



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

2020
JAN-FEB

THE MALAYSIAN INSTITUTE OF ACCOUNTANTS

accountants today



Accountants Can Now Be Professionally Certified in Digital Business Leadership

at at-mia.my/2020/02/11/accountants-can-now-be-professionally-certified-in-digital-business-leadership

February 11, 2020



Micro credentials are a growing trend in professional education and lifelong learning. Basically, these are competency-based certifications that enable talent to upskill in a chosen area, and they can be a suitable alternative to traditional longer programmes for time-scarce and cash-strapped learners.

As a leading advocate of digital business transformation for board and management executives as well as finance and accountancy professionals, MIA too is exploring micro credentialing as a platform to upskill and rightskill accountants in Malaysia with future-proof competencies e.g. robotic process automation, data analytics, digital leadership and change management, and blockchain.

As a key focus area for MIA is digital upskilling and transformation, MIA is now collaborating with other leaders in professional development and education to expand its range of continuing professional education (CPE) programmes and micro credentials geared towards Industrial Revolution (IR4.0) and digital economy. Micro credentialing is also aligned with the direction of the Malaysian Qualifications Agency (MQA) that oversees educational standards – the MQA is a key stakeholder for MIA in the development and regulation of accountancy education.

In January 2020, MIA successfully completed its first joint programme with a Premier Digital Tech University, Asia Pacific University of Technology and Innovation (APU) – the MIA-APU 3-day Professional Certificate in Digital Leadership (PCDL).

“This is aligned with our MIA Digital Technology Blueprint which encourages collaboration and partnership to hasten digital adoption and boost value creation and nation-building,” said MIA CEO Dr. Nurmazilah Dato’ Mahzan.



The PCDL aims to equip business leaders and executives with digital knowledge and skills to map and manage digital transformation of their organisations for better business performance.

Day 1 focused on the big picture of the digital economy and the developments disrupting organisations. Day 2 focused on digital strategy and data analytics, and transformation of the finance function using appropriate technologies. Day 3 focused on digital marketing strategies and managing talent in digital transformation.

At the end of the programme, participants were awarded with a Professional Certificate. They also shared the following takeaways:

Boost in Awareness and Knowledge

The programme provided an excellent and simplified snapshot of the different components and aspects of digital transformation and the roadmap for digital transformation.

Participants said they now understand a great deal more about the theory and science behind digital transformation and the benefits for business organisations.

They are also now aware of the different digital tools in the market for marketing, analytics, financial statement analysis, audit planning, documentation and practice management to boost productivity and reduce human error.

The programme also effectively overcame their personal barriers and fears of digital disruption.

Ease of Knowledge-sharing

Many participants noted that they will be sharing the roadmap and materials with their colleagues to accelerate implementation of their organisation's digital roadmap.

Continuous Learning

They welcomed the idea of follow-up workshops focusing on diverse industries to help guide the real-world implementation exercises.

Needed – Management/Owner Mindset Change

Feedback from accountants in small and medium practices (SMPs) indicate that SMP owners and management's resistance to change is the biggest stumbling block to digital transformation for SMPs that make up over 90% of the accountancy firms in Malaysia.

G. Shanmugam, *Executive Director of Strategy and Development, MIA welcomed the feedback and looked forward to further strengthening future programmes for digital competency building. "MIA is continually striving to support businesses and talent in digital transformation. We will integrate the feedback to further improve this professional certification programme to create and upskill agile executives who can lead and manage digital transformation in the IR4.0 economy."*

Copyrights 1967-2020 (C) Malaysian Institute of Accountants. All Rights Reserved.

