



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

2025
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THE MALAYSIAN INSTITUTE OF ACCOUNTANTS

accountants today



MIA Sustainability, Digital Economy and Reporting Insights (October – December 2024)

at at-mia.my/2025/01/21/mia-sustainability-digital-economy-and-reporting-insights-october-december-2024

January 21, 2025

The MIA Sustainability, Digital Economy and Reporting Insights provides quarterly updates on the areas of sustainability, digital economy, tax, reporting and research. The Insights highlights contents and initiatives that are of high value to MIA members.

Driving the Sustainability Agenda of the Profession

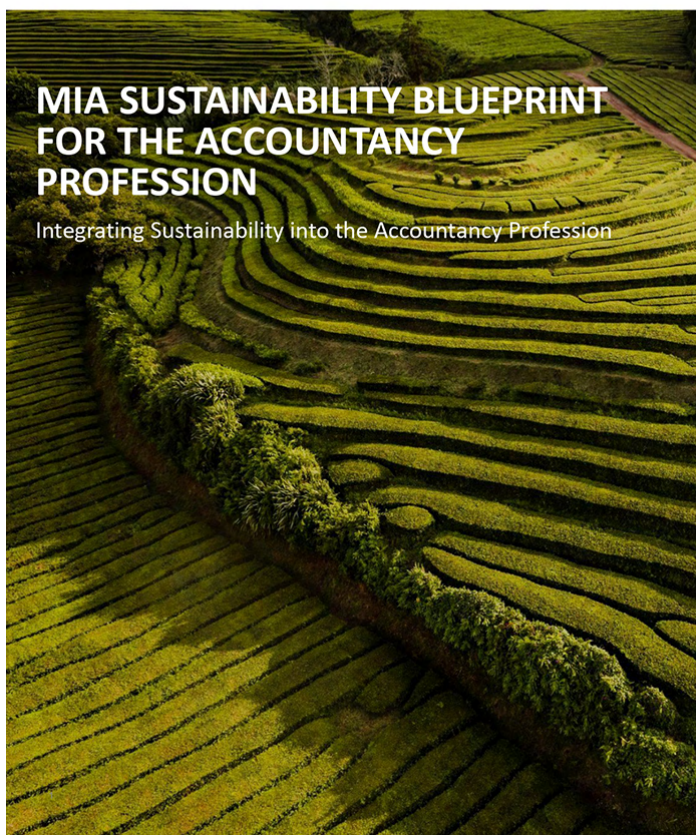
On 5 December 2024, the Malaysian Institute of Accountants (MIA) hosted a Sustainability Workshop, bringing together more than 40 participants comprising Chairs and representatives from 16 MIA committees as well as secretariats and staff of MIA.



The workshop was a collaborative platform to deliberate on the MIA Sustainability Roadmap which will operationalise the *MIA Sustainability Blueprint for the Accountancy Profession* launched in June 2024. The Roadmap outlines actionable strategies to be achieved in the short-term, medium-term and long-term according to the sustainability aspirations set out in the Blueprint.

During the workshop, participants engaged in a structured discussion, providing valuable feedback on the Roadmap's proposed initiatives. The workshop concluded with closing remarks from the Chairman of MIA Sustainability Committee, En. Wan Ahmad Ikram, who thanked all participants and encouraged continued collaboration among committees to ensure the successful implementation of the Roadmap.

By fostering collaboration and aligning our efforts, this engagement strengthens the Institute's role in advancing sustainability of the accountancy profession, addressing key challenges, and paving the way for a sustainable future.



Survey on Technology Adoption by the Accountancy Profession in Malaysia 2024

The Institute has previously conducted surveys on Technology Adoption by the Accountancy Profession in Malaysia in 2017, 2019, and 2022 to all its members. To build upon these findings and gauge the progress since the 2022 survey, the Institute is now undertaking a new survey with the aim to assess the current state of technology adoption within the accountancy profession and identify new initiatives to advance the profession.



The survey is open to MIA members only and will close on **31 January 2025**. Please [click here](#) to participate in the survey and stand a chance to win Grab vouchers. To find out more about the survey, [click here](#).

Navigating the Cyber Security Act 2024

The Cyber Security Act, which aims to strengthen the nation's cybersecurity, came into force on 26 August 2024. A webinar on Navigating the Cyber Security Act 2024 was successfully held on 9 December 2024. Moderated by Chari TVT, Member of MIA Digital Technology Implementation Committee (DTIC), the session featured insights from Azril Rahim, Head of Cyber Threat Intelligence Management, Tenaga Nasional Berhad (TNB), Jason Yuen, Technology Consulting Partner and Malaysia Cybersecurity Leader, Ernst & Young Consulting Sdn Bhd; and Wan Zuraida Wan Nawan, Senior Principal Assistant Director, Cyber Security Legal Division, National Cyber Security Agency (NACSA), Malaysia.



Nearly 400 MIA members attended the session, which provided an in-depth overview of the Cyber Security Act 2024, explored emerging cybersecurity trends, and discussed significant implications of cybersecurity for various sectors.

Launch of the e-2025 Budget Commentary and Tax Information

In November 2024, the Institute announced the release of the e-2025 Budget Commentary and Tax Information (e-2025 BB) via [Circular No 52/2024 dated 29 November 2024](#).

This marks a significant milestone as this essential resource has been made available online in an interactive flipbook format for the first time.

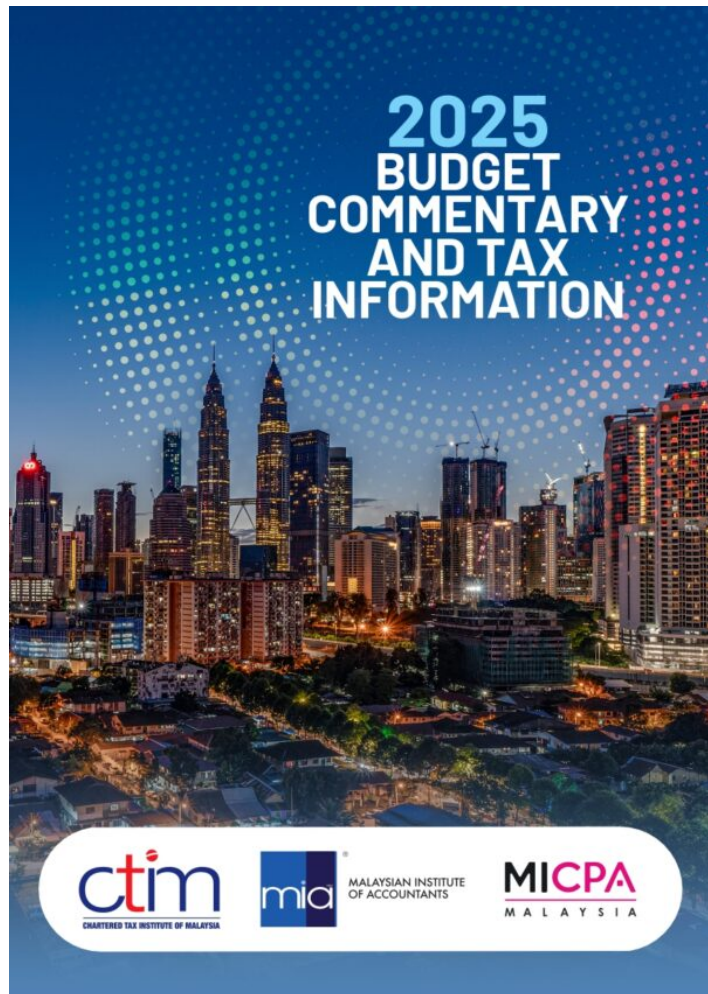
e-2025 BB is interactive, mobile-friendly and easy to access. Other features include:

1. Table of contents and thumbnails for easy navigation.
2. Search function to quickly locate specific information.
3. Ability to add notes and highlight texts for future reference.
4. Accessible from multiple devices.

The download and print features will be available 60 days after the publication date of 19 November 2024 (i.e. in January 2025).

This new format ensures seamless access to crucial tax information while aligning with our commitment to sustainability and digitalisation.

