, lies not just in whether the necessary technical measures are implemented but also in their performance in the overall framework of accountability. Malaysia's imposition of algorithmic fairness principles in its own public sector operations has the potential to leverage AI for not only economic development but also an effective tool for social and political reforms that structurally shift the patron-client dependency into a system of data-based clear account and justice [12].

## References

- [1]. S. Y. Thian, "Malaysia Aims To Be A Global Leader In Responsible Ai Innovation," 24 April 2025. [Online]. Available: <https://Govinsider.Asia/Intl-En/Article/Malaysia-Aims-To-Be-A-Global-Leader-In-Responsible-Ai-Innovation>. [Accessed October 2025].
- [2]. H. T. Htoo, "Beyond The Matrix: Ai Governance Gaps In Southeast Asia," 26 August 2025. [Online]. Available: <https://www.csis.org/blogs/new-perspectives-asia/beyond-matrix-ai-governance-gaps-southeast-asia>. [Accessed October 2025].
- [3]. F. Saleem, "Which Way For Asean's Ai Governance Approach?," 23 September 2025. [Online]. Available: <https://www.lowyinstitute.org/the-interpreter/which-way-asean-s-ai-governance-approach>. [Accessed October 2025].
- [4]. "Malaysia National Ai Office," [Online]. Available: <https://ai.gov.my/faq/ai-governance-and-ethics>. [Accessed October 2025].
- [5]. S. S. Sidhu, M. K. Dhillon And S. A. Muhamad Bernard, "Artificial Intelligence 2025 | Malaysia | Trends And Developments," 22 May 2025. [Online]. Available: <https://practiceguides.chambers.com/practice-guides/artificial-intelligence-2025/malaysia/trends-and-developments>. [Accessed October 2025].
- [6]. S. Mat Taib, N. N. N. Mohd Nazif, A. S. Ariffin And N. Saman, "Towards A Responsible Ai Governance Framework-Lessons From Policy Implementation In Malaysia," *Zorig Melong: A Technical Journal Of Science, Engineering And Technology*, Pp. 223-230, 2025. Available: <https://doi.org/10.17102/Zmv8.I2.025>.
- [7]. International Trade Administration, "Malaysia Artificial Intelligence Roadmap," 23 September 2024. [Online]. Available: <https://www.trade.gov/market-intelligence/malaysia-artificial-intelligence-roadmap>. [Accessed October 2025].
- [8]. K. K. S. Trajano, "Charting Asean's Path To Ai Governance: Uneven Yet Gaining Ground," 4 September 2025. [Online]. Available: <https://www.nbr.org/publication/charting-aseans-path-to-ai-governance-uneven-yet-gaining-ground/>. [Accessed October 2025].
- [9]. S. Shivhare, "Malaysia Charts Its Digital Course: A Guide To The New Frameworks For Data Protection And Ai Ethics," 6 July 2025. [Online]. Available: <https://fpf.org/blog/malaysia-charts-its-digital-course-a-guide-to-the-new-frameworks-for-data-protection-and-ai-ethics/>. [Accessed October 2025].
- [10]. K. Foong, "National Guidelines On Artificial Intelligence Governance And Ethics: Key Principles," 29 October 2024. [Online]. Available: <https://www.rahmatlim.com/perspectives/articles/29210/mykh-national-guidelines-on-artificial-intelligence-governance-and-ethics-key-principles>. [Accessed October 2025].
- [11]. N. Abdul Manap And A. Abdullah, "Regulating Artificial Intelligence In Malaysia: The Two-Tier Approach," *Uum Journal Of Legal Studies*, Pp. 183-201, 2020. Available: <https://doi.org/10.32890/Uumjls.11.2.2020.8779>.

- [12]. A. Othman, "From Feudalism To Algorithms: Reimagining Malay Political Culture In The Age Of Ai," 25 October 2025. [Online]. Available: <https://doi.org/10.13140/Rg.2.2.21853.47844>. [Accessed October 2025].
- [13]. A. Baig, S. E. Gardezi And S. Khan, "An Overview Of Malaysia's National Guidelines On Ai Governance And Ethics," 18 December 2024. [Online]. Available: <https://Securiti.Ai/Malaysia-National-Guidelines-On-Ai-Governance-And-Thics/#>. [Accessed November 2025].
- [14]. N. Lim, "Ai: Understanding The Basics And The Privacy Dilemma," 7 May 2024. [Online]. Available: <https://www.skrine.com/insights/alerts/may-2024/ai-understanding-the-basics-and-the-privacy-dilemma>. [Accessed November 2025].
- [15]. Bank Negara Malaysia, "Regulatory Sandbox," [Online]. Available: <https://www.bnm.gov.my/sandbox>. [Accessed November 2025].
- [16]. Bank Negara Malaysia, "Sandbox | Understanding Regulations," [Online]. Available: <https://www.bnm.gov.my/sandbox/regulations>. [Accessed November 2025].
- [17]. Suruhanjaya Sekuriti, "Sc Invites Public Feedback On Proposed Regulatory Framework For Technology Risk Management By Capital Market Entities," 1 August 2022. [Online]. Available: <https://www.sc.com.my/resources/media/media-release/sc-invites-public-feedback-on-proposed-regulatory-framework-for-technology-risk-management-by-capital-market-entities>. [Accessed November 2025].
- [18]. M. Pasqua, "Bridging Soft And Hard Law In Ai Governance," 17 December 2025. [Online] Available: <https://www.biicl.org/blog/121/bridging-soft-and-hard-law-in-ai-governance?cookieset=1&Ts=1766176295>. [Accessed December 2025]
- [19]. K. C. Phang, T. C. Ng, S. K. G. Singh, T. C. Voo And W. A. Alvis, "Navigating Artificial Intelligence In Malaysian Healthcare: Research Developments, Ethical Dilemmas, And Governance Strategies," *Asian Bioethics Review*, Pp. 631-665, 2024. Available: <https://doi.org/10.1007/S41649-024-00314-4>.
- [20]. J.-E. Tan, R. Gong, W. Y. Khoo And N. S. A. Nik Sharifulden, "Ai Governance In Malaysia: Risks, Challenges And Pathways Forward," Khazanah Research Institute, Kuala Lumpur, 2025. Available: [https://www.krinstute.org/publications/ai\\_governance\\_in\\_malaysia\\_risks\\_challenges\\_and\\_pathways\\_forward](https://www.krinstute.org/publications/ai_governance_in_malaysia_risks_challenges_and_pathways_forward).
- [21]. Infocomm Media Development Authority, "Singapore Launches World's First Ai Testing Framework And Toolkit To Promote Transparency; Invites Companies To Pilot And Contribute To International Standards Development," 25 May 2022. [Online]. Available: <https://www.imda.gov.sg/resources/press-releases-factsheets-and-speeches/press-releases/2022/sg-launches-worlds-first-ai-testing-framework-and-toolkit-to-promote-transparency>. [Accessed November 2025].