Accountants in Malaysia Forecast an Upward Trend in Revenue and Profit for 2020

at at-mia.my/2020/02/11/accountants-in-malaysia-forecast-an-upward-trend-in-revenue-and-profit-for-2020

February 11, 2020



- **More than 80% of respondents forecast higher revenue and profit growth amid increased confidence in government policies and positive GDP outlook for Malaysia in 2020**
- **25% of businesses will be looking at spending more than 10% of their budgets on digitally transforming their businesses over the next three years with investments in big data analytics, cloud computing and services and machine learning.**
- **70% of respondents have either no plans to reduce headcount or in fact plans to increase headcount over the next three years. Importantly, 60% of respondents have plans to evolve and improve their existing employees' digital skills and competencies**
- **Just 41% of respondents have plans to invest in an ASEAN market over the next three years, indicating significant room for more Malaysian businesses to tap into ASEAN's growth potential**

A total of 743 accounting and finance professionals of varying ages, organisations and roles responded to the second MIA-ACCA Business Outlook 2020 survey, including top-level finance professionals and public practice leaders who comprised 43% of the total respondents. This was very nearly double the number of respondents to the first survey (399 respondents), giving greater credibility and weight to the insights reported. The survey was intentionally timed during the last two months of 2019 to cull insights emerging from companies' annual strategy and budget planning processes, which are typically conducted during this period.

Report Key Highlights



The following are the key highlights of the report based on the survey findings:

Positive Revenue and Profit Growth Trends.

Overall, respondents are highly positive on projected business performance for 2020, and they expect this growth momentum to be sustained over the medium term. 83% of respondents are forecasting increased revenue for 2020, of whom 48% expect growth of 5% or more. In terms of profit outlook for 2020, 86% of respondents expect it to be positive with about half of them anticipating profit growth of 5% or more. This bodes well for corporate earnings going forward, fosters an attractive climate for investment and

stimulates more employment opportunities in Malaysia, while enabling investment in digital transformation, product and market innovation and productivity gains.

Driven by Domestic Factors. The survey indicated that domestic drivers – both positive and negative – have the most impact on Malaysian businesses. Malaysia's economic growth and confidence in government policies to stimulate growth were seen as the top positive drivers, while rising cost of living and low wage growth, and uncertainties caused by government policies were seen as the top negative drivers going forward.

ASEAN – A Potential not to be Missed. Only 41% of respondents have plans to invest in an ASEAN market over the next three years. This increases slightly to 52% if only respondents from public listed companies (PLCs) are taken into consideration. “We believe this leaves significant room for more Malaysian businesses, including SMEs, to consider tapping on the ASEAN growth potential. Accounting and finance professionals clearly have a vital role to play in strategically supporting their businesses as they evaluate and navigate these opportunities,” commented ACCA Malaysia Country Head Edward Ling.

Addressing Regulatory Changes and Compliance. Regulatory changes and compliance concerns were repeatedly called out as the leading challenge for organisations, signalling a need for policy-makers to address the design, communication and implementation of policies going forward.

Leading Digital Transformation, Future-proofing Talent. The survey findings provide invaluable insights on the level of digital and technology investment in Malaysia, even as the government pushes harder for enterprise and corporate digital transformation. A quarter of respondents reported that their organisations are allocating more than 10% of their budget on technology spending and digital transformation over the next three years, including investing in big data analytics

(64%), cloud computing (57%), machine learning and artificial intelligence (33%), and robotic process automation (27%). “This represents a significant catalyst for driving the digital and technology transformation of Malaysian businesses,” said MIA Chief Executive Officer Dr. Nurmazilah Dato’ Mahzan.

Interestingly, despite these technology adoption plans, 70% of respondents have either no plans to reduce headcount or in fact plan to increase headcount over the next three years. Importantly, 60% of respondents have plans to evolve and improve existing employees’ digital skills and competencies. “This clearly demonstrates tremendous opportunities for professional accountants to raise their game and increase their relevance to the organisations and clients they serve,” added Dr. Nurmazilah.

About the Report

The Business Outlook Report 2020 is jointly commissioned by the MIA (Malaysian Institute of Accountants) and ACCA (Association of Chartered Certified Accountants) to provide insights into the collective viewpoints of accounting and finance professionals, with regards to the business outlook for Malaysia in 2020 and in the medium term. Second in a series, this study is part of a collaborative research initiative undertaken by both professional bodies to synergise resources and share critical findings on pertinent topics in today’s business landscape. MIA and ACCA trust that this report will be a useful resource that supports policy-makers and business leaders in developing forward-looking strategies to drive sustainable growth for nation-building.