To access the e-2025 BB across various devices, please visit the [MIA Member Services Portal](#). You will be prompted to login with your membership credentials and click a dropdown menu – My Privileges > Knowledge & Resources > 2025 Budget Commentary and Tax Information.



Advocacy in Global Public Sector Accounting Standard Setting Activities

MIA has submitted comment letters to the International Public Sector Accounting Standards Board (IPSASB) for the following exposure drafts on 13 December 2024:

ED 90, *Amendments to IPSAS as a Result of the Application of IPSAS 46, Measurement*

ED 90 proposes amendments to IPSAS to introduce current operational value, add a definition of accounting estimates to IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors* and enhance the terminology in current value measurement disclosures.

[Comment Letter Submission on ED 90](#)

ED 91, *Limited-Scope Updates to First-Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)*

ED 91 proposes to clarify and restructure existing guidance and add new non-authoritative guidance to IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards* (IPSASs) to help public sector entities adopt accrual basis IPSAS.

[Comment Letter Submission on ED 91](#)

Advocacy in Direct and Indirect Taxes

Meeting with the Secretary-General of Treasury of the MoF

On 18 December 2024, the Institute participated in a consultation session with YBhg Datuk Johan Mahmood Merican, the Secretary-General of the Ministry of Finance (MoF) to deliberate on proposed amendments to the sales and service tax policies announced in Budget 2025. The session was an avenue of providing critical industry insights to facilitate the formulation of balanced and effective tax measures meeting fiscal objectives while minimising undue impact on businesses and consumers.

The following are the proposals announced in the 2025 Budget:

- The sales tax exemption on basic food items will be retained to ensure that these items remain affordable for the rakyat.
- Sales tax on non-essential imported premium goods will be enhanced to instill prudent consumption and raise fiscal revenues.
- Service tax coverage will be broadened to include new services, such as business-to-business (B2B) commercial transactions.

Notably, concerns regarding the expansion of service tax to B2B transactions were highlighted during the session, with recommendations for measures to mitigate cascading tax effects and compliance burdens.

The Institute welcomes the commitment of MoF to industry dialogues and is confident that the collaborative approach will lead to a well-calibrated policy framework. The finalised tax measures, which will be effective 1 May 2025, are expected to be announced after further stakeholder engagements.



Joint Memorandum on Issues Arising from the 2025 Budget Speech and Tax Bills 2024

In December 2024, the Institute and the Chartered Tax Institute of Malaysia (CTIM), The Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) submitted a Joint Memorandum on Issues Arising from the 2025 Budget Speech and Tax Bills 2024 to the Inland Revenue Board (IRB) and the MoF (Tax Authorities). There are 42 issues submitted to the Tax Authorities in relation to dividend tax, gains or profits from disposal of capital assets,

global minimum tax and other proposed amendments to the income tax, real property gains tax, stamp duty and tax incentives. Members will be informed on the responses from the Tax Authorities after engaging them in 2025.

DESIRE Dialogue No 1/2024 with the IRB

In December 2024, the Institute participated in DESIRE Dialogue No 1/2024 with the IRB to discuss the issues submitted through the joint letter with MICPA dated 23 October 2024. The non-technical tax compliance/operational issues submitted to the IRB relate to:

- revision of estimate of tax payable in the sixth month of the basis period and issuance of Notice of Instalment Payment (Form CP205) by the IRB to reinstate the original tax estimate;
- enabling tax agents to e-file the documents for CP22 and e-SPC via MyTax TAeF 2.0;
- the application process for stamp duty relief pursuant to Section 15 and Section 15A of the Stamp Act 1949 etc.

For more details, please refer to [Circular No 58/2024 dated 30 December 2024.](#)

Continuous Engagements with Stakeholders

Between October and December 2024, the Institute, represented by its Taxation Practice Committee, participated in eight engagements with various stakeholders. These engagements are mainly for advocating and providing constructive inputs for direct and indirect tax policy making. The Institute will continue to support the Tax Authorities on these initiatives.

MAREF Charity Golf Tournament 2024: Where Every Swing Makes a Difference!

The Malaysian Accountancy Research and Education Foundation (MAREF), with the support of the Malaysian Institute of Accountants (MIA), successfully hosted the second MAREF Charity Golf Tournament at Tasik Puteri Golf and Country Club on 16 November 2024.



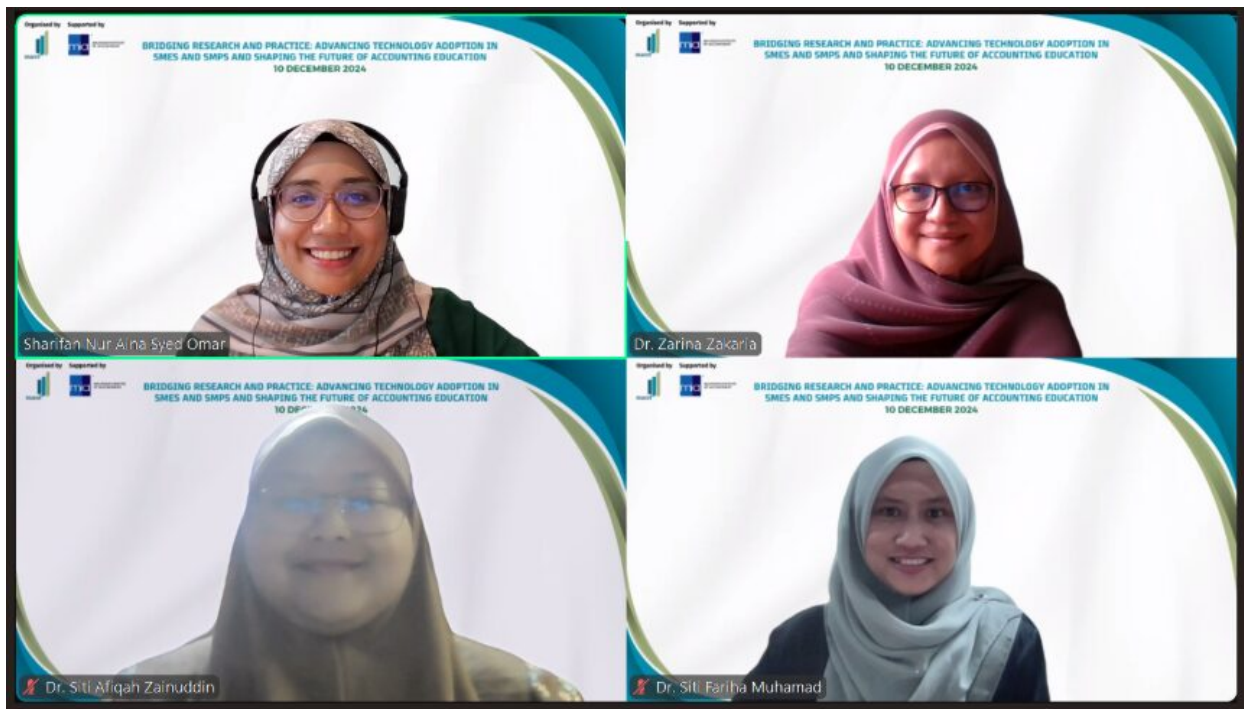
A total of 76 golfers participated in the tournament which was held to raise funds and increase awareness on MAREF and its initiatives in advancing the accounting profession in Malaysia. Special thanks to Bank Islam Malaysia Berhad, our platinum donor, Prestige

Golf Sdn Bhd, our gold donor and Afrizan Tarmili Khairul Azhar PLT (AFTAAS), A I Technic (M) Sdn Bhd, AKH & Partners PLT, Ernst & Young Consulting Sdn Bhd, and UMW Corporation Sdn Bhd, our silver donors as well as in-kind donors and individual contributors for their invaluable support. Congratulations to all winners, and a big thank you to all participants for making this event a huge success!

Please view the video of the tournament [here](#). Visit <https://maref.org.my/> for more information about MAREF.