Click here to download the MIA-ACCA Business Outlook Report 2020

https://www.mia.org.my/v2/downloads/resources/publications/2020/02/03/MIA-ACCA_Business_Outlook_Report_2020.pdf

Copyrights 1967-2020 (C) Malaysian Institute of Accountants. All Rights Reserved.

Engaging Stakeholders is a Strategic Matter

at at-mia.my/2020/02/11/engaging-stakeholders-is-a-strategic-matter

February 11, 2020



by Joyce Khoh

In Practice 11.2, Principle C (Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders) of the Malaysian Code on Corporate Governance, large companies are encouraged to adopt integrated reporting which lists stakeholder relationships as one of its guiding principles. Specifically, dialogue with stakeholders is encouraged as a necessary and beneficial process to enable companies to understand and take stakeholders' concerns into account when making decisions, and communication can be achieved through various means – publishing information in annual reports and the corporate website, forums, briefings and more.

The 2019 Black Sun Group's research on KLCI30 companies indicated that approximately three quarters have shown their commitment and discussed their stakeholder engagement plans and processes. However, less than 45% indicated clearly in their annual reports how the expectations of stakeholders have been taken into account in establishing the company's strategy. And just about half go on to deliberate how they plan to respond to the feedback gathered from their engagement activities.

The research appears to indicate that stakeholder engagement is seen as a means to an end – the endpoint being that of accountability and reporting. Armed with a 'tick-the-box' mindset, stakeholder engagement is typically not viewed as a strategic exercise or one which directly impacts a company's profitability and ability to generate sustainable value.

What then is stakeholder engagement? It is the strategic process of consulting with key stakeholders on matters important to them and the company. What is often overlooked is the linkage between stakeholder engagement as the starting point of corporate

strategy, and the essential first step needed for a company to formulate its strategic priorities and business plans. Simply put, it is to have discussions with the right people before committing to a course of action – Consult, Commit and Communicate.

The Writing is On the Wall

With hot button issues such as corruption and responsible capitalism dominating the global business and political agenda in recent years, the regulatory landscape surrounding corporate governance has also witnessed visible changes, with a growing emphasis on the importance of stakeholder relationships and engagement.

In Principle 13 of the Singapore Code of Corporate Governance – Engagement with Stakeholders, the Board is encouraged to adopt an inclusive approach by considering and balancing the needs of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served. Specifically, listed companies are to disclose in their annual reports how they are managing stakeholder relationships.

In the UK, revisions to the Corporate Governance Code in 2018 emphasised the responsibility of the Board to consider the company's key stakeholders in discussions and decision-making (required under section 172 of the UK Companies Act 2006). The UK Code has also extended its focus to specifically include active engagement with stakeholders – other than shareholders – as being central to the long-term prospects of the business. In addition, the Financial Reporting Council reviewed early adopters of the 2018 UK Code and concluded that companies must do more to “cover the concerns raised by stakeholders, how companies have understood the issues, and how they have thought carefully about how these impact on the long-term success of the company”.

In the US, the Securities and Exchange Commission has also proposed to modernise disclosures by requiring information on human capital resources as an important stakeholder group. This includes any human capital measures or objectives that the management focuses on in managing the business.

Purpose Beyond Profit

Globally, there has also been a prominent shift away from the long-held view of shareholder primacy towards a stakeholder-centric model, with the Business Roundtable in the US recently redefining the purpose of companies through the lens of five stakeholder groups – delivering value to customers, investing in employees, dealing ethically with suppliers, supporting communities and generating long-term value for shareholders.

The Black Sun Group's research on purpose and profit, whereby global business executives in various industries were interviewed, reveals that there is a consensus among business leaders that considering stakeholder interests is central to building trust. The 2019 research showed that the stakeholder group that executives feel the value creation discussion is most useful for is Employees, followed by Customers and Investors.

In his January 2020 letter to all CEOs, BlackRock's CEO, Larry Fink, also addressed the importance of companies operating sustainably, serving stakeholders and embracing purpose, in their quest to understand their role in society and achieve long-term profits. Pointing to a strong sense of purpose and commitment to stakeholders as crucial elements to help companies connect more deeply with customers and adjust to the changing demands of society, he concluded that "purpose is the engine of long-term profitability."

How Companies can Effectively Engage with Stakeholders

Get the process on the Board's agenda – For many companies, a mind-set change is imperative. Stakeholder engagement has to be seen as a strategic process, with financial impact and implications. For effective engagement, there should be Board ownership, with the tone at the top leading the process in an open and transparent manner. Under the UK Code, the Board should engage with the workforce using a director appointed from the workforce, a formal workforce advisory panel and/or a designated non-executive director.

Identify key stakeholders and their areas of concern – The starting point of any effective engagement process is the identification of key stakeholder groups and the issues important to them. Different groups are bound to have different concerns; for example, customers would be interested to know about product/service quality and value, employees about employment security and growth opportunities, and investors about financial returns. Conducting timely stakeholder mapping and analyses will help companies to react and tailor their strategies opportunely.

Craft systematic, holistic and tailored engagement strategies – With a plethora of engagement platforms and strategies available, it can be difficult for companies to find a 'one-size-fits-all' approach for their key stakeholders. Crafting methodical, comprehensive and bespoke strategies suited for each stakeholder group based on factors such as profile, demographic and behaviour, will thus increase effectiveness and reach. This can be done via: focus groups, peer reviews, social media, email, surveys and more. After collating the data and determining actionable steps, companies should strategically communicate their plans through a variety of channels such as the annual report, the stakeholder engagement section on their corporate website, the Annual General Meeting (AGM) and social media platforms.

The Time is Now

Stakeholder demands and needs are getting more complex and companies that fail to recognise the strategic and cardinal nature of stakeholder engagement are at risk of short-sightedness and strategic misalignment. Effective engagement should be the starting point of corporate strategy, with the Board taking ownership.

With stakeholder trust being a vital ingredient for sustainable long-term growth, companies who effectively engage with their stakeholders will stand to gain from strengthened stakeholder relationships, healthier and better aligned corporate culture

and enhanced brand equity and reputation. In the long run, this translates to long-term prosperity and financial health.

This article was penned by Joyce Khoh, Research Consultant and Erika Susanto, Research Manager, Black Sun Group

Copyrights 1967-2020 (C) Malaysian Institute of Accountants. All Rights Reserved.

Governance Symposium 2020

at at-mia.my/2020/02/25/governance-symposium-2020

February 25, 2020



Board members, senior management and governance professionals are strongly encouraged to attend the Governance Symposium 2020 that focuses on the risks and opportunities in a volatile and complex governance landscape.

In 2020 and beyond, Boards and those charged with governance (TCWG) must contend with increasingly complex and challenging developments and governance concerns that range from digital to legislative to talent, reputation and culture.

However, incredible new tools and technologies are emerging that can help Boards and TCWG to better manage these risks and even derive value from disruption.

Technologies such as big data analytics, robotics process automation, artificial intelligence, machine learning and blockchain are able to heighten the effectiveness and efficiency of boards, regulators and governance professionals in enhancing oversight, compliance and accountability.

The Governance Symposium 2020 focuses on how Boards and TCWG can leverage on these next generation technologies and strengthen their ethics, values and strategic and cultural intelligences to build future-oriented governance systems that are flexible, agile and resilient.

The following are the highlights of the Governance Symposium 2020, which features invaluable panel discussions and sessions led by expert speakers in corporate governance and value-based strategy:

Recent Developments and Legislations in Governance in Malaysia

Get the latest updates on regulatory and legislative developments for corporate governance in Malaysia, with a key focus on current governance issues as well as adoption of best practices for an agile, defensive and smarter governance ecosystem.