Bridging Research and Practice: Advancing Technology Adoption and Shaping the Future Accountants

On 10 December 2024, the Malaysian Accountancy Research and Education Foundation (MAREF) supported by the Malaysian Institute of Accountants (MIA) successfully hosted a webinar featuring two research teams under the MAREF Priority Research Topics 3.0. The event began with welcome remarks by the MAREF Chair, Associate Professor Dr Zarina Zakaria.



This was followed by an insightful presentation by Dr. Siti Afiqah Zainuddin, Associate Fellow ANGKASA-UMK Research Academy, Universiti Malaysia Kelantan, who shared the key findings of her research on technology adoption in small and medium-sized practices and medium-sized entities. The webinar continued with a presentation by Dr. Siti Fariha Muhamad, Senior Lecturer at the Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, who presented her research on data analytics competencies of future professional accountants. The webinar was attended by 115 participants.

We extend our heartfelt gratitude to our researchers and all participants for making this webinar successful. Let's continue advancing research and shaping the future of the accounting profession together!

Collaborative Leadership for a Sustainable Future

at-mia.my/2025/02/04/collaborative-leadership-for-a-sustainable-future

February 4, 2025

As we step further into 2025, preparations are well underway for the highly anticipated MIA International Accountants Conference 2025 (MIA Conference).

This year marks a significant milestone as the MIA Conference celebrates its 40th anniversary. Over the decades, the Conference has evolved and expanded, earning recognition as one of the largest regional gatherings of accountancy professionals. Held annually at the iconic Kuala Lumpur Convention Centre, the Conference is recognised as a flagship event for the profession amidst Malaysia's dynamic business landscape.

In 2024, the hybrid-format MIA Conference successfully set a new benchmark, drawing a record-breaking 3,800 delegates. Focused on ensuring the profession's future relevance, the Conference embraced the theme *Navigating New Frontiers, Embracing Sustainability*, which resonated deeply with stakeholders.

Moving forward, the Conference will continue to be a pillar of MIA's extensive professional development initiatives. In 2024 alone, MIA successfully organised nearly 1,000 professional development programmes, reinforcing its commitment to advancing the profession. We are proud to announce that MIA was recently honoured with the prestigious HRD Corp Human Resources Minister Award 2024, a testament to our standing as a premier training provider in Malaysia and our dedication to fostering excellence in human capital and learning development.

As we celebrate four decades of impact, the MIA Conference 2025 aims to set new standards of excellence. Our steadfast commitment to strategic collaboration is reflected in this year's Conference theme of **Collaborative Leadership for a Sustainable Future**. This theme underscores our core priorities—future relevance, transformation, innovation, and sustainability—while reinforcing the power of collective leadership in navigating the evolving business landscape.



Building on our legacy of collaboration, the hybrid MIA Conference 2025 aims to convene over 3,000 delegates and will feature 80 distinguished speakers from the highest levels of Government, regulation, standards, and business. The Conference will explore critical topics such as sustainability, leadership, standards, and technology, all framed within the principles of ethics and good governance that are at the heart of the profession. Attendees can expect a transformative experience designed to empower accountancy professionals as collaborative leaders, equipped to address the seismic shifts shaping the business world.

Aligning with UNSDG 17: Partnerships for the Goals, the MIA Conference 2025 will leverage the profession's global, regional and domestic networks to foster innovation and chart a strategic roadmap for the future. Our emphasis on collaborative leadership also aligns with Malaysia's vision of strengthening regional alliances to position ASEAN as a global economic powerhouse, in step with Malaysia's current ASEAN chairmanship.

We warmly invite you to join us for the [MIA International Accountants Conference 2025](#) as we commemorate 40 years of excellence. Together, we can shape a sustainable future for the profession and contribute to the nation's continued progress.

DTAA Winners in Action – CCL & Partners PLT

at-mia.my/2025/02/06/dtaa-winners-in-action-ccl-partners-plt

February 6, 2025

By Sustainability, Digital Economy and Reporting Team

Introduced in 2023 by the Malaysian Institute of Accountants (MIA), the Digital Technology Adoption Awards (DTAA) aim to continue advancing the digitalisation efforts of the accountancy profession in Malaysia. The DTAA sets out three main objectives:

- Promoting technology adoption
- Raising awareness of digital adoption impact
- Recognising digital adoption

In this third edition, the DTAA Winners in Action proudly spotlights CCL & Partners PLT, the recipient of the prestigious 'Top Excellence Award' in the Audit Software category for practices with 10 to 49 employees. Discover the strategies that propelled them to this well-deserved recognition in an insightful interview with Yap Yau Loong, Audit Partner of CCL & Partners PLT!



Why did you adopt technology?

Before adopting digital technology, we faced several significant challenges that impacted efficiency, accuracy, and client service. The firm's audit processes were largely manual (such as using spreadsheets as the main audit working paper), making audits time-consuming and prone to human errors.

Data management was another major challenge where information stored in scattered locations led to security risk. The lack of integrated systems made it difficult to provide real-time insights or perform in-depth data analysis, limiting the firm's efficiency in performing analytical review and spotting unusual transactions.

Collaboration within teams was inefficient due to the absence of centralised tools, and inconsistent audit methodologies led to variations in the quality of audit results.

Client expectations for faster audits, real-time reporting, and value-added insights were hard to meet with outdated processes. Additionally, we were also facing increased competition from more digitally advanced firms.

What technologies have you adopted?

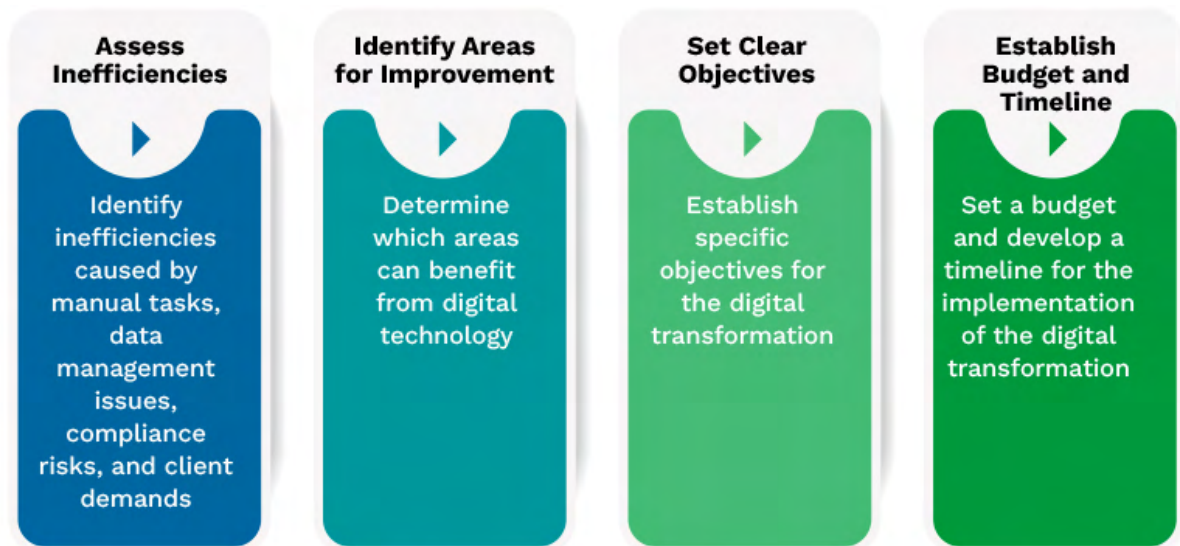
To address the challenges above, we have adopted several key digital technologies aimed at improving efficiency, accuracy, and client service which includes the implementation of audit software. This has led to streamlined workflows, automated compliance tracking, and reduced manual errors.

A cloud-based document management system is embedded in the audit software, enabling real-time access to data and enhancing client communication. Meanwhile, automated reporting tools within the audit software allow us to generate real-time, customised audit reports, reduces repetitive tasks and manual work as well as minimises errors. This facilitates teamwork and consistency across audits, even with remote teams.

How was your digital technology implementation journey?

The journey of implementing digital technology involves several key steps and milestones, from initial assessment to full adoption and optimisation.