Governance Playbook for 21st Century Boards



This panel discussion will dive deeper into the emerging challenges facing Boards and offer practical insights into how Boards can leverage on technologies and fulfil stakeholder demands for improved sustainability to deliver long-term value creation. Guidance is particularly pressing for Boards in critical areas affecting corporate and business sustainability, such as talent management, culture change and strategy, digital disruption and cybersecurity, and perhaps most importantly, climate change and the environment.

Combatting Corruption and Building a Culture of Integrity – The Future

This session highlights the Malaysian anti-corruption journey and the direction of the nation as it strives to embed a zero-corruption culture as highlighted in the National Anti-Corruption Plan (NACP) 2019-2023 and in alignment with the UN Sustainable Development Goal (SDG) No 16 –Target 16.5: Substantially Reduce Corruption and Bribery. This session discusses the vital decisions and actions that organisations can take to build values-based governance systems against corruption that are stronger, agile and pre-emptive of emerging risks.

The Impacts of Next Generation Technologies

Faced with a vast array of technologies such as blockchain, big data analytics, artificial intelligence (AI) and machine learning, blockchain, cloud services and cybersecurity, Boards, TCWG and governance professionals need to acquire the necessary digital literacy and scepticism to structure, apply and monitor governance frameworks and business strategies tailored to the 21st century. This session also informs governance professionals on how they can utilise next generation technologies to manage digital, regulatory and business disruption.

Case Study – from Worst to Best and Best to Worst in Governance

Prestige and prowess can be overturned and reversed at any time, and this applies equally to leaders and laggards in corporate governance. This session derives and shares invaluable lessons and key takeaways from case studies of companies that have gone from being the worst to the best in corporate governance and vice versa.

The Governance Symposium 2020 is jointly organised by MIA and the Malaysian Institute of Corporate Governance (MICG). For more information, please [click HERE](#).

Copyrights 1967-2020 (C) Malaysian Institute of Accountants. All Rights Reserved.

Lead to be Equal – MIA Women Leadership Symposium 2020

at at-mia.my/2020/02/24/lead-to-be-equal-mia-women-leadership-symposium-2020

February 24, 2020



There is a clear business case for putting women in the C-suite. Numerous research studies have shown that supporting gender diversity in leadership and breaking glass ceilings can be a driver for organisational outperformance.

However, although representation of women has increased across all levels of management, women still tend to be underrepresented, especially at senior management and board levels. To accommodate more women and bring out their talents and contributions, there needs to be changes in culture, mindsets and behaviour, both among women and men who are their partners at work and in life.

To bridge the gap, MIA is organising its inaugural MIA Women Leadership Symposium 2020 with the theme of LEAD TO BE EQUAL. Inspired by the International Women's Day 2020 theme of #EachforEqual, this means that all women have to take responsibility to call for culture change and adopt the behaviours that can pave the way for greater representation and leadership, irrespective of gender.



MIA hopes that women will be able to adopt these positive behaviours inspired by the Women Leadership Symposium, which brings together women speakers who have succeeded in many spheres – government, corporate, technology, investment, entrepreneurship and sports – to share their insights and tips for cracking the leadership conundrum. Come listen to the “Iron Lady of Malaysia” Tan Sri Rafidah Aziz, Datuk Nicol David and a score of other talented and innovative leaders as they share their strategies and insights to success.

The following are the sessions that delegates can look forward to at the Symposium:

LEADING IN THE C-SUITE: Gender Equal for Sustainable Growth

Gender diversity is a business issue that can make the difference between companies that lead or lag. This session seeks solutions to creating a gender-equal boardroom that enriches engagement and champions equality for sustainable and informed growth.

LEADING IN DIGITAL: Putting Women at the Heart of the Digital Revolution

The digital revolution is the single biggest driver of change in the world today, but the tech world is still gender biased. How can we tilt the scales to attract more women to participate and be drivers of digital transformation, rather than just adopters and bystanders?

LEADING IN BUSINESS: Outstanding Female Investors

Follow the diverse women who have achieved success by demonstrating smart investment decisions, whether in entrepreneurship, high-level executive positions in top companies and institutional investment. This session shares how you too can amass the critical knowledge and intelligence needed to execute the right business and investment decisions, regardless of your role or rank.



Standing in the Eyes of the World

Be inspired by Malaysia's leading women who are standing tall, shining bright and taking great strides, in diverse spheres.

Special Session with Tan Sri Rafidah Aziz

Wise words and insights from Tan Sri Rafidah Aziz on how women can leverage on their key strengths and abilities to become more effective leaders in a world that increasingly celebrates diversity and equal opportunity.

So, make a date at this Symposium and explore how you can develop your latent potential as a leader to the max.

For more on the Symposium, please [click HERE](#).

Copyrights 1967-2020 (C) Malaysian Institute of Accountants. All Rights Reserved.

MIA AccTech Conference Penang 2020

at at-mia.my/2020/02/25/mia-acctech-conference-penang-2020

February 25, 2020



As part of its efforts to democratise technology adoption and be more inclusive of members and accountants across all its regions, MIA is organising the MIA AccTech CONFERENCE PENANG 2020, with the theme of ‘MOBILISING ACCOUNTANTS TOWARDS IR4.0’.

AccTech Penang will expose accountants and finance professionals in Penang to new technologies that are blasting repetition, optimising productivity and rapidly transforming the accountancy profession.

The technologies that are especially relevant for accountants are automation through robotic process automation, artificial intelligence (AI) and machine learning to facilitate work, and big data analytics to enable deeper insights and analysis and take accountants to the next level.

Specially designed for accountants operating within Penang’s industry and manufacturing-driven environment, MIA AccTech Conference Penang 2020 seeks to position accountants as effective business advisors in the era of IR4.0 (Industrial Revolution 4.0) through rightskilling and upskilling on the latest developments in technology that are propelling the way forward.

Delegates can expect the following highlights:



NITRO BOOST: Powering Accounting and Finance with Artificial Intelligence

By supplanting mundane and routine tasks, AI is rewriting accountants' roles, improving systems and processes and freeing up humans for higher order tasks and value creation. Find out how AI will impact your work and life and how you can respond to ensure your continuing relevance and resilience.

BIG DATA ANALYTICS – Optimise Bottom lines with Predictive Manufacturing Intelligence

Predictive manufacturing intelligence tools can help manufacturers gain actionable insights into line and product team flexibility, determine predictive maintenance and optimise production schedules.

Accountants, especially management accountants tasked with improving business strategy and results, will gain useful practical knowledge on the latest big data analytics tools and techniques available to reduce cost, reduce time and maximise profit in IR4.0.

INNOVATE – FACILITATE – ACCELERATE: Automating SMEs for Financial Excellence

As the digital economy gains momentum, SMEs too must accelerate their digital transformation to lead and not lag. This session walks SMEs through best practices and frameworks for automation and technology that can give their business a digital boost.

BLOCKCHAIN IN LOGISTICS: Improving Transparency and Traceability

Today's incredibly complex global supply chains are rife with risks. Lack of sufficient transparency and accountability constitute risks that obfuscate the accurate valuation of goods and services and hamper efforts to investigate suspected illegal or unethical practices, such as bribery and corruption and violation of environmental and labour rights. Providing immutability, transparency and consensus, the distributed digital ledger technology of blockchain could be the solution to transforming supply chains and positively impacting everything from warehousing to delivery to payment, for better business governance.

ROBOTIC PROCESS AUTOMATION (RPA) – Improve productivity by migrating to Next-Gen Accounting

Optimise cash conversion, prevent delays in accounts payable and accounts receivable, and reduce inventory turnover. Robotics Process Automation (RPA) can help you do all these and more by targeting and resolving gaps and weaknesses in your current financial and accounting systems. Scan the potential intelligent automation tools available to enable a quicker, more accurate and cost-efficient finance function and that presents a scalable opportunity for business automation in the near future.