Initial Assessment and Planning



Vendor Selection and Technology Evaluation

We conducted evaluation of audit software, data analytics platforms, cloud storage providers, and cybersecurity solutions. Vendors were assessed based on their ability to meet the firm's specific needs.

Training

Training programmes were organised to familiarise the staffs with the software and its capabilities.

Pilot Testing

A pilot project was launched to test the technology in a controlled environment. We started with a selected group of clients to ensure that the software is functioning properly.

Full Implementation

After successful training and testing, the audit software was fully implemented. The firm now has access to real-time data and automated workflows to handle audits more efficiently.

What is the impact of your technology adoption?

The adoption of digital technology has transformed the firm into a more agile, efficient, and client-focused organisation and the impacts are as follow:

Increased Efficiency

Automated workflows reduce the need for manual tasks, such as data entry and sample selection, allowing us to focus more on the high risks or material misstatement of financial statements.

Reduced Errors

The implementation of audit software has a direct impact on the accuracy of audits. Automation reduces human error, and advanced data analytics allow auditors to identify anomalies and unusual transactions with greater precision.

Improved Client Satisfaction

With digital technology enabling real-time reporting and faster audits, clients experience quicker service delivery and enhanced responsiveness from the firm.

Greater Compliance

The ability to stay compliant with evolving regulations, such as International Standard on Quality Management (ISQM), International Standards on Auditing (ISA) and the Companies Act 2016 in Malaysia improves dramatically.

Cost Reduction

The reduction in labour-intensive tasks means that fewer resources are needed to complete audits, allowing the firm to allocate staff to other areas. This leads to lower operational costs without compromising the quality of service.

Real-time Insights and Decision-Making

The firm now has access to real-time data, dashboards, and advanced reporting tools that provide instant insights into ongoing audit engagements.

Competitive Advantage

The ability to provide faster, more accurate, and data-driven audits differentiates the firm from others in the market. This helps attract new clients and retain existing ones, particularly those looking for more technologically advanced audit services.



What is your future digital technology plan?

After achieving digital transformation in audit processes, we may explore enhancing several other key areas such as:

Client Relationship Management (CRM)

Implementing a digital CRM system will better manage and track client interactions, communication history, and engagement details.

Human Resources (HR) and Talent Management

Enhancing HR processes with digital tools could streamline employee recruitment and enrolment, performance management, and training.

Do you have any tips to share with the readers?

Here are some key pieces of advice and best practices:

Start with a Clear Digital Strategy

Assess your organisation's current challenges, processes, and goals. Identify specific areas where technology can drive improvement, such as reducing manual labour, enhancing client service, or improving compliance.

Conduct a Thorough Needs Assessment

Take the time to understand your organisation's specific pain points and areas where technology can bring the most value. Avoid adopting technology for the sake of it.

Choose Scalable and Flexible Technologies

Opt for technologies that can scale with your business. As your organisation grows, so should your digital solutions.

Engage and Train Employees

Resistance to change is common, therefore invest in training programmes to equip employees with the skills needed.

Prioritise Client Experience

Ensure that any new technology you adopt enhances the client experience.

Plan for Continuous Improvement

Digital transformation is not a one-time event but an ongoing process. Technology evolves rapidly, and so should your organisation's use of it. Stay informed about new tools, updates, and innovations.

Why did you participate in the DTAA?

We decided to participate in the DTAA to enhance our digital capabilities and align with industry best practices. One of the primary motivations for participating is to assess our current digital maturity level compared to industry standards. The assessment provides valuable insights into strengths and weaknesses, helping to identify areas that require improvement and guiding future digital initiatives.

We learnt from the participation process that the adoption emphasises the need for a comprehensive approach to digital transformation. It is not just about adopting new technologies; it also involves culture, processes, and people. We learned to focus on enhancing our digital culture and ensuring that employees are equipped with the necessary skills.

What is your advice to aspiring participants of the DTAA in the future?

We would advise future participants that, to gain the most value from technology adoption, they should be candid about their current digital capabilities and challenges. Acknowledging areas for improvement will provide a more accurate assessment and lead to actionable insights.

Before participating, define clear goals and objectives for your digital transformation efforts. Having specific targets will help guide the assessment process and ensure that the outcomes are aligned with your organisation's strategic vision.

For more information about the DTAA and the complete list of winners, click the links below:

- [Official media release](#)
- [Article on the DTAA](#)



Watch Video At: <https://youtu.be/KT1rhVEZjEs>

DTAA Winners in Action – Chia, Ka & Partners PLT

at at-mia.my/2025/02/28/dtaa-winners-in-action-chia-ka-partners-plt

February 28, 2025

By Sustainability, Digital Economy and Reporting Team

The Malaysian Institute of Accountants (MIA) recently hosted the first-ever Digital Technology Adoption Awards (DTAA), celebrating outstanding achievements in digital transformation within the accountancy profession. Launched in 2023, the DTAA represents a significant step forward in the Institute's ongoing efforts to promote digital transformation. This initiative builds upon the foundation set by the MIA Digital Technology Blueprint, unveiled in 2018, further strengthening the Institute's commitment to fostering innovation and digital adoption.

This time around, the **DTAA Winners in Action** features **Chia, Ka & Partners PLT**, celebrating their achievement as the recipient of the 'Excellence Award' for practice management in the Public Practice category, specifically for firms with 10 to 49 employees. Take a look at the interview article below with Jeremy Chia and Edward Ka, Co-founders and partners of Chia, Ka & Partners PLT (CKP) to gain deeper insights into their digital technology adoption success.



Why did you adopt technology?

Prior to our digital transformation, our firm faced significant challenges in practice management and workflow coordination. The main pain points were:

- Multiple versions of documents and schedules were floating around in emails
- Difficulty in tracking project status and deadlines across different teams
- Inconsistent communication channels between team members and clients
- Time-consuming manual updates of project timelines and resource allocation
- Lack of real-time visibility into team capacity and workload
- Challenges in coordinating remote work and maintaining productivity
- Risk of miscommunication leading to missed deadlines or duplicated work

The absence of a centralised system meant team members were often working with outdated information, leading to inefficiencies and potential risks in client service delivery.

What technologies have you adopted?