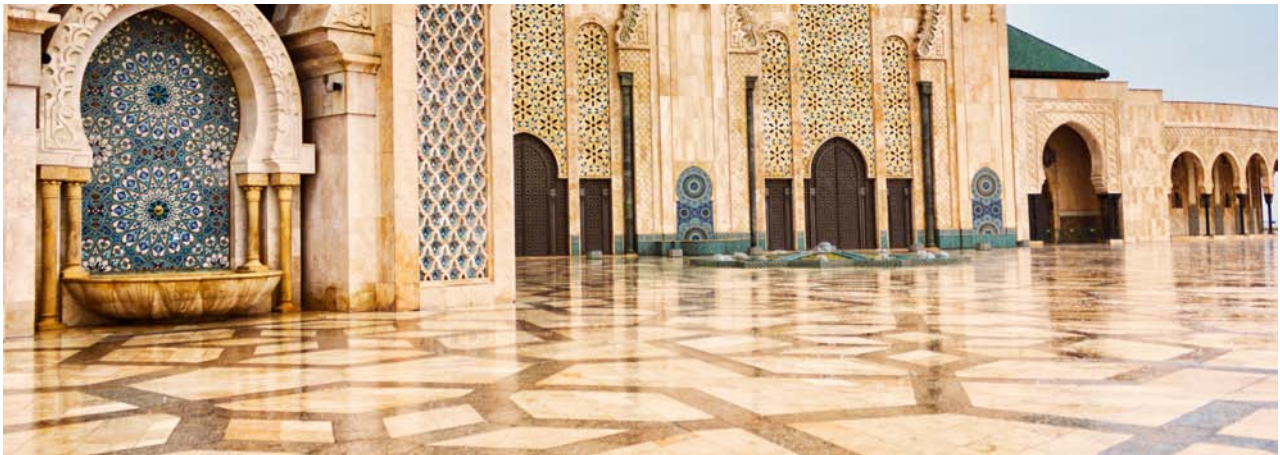
For more information about the MIA AccTech Conference Penang 2020, please [click HERE](#)

Copyrights 1967-2020 (C) Malaysian Institute of Accountants. All Rights Reserved.

MIA Launches Islamic Finance Textbook

at at-mia.my/2020/02/11/mia-launches-islamic-finance-textbook

February 11, 2020



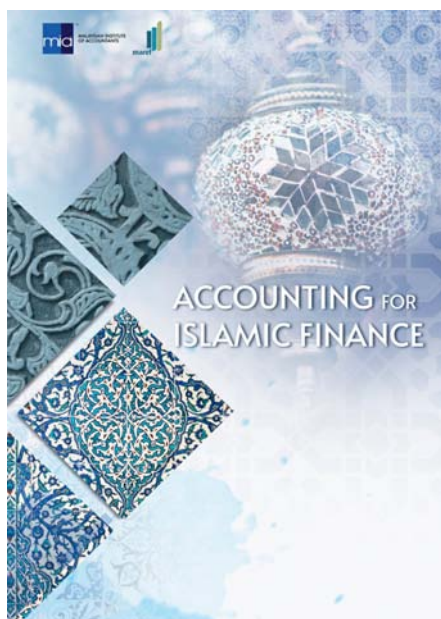
- **Comprehensive and current textbook addresses Malaysian Financial Reporting Standards (MFRS) application for Islamic finance transactions.**
- **Enhanced disclosure can lead to better actionable insights and decision-making by the leaders of Islamic finance institutions to optimise their ESG (environmental, social and governance) impacts and support Bank Negara Malaysia's VBI (value-based intermediation) strategy**
- **Free distribution via downloads available to the public and market – targeting students, academics and accountants – will build competencies in Islamic finance and enlighten discourse on Islamic finance issues**

The Malaysian Institute of Accountants (MIA) led by the MIA Islamic Finance (IF) Committee and the Malaysian Accountancy Research and Education Foundation (MAREF) have launched a comprehensive and current textbook on accounting for Islamic finance.

Intended to bridge the gap in knowledge on applying MFRS for Islamic finance transactions within the Islamic finance sector, the content will encompass assets, liabilities, equity, income and expenses and disclosures in the financial statements of an Islamic bank, takaful entity and Islamic fund management companies.