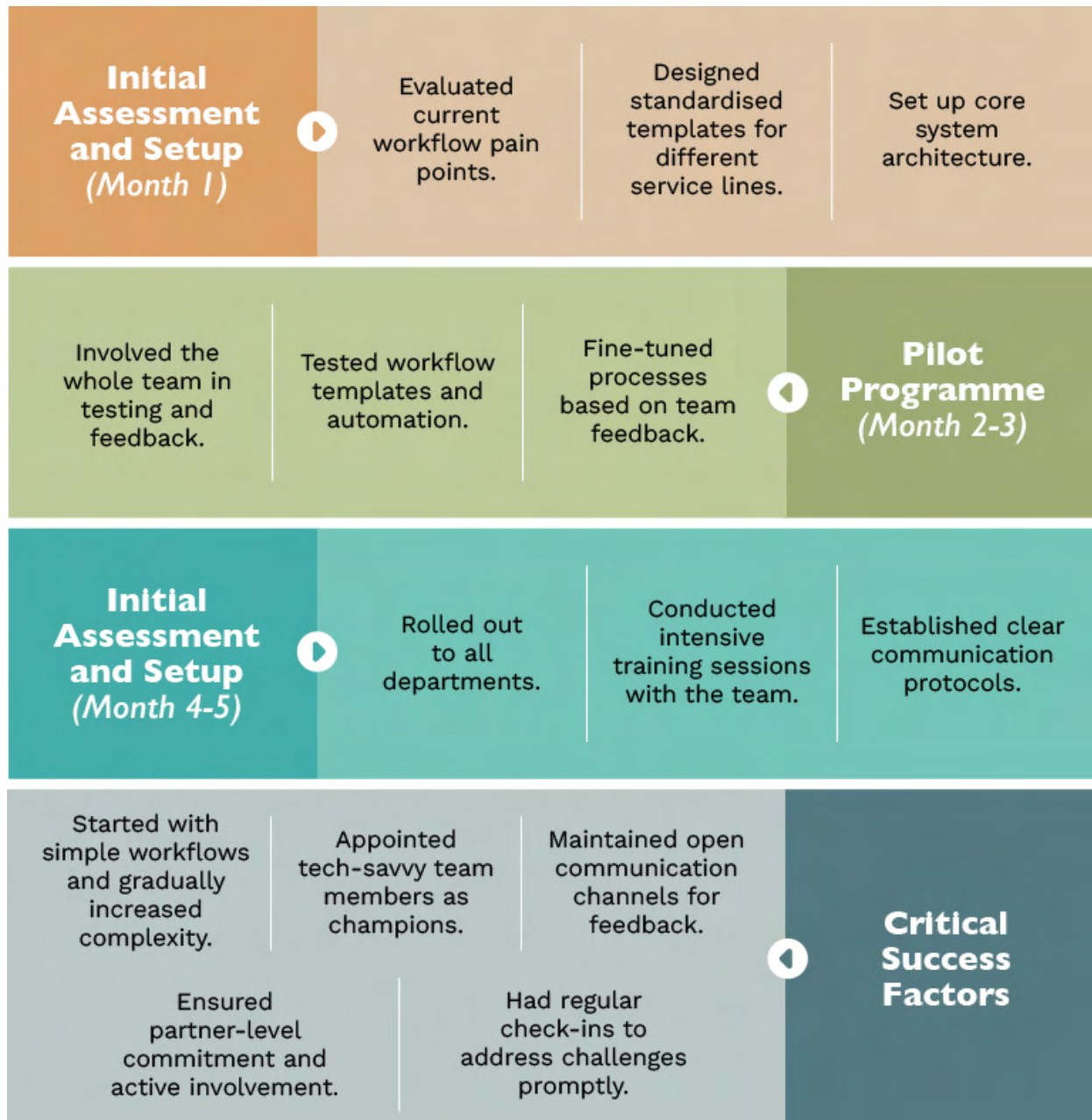
We implemented a comprehensive cloud-based collaboration and project management platform that serves as our single source of truth. The solution includes:

- A centralised workflow management system
- Real-time collaboration capabilities
- Automated notification and reminder systems
- Resource allocation and capacity planning tools
- Customisable dashboards for different stakeholder needs
- Integration capabilities with other essential business tools

This integrated approach ensures that all team members have access to the same up-to-date information, significantly improving our practice management efficiency.

How was your digital technology implementation journey?

As co-founders and partners of CKP, we approached this implementation with a clear focus on achieving quick wins while ensuring sustainable long-term adoption. Our journey encompassed several critical milestones:



The key to our successful implementation was focusing on people first, then processes, and finally technology. This human-centric approach helped us achieve buy-in across all levels of the organisation and established sustainable digital practices.

What is the impact of your technology adoption?

The implementation has delivered significant measurable benefits as follows:

Quantitative Improvements:

- 40% reduction in time spent on status updates and reporting
- 60% decrease in email communication for project updates
- 30% improvement in productivity in 2020 and 2021, 50% improvement in 2022
- 70% and 80% on-time closure rate for monthly accounts in 2021 and 2022

Qualitative Improvements:

- Enhanced transparency across all levels of the organisation
- Improved team collaboration and engagement
- Better work-life balance following from more efficient processes
- Increased client satisfaction resulting from more responsive service
- Stronger risk management through better oversight
- More strategic resource allocation

What is your future digital technology plan?

Building on our successful practice management transformation, we are now exploring several new initiatives aimed at further improving our operations. These include enhanced client portal integration to facilitate seamless communication, advanced analytics for more accurate resource forecasting, and the implementation of automated quality control checkpoints. Additionally, we are looking into AI-powered workflow optimisation, as well as enhanced reporting capabilities that will provide deeper business insights.

Do you have any tips to share with the readers?

Based on our experience, here are our key recommendations:



Why did you participate in the DTAA?

We participated in DTAA to showcase how strategic implementation of digital tools can transform practice firms. The application process helped us reflect on our journey and quantify the benefits that we have achieved.

Our keylearnings from the DTAA process are:

- The importance of measuring and documenting transformation outcomes
- Value of a structured approach to digital adoption
- Benefits of sharing experiences with the professional community

What is your advice to aspiring participants of the DTAA in the future?

We advise future participants to:

- Begin documenting your digital transformation journey early
- Focus on demonstrating tangible business impact

- Share both successes and challenges honestly
- Use the DTAA application process as a learning opportunity
- Consider how your experience can benefit others in the industry

The DTAA recognition validates our approach to digital transformation and motivates us to continue innovating in practice management. It is not just about technology adoption – it is about creating a more efficient, collaborative, and future-ready organisation.

For more information about the DTAA and the complete list of winners, click the links below:

- [Official media release](#)
- [Article on the DTAA](#)



Watch Video At: <https://youtu.be/KT1rhVEZjEs>

DTAA Winners in Action – NC Accounting Services Sdn Bhd

at at-mia.my/2025/01/02/dtaa-winners-in-action-nc-accounting-services-sdn-bhd

January 2, 2025

By Sustainability, Digital Economy and Reporting Team

In 2023, the Malaysian Institute of Accountants introduced the inaugural Digital Technology Adoption Awards (DTAA) to celebrate excellence in technology adoption within the accountancy profession (*Read more on the DTAA [here](#)*).



Watch Video At: <https://youtu.be/KT1rhVEZjEs>

To inspire ongoing digital transformation across the accountancy profession, MIA has launched an exciting new interview series titled ‘DTAA Winners in Action’. This series highlights the journeys of the fourteen exceptional winners who were honoured during the prestigious DTAA Presentation Dinner in May 2024. Each article in the series will explore their unique stories, showcasing the challenges they overcame, the innovative strategies they employed and the best practices they adopted in embracing digital technology. Through their narratives, the series seeks to motivate others to embark on their own digitalisation journeys and harness the power of technology to drive their own successes.

In this debut article, we feature **Neutral Consulting Group (NC Accounting Services Sdn Bhd)**, the proud recipient of the ‘Top Excellence Award’ in Accounting Process for the Public Practice (less than 10 employees) category. Below, Ng Wing shares how the firm embraced digital transformation to elevate their services and stand out in the DTAA.

Discover their innovative strategies, forward-thinking approaches and unwavering commitment to excellence in an ever-evolving digital landscape. Let their story inspire you to innovate and excel in your own digital transformation journey!



1. Why did you adopt technology?

Before embracing digital technology, our primary challenge was the inability to fulfill our goal of empowering SME clients to obtain near real-time data insights. While we could still serve our SME clients according to normal practices, lack of technology usage resulted in slow and cumbersome processes. This led to delays in delivering financial reports to our clients. Such delays hindered their ability to make timely decisions, ultimately limiting the value they derived from our services.

2. What technologies have you adopted?

To tackle these challenges, we adopted both internal and client-facing digital technologies. We utilise several digital tools, including Xero for accounting, Slack for communication, Trello for project management, and cloud storage solutions like OneDrive and Google Drive. These technologies were carefully selected to enhance collaboration, streamline our processes, and facilitate remote work. As a result, we have created a more efficient and flexible working environment, allowing us to provide our clients with quicker access to vital financial insights.

Additionally, I took the initiative to learn skills in website development, Google Ads, and Search Engine Optimisation (SEO). This has enabled us to automate our sales processes, significantly reducing marketing costs while accurately targeting specific clients. By gaining a deeper understanding of our business, we can now reach our target audience more effectively. Importantly, the savings from our marketing costs have been redirected towards enhancing staff benefits, training, and salary packages, further investing in our team's development and morale.

3. Describe your digital technology implementation journey.

Our implementation journey began with a thorough evaluation and testing of each tool to ensure compatibility with our existing processes. We initiated a pilot programme with a small team, gathering feedback and making necessary adjustments. Once the tools proved effective, we rolled them out organisation-wide, phasing out outdated systems. Key milestones included staff training sessions and the establishment of new workflows, integrating these technologies into our daily operations for a seamless transition.

We also emphasised open and direct feedback, encouraging input from all levels within the organisation. This approach allowed us to fully understand the pain points and considerations at each level of our accounting operations before moving forward with implementation.

4. What is the impact of your technology adoption?

By adopting this technology, our organisation has fully embraced a 100% remote working model, enabling our team to work seamlessly from home. Additionally, our SME clients now benefit from significantly faster access to financial insights, improving their decision-making process. This technology has also positively impacted staff motivation, as every step we took and improvement we made focuses on enhancing work efficiency and aligning with our long-term strategic direction.

5. What is your future digital technology plan?

Moving forward, we plan to enhance our reporting processes and client engagement strategies with a continuing focus on digital transformation. With the implementation of e-invoicing, we anticipate significant opportunities to further digitise and streamline our processes. This will enable our SME clients to access live, accurate financial insights more rapidly, allowing for more informed decision-making and greater efficiency in their operations.

Additionally, we will be restructuring our internal operational workflows and tools to ensure alignment with the processes that we have implemented for our SME clients. This synchronisation will enhance efficiency, providing a cohesive experience that benefits both our team and our clients.

6. Do you have any tips to share with the readers?

Based on our experience, I would recommend the following best practices:



7. Why did you participate in the DTAA?

We chose to participate in the DTAA to showcase our commitment to innovation and to inspire others in the accounting field to embrace digital transformation. The processes highlighted the importance of documenting our journey, which helped us reflect on our achievements and identify areas for future growth.

8. What is your advice to aspiring participants of the DTAA in the future?

For aspiring participants, I recommend approaching the application with honesty and details—share your unique story, the challenges you faced, and how you overcame them, as this will resonate with the judges and your peers.

DTAA Winners in Action – YYC GST Consultants Sdn Bhd

at at-mia.my/2025/01/08/dtaa-winners-in-action-yyc-gst-consultants-sdn-bhd

January 8, 2025

By Sustainability, Digital Economy and Reporting Team

The DTAA Winners in Action series returns with great enthusiasm to showcase the second recipient of the prestigious ‘Top Excellence Award’.

To drive MIA’s vision for digitalisation in Malaysia’s accountancy profession, the Malaysian Institute of Accountants (MIA) launched the Digital Technology Adoption Awards (DTAA) in March 2023. This groundbreaking initiative carves out a new niche in the Malaysian awards landscape as it specifically recognises remarkable achievements in technology adoption by the accountancy profession in commerce and industry, public practice, and public sector.



In this second instalment of the series, we celebrate **YYC GST Consultants Sdn Bhd** for their outstanding accomplishments in tax process innovation, emerging triumphant within the Public Practice category for firms with 50 to 99 employees of the DTAA. Discover their

inspiring digital transformation journey in this exclusive interview with Zen Chow, Executive Director and Tax Practice Leader, YYC Group. Join us as we delve into the strategies that propelled them to this well-deserved recognition!

1. Why did you adopt technology?

Our journey into digital technology was largely sparked by the Movement Control Order (MCO) during the pandemic. Before MCO, we relied heavily on in-person training and seminars to educate clients on tax matters. This approach limited the number of clients we could serve at a time and it also restricted us geographically. When the pandemic hit, the face-to-face training sessions became impossible, and we quickly realised how dependent we were on physical training.

The need for a digital solution became urgent, especially as clients were seeking continuous learning and updates on tax changes during the uncertain period. To address this, we pivoted towards virtual training and education, launching online courses, webinars, and self-paced learning modules. The shift to digital learning allows us to break free from geographical constraints, ensuring that clients could access tax education and training from anywhere. This keeps our clients informed and it also allows us to expand our reach, delivering vital tax knowledge to a much wider audience.

2. What technologies have you adopted?

In response to these challenges, we developed taxPOD, a comprehensive digital education platform designed to deliver tax knowledge and training online. Through taxPOD, clients can access pre-recorded webinars, attend live virtual training sessions, and participate in self-paced learning modules on various tax topics. We integrated tools like Vimeo for video hosting, Zoom for interactive sessions, and Stripe for seamless payment processing. To enhance the learning experience, we also introduced the “Ask An Expert” feature, which allows users to submit questions and receive personalised answers from our tax experts.

With this platform, we moved beyond face-to-face interactions and embraced virtual learning, ensuring that our clients have seamless access to the knowledge and training that they need regardless of circumstances.

3. How was your digital technology implementation journey?

The shift to digital training through taxPOD was a significant transformation for us. Initially, we focused on building the platform from scratch rather than using an existing learning management system (LMS), as we wanted to tailor it specifically to the needs of our clients. The first milestone was launching core features like online video streaming. Next, we created a library of pre-recorded tax webinars, ensuring that clients could access content on-demand, even if they missed the live sessions.

A major milestone was the launch of our “Ask An Expert” feature, which gave users an additional layer of interaction by allowing them to ask specific tax-related questions and receive responses from our experts within a set timeframe. Throughout the journey, the client’s feedback played a crucial role in shaping and improving the platform to ensure it delivered the best possible learning experience.



Watch Video At: <https://youtu.be/KT1rhVEZjEs>

4. What is the impact of your technology adoption?

The impact has been remarkable. Since launching taxPOD, our subscriber base has grown to over 6,800 users as of October 2024. More importantly, taxPOD has allowed us to maintain our educational efforts during the pandemic and beyond. Clients can now access tax training at their convenience, which has increased engagement and satisfaction.

Moving to virtual training has also expanded our reach across Malaysia and internationally, allowing us to connect with clients who previously could not attend our physical sessions. This shift has not only kept our clients informed but has also opened new avenues for scaling our training programs, bringing us closer to our company’s Big Hairy Audacious Goal (BHAG) of “positively impacting 100 million lives”. By empowering businesses and individuals with essential tax knowledge, we are contributing to their financial growth and success, reinforcing our broader mission.

5. What is your future digital technology plan?

Building on the success of taxPOD, we are now developing taxPOD Intelligence, an AI-powered tool that automates routine tax queries and assists with research, enabling users to focus on more complex, high-value tasks. With features such as AI-driven insights for

expert-level advice, smart learning that adapts to feedback, conversational interactions simulating advisor-like communication, and tailored guidance based on individual tax profiles, taxPOD Intelligence streamlines the process while ensuring personalised and reliable tax solutions. Additionally, with proactive reminders, users can stay on top of critical deadlines, and most importantly, it offers 24/7 availability.

taxPOD will continue to evolve where we are incorporating gamification elements such as quizzes, leaderboards, and rewards to create interactive and engaging learning experience. These additions will boost motivation, improve knowledge retention, and enhance overall satisfaction, making tax education not only effective but also enjoyable.

We are also working on adding a personalised video recommendation feature to taxPOD. Similar to how Netflix recommends content based on user preferences, this feature will suggest the most relevant tax training videos tailored to each user's interests and learning history. By leveraging data on user behaviours and preferences, taxPOD will provide a more personalised and engaging learning experience, ensuring users receive content that best suits their needs.

6. Do you have any tips to share with the readers?

Our first piece of advice is to embrace the power of digital learning and training. Start by identifying the core areas where digital tools can have the most immediate impact and build from there. We did not try to do everything at once with taxPOD. Instead, we rolled out features gradually and improved it based on user feedback.

Another key factor is ensuring that your team is fully on board with the transition. Digital transformation is not just about technology. It is about changing how people work and learn. Offer training to your staff so that they are comfortable with the new tools and enable them to support the digital shift. Lastly, prioritise security, especially when handling sensitive data. Robust cybersecurity measures are essential when expanding digital platforms.

7. Why did you participate in the DTAA?

We decided to participate in DTAA because we would like to share our journey and inspire other organisations facing similar challenges. The process of participating allows us to reflect on how much we have achieved in a short period of time and helped us recognise the importance of continuous innovation.

8. What is your advice to aspiring participants of the DTAA in future?

For aspiring participants, I would recommend focusing on the broader impact of digital adoption. It is not just about implementing new technology—it is about transforming how you deliver value to your clients. Be bold in your approach and think about how you can

use technology to solve real-world problems, just as we did with taxPOD and our ongoing development of taxPOD Intelligence!