“MIA is very proud to release this textbook as part of our integrated strategy to help develop competencies and capacity among accountants working in Islamic finance as well as Islamic financial institutions. We trust that this will be a useful reference not only for Islamic finance institutions in Malaysia but also for those in other jurisdictions.

This in turn will strengthen Malaysia's leadership and influence in the global Islamic finance sector," said MIA CEO Dr. Nurmazilah Dato' Mahzan at the launch of the textbook.



A Tool for Sustainable Development

Both Dr. Nurmazilah and Encik Mohd Muazzam Mohamed, Chairman, Islamic Finance Committee, MIA emphasised how the textbook and MIA's efforts to upskill accountants in Islamic finance can drive sustainable development in the public interest.

"Sustainability encompasses a wide spectrum of issues that affect ESG – environment, society and governance – which are aligned with the ethics and values of Islamic finance. This Islamic finance accounting textbook will help improve the transparency and quality of financial reporting. In turn, this disclosure can lead to better actionable insights and decision-making by the leaders of Islamic

finance institutions, especially with regards to lending to optimise environmental and social impact, not just for profit maximisation," explained Dr. Nurmazilah.

MIA's upskilling efforts and now this textbook will also help drive value-based intermediation (VBI), added Encik Muazzam. "BNM (Bank Negara Malaysia) is now championing VBI – where Islamic financial institutions are encouraged to assess how they create value and impact beyond profit, such as in encouraging sustainable business practices and greening of the economy to fight climate change. Better transparency through better reporting can help IFIs assess their impact and subsequently rewire their culture and practices to become more value-driven."

Encik Muazzam also stressed that the textbook can be a tool for the greater harmonisation of Islamic finance practices and reporting across the globe, and enable greater transparency and trust in the institutions that practice and sell Shariah-compliant products.

Textbook Contents in Brief

In her presentation on the textbook during the launch, Rasmimi Ramli, Deputy Executive Director, MIA Professional Practices and Technical explained that the textbook covers the application of the Malaysian Financial Reporting Standards (MFRS) on Islamic finance transactions in Islamic banking, takaful entities and Islamic asset management in Malaysia.



6th from Left – Dr. Nurmazilah Dato’ Mahzan, MIA Chief Executive Officer, 8th from Left – Encik Mohd Muazzam Mohamed, Chairman, MIA Islamic Finance Committee, 9th from Left – Encik Damanhuri Mahmod, Malaysian Accountancy Research and Education Foundation (MAREF) Board of Trustees with all the donors, writers, reviewers & editors

The textbook features a total of 15 chapters divided in four parts:

Part I focuses on the background of Islamic finance development in Malaysia, and offers a macro view of the industry, its history and prospects.

Part II – IV consists of 12 chapters that discuss the application of MFRSs on assets, liabilities, income, expenses and equity of Islamic banks, takaful entities and Islamic asset management companies. The discussion on assets, liabilities and equity looks at definition/nature, recognition, measurement as well as presentation and disclosure of the items in the financial statements of these entities.

Part II – III also covers Islamic banking and takaful entities and includes preamble chapters on understanding Islamic banks’ and takaful entities’ financial statements. Also included is a brief discussion on the future consideration of accounting standards for those entities, given the continuous development of the accounting standards affecting them, said Rasmimi.

Free Downloads to Build Competencies

The published textbook has been made available for free downloads by the public, including students and academicians, facilitating access to this textbook as a current reference material.

“We have purposely made it a free download to encourage a paperless and borderless usage and to lessen the cost burden – as we all know reference books and textbooks can be very expensive. Through this textbook, students will be able to acquire adequate understanding and knowledge of MFRS for Islamic finance transactions at the tertiary level, and they will be better prepared for the workplace as well in future. Other than benefiting students, the book would also be a useful reference for the market, including MIA members and accountants working in the IF industry,” explained Encik Muazzam.

To download the textbook, please click here

https://www.mia.org.my/v2/downloads/resources/publications/2020/01/17/Accounting_for_Islamic_Finance.pdf

Copyrights 1967-2020 (C) Malaysian Institute of Accountants. All Rights Reserved.