Financial Fraud & Forensics Conference 2025: Building Resilience Against Financial Fraud

at at-mia.my/2025/01/14/financial-fraud-forensics-conference-2025-building-resilience-against-financial-fraud

January 14, 2025

How can we combat fraud as it becomes even more pervasive and sophisticated?

Obviously, we have to think out of the box and adopt a fresh approach and strategy to shield ourselves against fraud risks more effectively.

The Financial Fraud & Forensics Conference 2025 will showcase the latest solutions and best practices that can be incorporated into anti-fraud models to strengthen your organisation's defences and governance processes.

While fraud risk cannot be completely eradicated, we can take steps to reduce the risk and safeguard our organisations. One, we could leverage strategically on AI and machine learning to boost real-time fraud detection and importantly, strengthen digital transaction security in payments, which is highly vulnerable to fraud.

Interestingly, technology is also at the heart of the innovative National Fraud Portal, developed through a partnership between Bank Negara Malaysia (BNM) and PayNet, which has significantly slashed the time required to trace stolen funds¹. Two, we can monitor fraudulent ESG practices and greenwashing in corporate sustainability reporting to protect the integrity of the sustainability agenda which is a top priority for regulators and investors.



FINANCIAL FRAUD & FORENSICS CONFERENCE 2025
BUILDING RESILIENCE AGAINST FINANCIAL FRAUD

As fraud evolves in complexity and scale, practitioners need an even more agile and robust approach to detection, prevention, and governance to outwit the perpetrators. The Financial Fraud and Forensics Conference 2025 showcases the latest innovations and best practices that you can integrate into anti-fraud models to heighten your enterprise's governance and defences.

Starting with an overview of emerging fraud trajectories, the Conference gives prominence to technology, sustainability and audit enhancement as key factors impacting fraud detection and prevention. Explore how the integration of AI and machine learning is empowering real-time fraud detection, enhancing digital transaction security in the payments space, and revolutionising fraud prevention through the groundbreaking National Fraud Portal. Take a timely look at fraudulent ESG practices and greenwashing in corporate sustainability reporting. Lastly, see how fraud detection strategies are being integrated into audit practices to flag fraud and mitigate litigation risks.

Join us as we chart the way forward in the financial security and forensic accounting sectors. Future proof yourself with the tools and knowledge to reinforce your defences and safeguard your organisation in an increasingly high-risk world.

CONFERENCE OBJECTIVES

- Identify current corporate fraud trends and anticipate future tactics to strengthen prevention and response strategies.
- Recognise payment fraud risks in digital transactions and implement effective safeguards to protect your organisation.
- Differentiate between greenwashing and greenhushing and explore how to ensure genuine corporate sustainability practices while avoiding fraudulent claims.
- Learn to leverage AI for real-time fraud detection in corporations, understanding both innovative applications and the challenges involved.
- Learn how the National Fraud Portal is transforming fraud prevention and setting new standards for financial security in organisations.
- Learn how to enhance audit integrity by identifying key indicators of corporate fraud and understanding litigation risks, adopting strategies to mitigate these challenges and strengthen overall financial oversight.

27 February 2025 (Thursday)
9.00am – 5.00pm

Connexion Conference & Event Centre
@ The Vertical,
Bangsar South,
Kuala Lumpur

WHO SHOULD ATTEND

- Board Directors
- Audit Committee Members
- C Suite Executives
- CFOs & Accountants
- Compliance Officers
- Company Secretaries
- Forensic Auditors/Specialists
- Internal & External Auditors
- Auditor General's Department Officers
- Malaysian Anti-Corruption Commission Officers
- Securities Commission Officers
- Bursa Malaysia Officers
- Inland Revenue Board Officers
- Lawyers
- Academicians

Three, as practitioners and business partners, we can proactively advise on the integration of fraud detection strategies into audit practices and processes to flag fraud and mitigate litigation risks.

These are the key matters that will be addressed at the Financial Fraud & Forensics Conference 2025 in order to help you curb rising fraud risk and address the vulnerabilities affecting every organisation in today's digital economy. Join industry experts and senior regulators on **27 February 2025 at the Connexion Conference & Event Centre @ Nexus, Bangsar South**, as they share their insights in the following sessions:

Corporate Fraud Trends and Future Trajectories

Get up-to-date on the latest corporate fraud trends such as financial statement manipulation, procurement fraud, and misappropriation of assets, as well as emerging risks posed by synthetic identity fraud, AI-driven schemes, and the rising use of shell companies for illicit activities. To fight back, corporate auditors and forensic accountants must urgently upskill on data analytics, predictive modelling and AI competencies to boost internal controls and shore up company defences.

Revolutionising Fraud Prevention: How the National Fraud Portal is Setting New Standards in Financial Security

BNM and financial institutions remain focused on strengthening financial security, having already blocked RM383 million worth of unauthorised transactions in 2023². A gamechanger in the financial security landscape is the new National Fraud Portal which serves as a cutting-edge hub for real-time fraud detection powered by AI and machine learning to counter evolving scam tactics.

This panel session introduces the National Fraud Portal, highlights its innovative features and performance, and explores how the Portal works to enhance financial security and streamline regulatory compliance.

Safeguarding Digital Transactions: Navigating Payment Fraud Risks

Fraudulent payments, account takeovers, and invoice manipulation are among the key payment fraud risks that require agile multi-layered defences. This discussion will focus on payment system weaknesses and the practical measures organisations can implement to enhance transaction security, such as AI-enhanced payment verification tools and fraud detection software.

Audit Integrity in Focus: Addressing Corporate Fraud and Litigation Risks

Integrating fraud detection strategies into audit practices is crucial not only to identify fraud but also to ensure audit models and outcomes can withstand scrutiny in legal proceedings. In this session, participants will learn effective approaches to strengthen audit practices and ways to incorporate forensic audit techniques into standard audits.

Greenwashing to Greenhushing: Corporate Sustainability and Fraud

In this panel session, expert speakers will delve into the rising incidence and consequences of deceptive sustainability reporting and greenwashing practices, while discussing essential internal controls and governance measures needed to uphold integrity in sustainability reporting.

Harnessing AI for Real-time Fraud Detection in Corporations: Innovations and Challenges

AI and machine learning are undoubtedly transforming corporate strategies to manage internal fraud and external cyber threats. In this panel session, attendees will learn to utilise AI-powered risk management systems to strengthen anti-fraud measures while addressing key challenges such as minimising false positives, ensuring data integrity, and managing privacy concerns.

Please [click here](#) for more information on the MIA Financial Fraud & Forensics Conference 2025.

¹ & ² <https://fintechnews.my/46575/big-data/national-fraud-portal-trace-funds>

MFRS and MPERS: Common Issues on Consolidation

at at-mia.my/2025/01/16/mfrs-and-mpers-common-issues-on-consolidation

January 16, 2025

By *Sustainability, Digital Economy and Reporting*

MIA has received various accounting queries on consolidation through our technical queries facility. In this article, we will be sharing a few more common questions received and the suggested guidance for reference. In June 2022, we issued an article titled 'MPERS: Common Issues on Consolidation'. View the article [here](#).

QUESTION 01

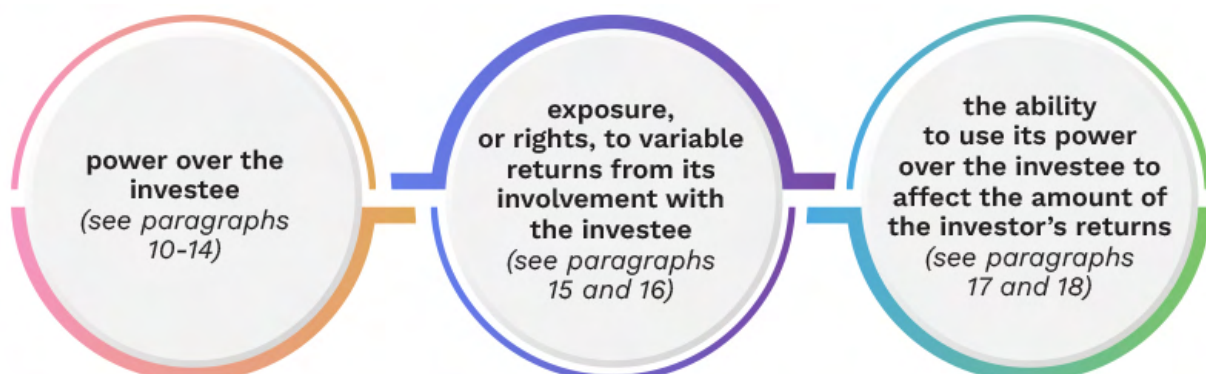
XYZ Sdn Bhd has a 15% shareholding of CDE PLC. Ramesh, Aireen and Zamri are directors and shareholders of XYZ Sdn Bhd. During the financial year, Ramesh, Aireen and Zamri purchased 12% shares each in CDE PLC in their personal capacity. As a result, Ramesh, Aireen, Zamri and XYZ Sdn Bhd collectively own more than 50% shares in CDE PLC. Given that XYZ Sdn Bhd's effective shareholding in CDE PLC remains at 15%, is XYZ Sdn Bhd required to prepare consolidated financial statements?

MFRS

An entity that is a parent is required to present consolidated financial statements¹. As stated in *Appendix A Defined Terms* of MFRS 10 *Consolidated Financial Statements*, the term 'parent' is defined as an entity that controls one or more entities.

Therefore, XYZ Sdn Bhd must evaluate whether it has control over CDE PLC to determine if it is required to prepare consolidated financial statements.

An investor controls an investee if and only if the investor has all of the following²:



In addition, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above, the investor shall perform continuous assessment to determine whether it still controls the investee³.

MPERS

If the entity is using MPERS, the entity can refer to paragraphs 9.4 to 9.12 of MPERS *Section 9 Consolidated and Separate Financial Statements* to assess the existence of control.

QUESTION 02

Company Y owns 100% of Subsidiary Z which includes goodwill valued at RM100,000. During the financial year, Company Y disposed 20% of its shareholding in Subsidiary Z to a non-controlling interest. Will the disposal impact the goodwill? Do we need to charge out 20% of goodwill?

MFRS

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners).⁴ If control is retained, the gain or loss will be recognised in equity and no change in the carrying amounts of assets (including goodwill) or liabilities is recognised.

Therefore, Company Y must evaluate whether it loses control over subsidiary Z after the change of the ownership interest from 100% to 80%.

MPERS

If the entity is using MPERS, the entity can refer to paragraph 22.19 of MPERS *Section 22 Liabilities and Equity* on the non-controlling interest and transactions in shares of a consolidated subsidiary.

QUESTION 03

A holding company has a subsidiary as of the year ended 31 December 2022. During the financial year, the subsidiary undertook a voluntary winding up. Does the holding company still need to prepare consolidated financial statements as of 31 December 2023?

MFRS

An entity includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the entity ceases to control the subsidiary.⁵ Paragraph B98 and B99 of MFRS 10 outline the accounting treatment when the parent loses control of a subsidiary.

MPERS

An entity shall present consolidated financial statements in which it consolidates its investments in subsidiaries.⁶

When a parent ceases to control a subsidiary, the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date that control is lost is recognised in profit or loss in the consolidated statement of comprehensive income (or the income statement, if presented) as the gain or loss on the disposal of subsidiary.⁷

QUESTION 04

In June 2024, Company C acquired more than 50% of shares in Company D, which was incorporated in the same month. Company C has determined that it has control over Company D. Company C's financial year ends in August 2024, while Company D's first financial year end will be in November 2025 (i.e., within 18 months of its incorporation). Should Company C consolidate Company D as at 31 August 2024?

MFERS

Paragraph B92 of MFRS 10 states that “the financial statements of the parents and its subsidiaries used in the preparation of the consolidated financial statements shall have the same reporting date.” For consolidation purposes, the subsidiary is required to prepare the additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.⁸

Paragraph B93 states that “the difference between the date of the subsidiary’s financial statements and that of the consolidated financial statements shall be no more than 3 months.”

MPERS

Paragraph 9.16 states that “the financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements shall be prepared as of the same reporting date unless it is impracticable to do so. If it is impracticable to prepare the financial statements of a subsidiary as of the same reporting date as the parent, the parent shall consolidate the financial information of the subsidiary using the most recent financial statements of the subsidiary, adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements.”

Therefore, Company D must prepare financial information for the year to 31 August 2024 unless it is impracticable to do so. The consolidated financial statements have a 31 August year-end because Company C is the parent.

The views expressed are not the official opinion of MIA, its Council or any of its Boards or Committees. Neither the MIA, its Council or any of its Boards or Committees nor its staff shall be responsible or liable for any claims, losses, damages, costs or expenses arising in any way out of or in connection with any persons relying upon this article.

¹ Paragraph 4 of MFRS 10 Consolidated Financial Statements

² Paragraph 7 of MFRS 10 Consolidated Financial Statements

³ Paragraph 8 of MFRS 10 Consolidated Financial Statements and Paragraphs B80 to B85 of MFRS 10 Consolidated Financial Statements

⁴ Paragraph 23 of MFRS 10 Consolidated Financial Statements

⁵ Paragraph 20 and B88 of MFRS 10 Consolidated Financial Statements

⁶ Paragraph 9.2 of MPERS Section 9 Consolidated and Separate Financial Statements

⁷ Paragraph 9.18 of MPERS Section 9 Consolidated and Separate Financial Statements

⁸ Paragraph B92 of MFRS 10 Consolidated Financial Statements

The Process for MIA Joint Supervision with BNM on AMLA for Reporting Institutions (RIs) in the Accountancy Profession

[at at-mia.my/2025/01/27/the-process-for-mia-joint-supervision-with-bnm-on-aml-for-reporting-institutions-ris-in-the-accountancy-profession](https://at-mia.my/2025/01/27/the-process-for-mia-joint-supervision-with-bnm-on-aml-for-reporting-institutions-ris-in-the-accountancy-profession)

January 27, 2025

By the MIA Practice Review Team

In recent years, the significance of the anti-money laundering (AML) framework has grown exponentially as a means of safeguarding the integrity of financial and professional sectors worldwide. In Malaysia, Bank Negara Malaysia (BNM) has been proactive in ensuring reporting institutions adhere to the stringent requirements outlined in the Anti-Money Laundering, Anti-Terrorism Financing, and Proceeds of Unlawful Activities Act 2001 (AMLA).

The Malaysian Institute of Accountants (MIA), the self-regulatory body for the accountancy profession, collaborates with Bank Negara Malaysia (BNM) to conduct joint supervision focused on compliance with the Anti-Money Laundering Act (AMLA) within the accountancy sector. This initiative plays a vital role in assessing the compliance status of reporting institutions (RIs) in Malaysia. Notably, this marks MIA's third assessment under AMLA since its introduction, highlighting the profession's ongoing commitment to rigorous oversight and continuous improvement.

Objectives of the Joint Supervision

The primary objectives of this joint supervision include:



Assessing the firm's compliance with the obligations under Part IV of the AMLA, relevant subsidiary legislation made pursuant to the AMLA and Policy Document on Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Designated Non-Financial Businesses and Professions (DNFBPs) and Non-Bank Financial Institutions (NBFIs) issued on 5 February 2024 (Policy Document).



Identifying potential gaps in existing practices and recommending enhancements.



Strengthening the overall AML framework within the accountancy profession to mitigate money laundering and terrorist financing risks.

The Process of the Joint Supervision:

STEP
01

Notification of Review on Compliance with AMLA

Once a RI is selected for examination, MIA will send a written notification of review via registered post. The notification comprises the following:

Requisition List – The purpose of this document is to serve as a guide in assisting reporting institutions in preparing for Anti-Money Laundering/ Countering the Financing of Terrorism/ Counter Proliferation Financing (AML/CFT/CPF) examination by BNM and MIA examiners. The reporting institution is expected to prepare and provide relevant documents (in soft copy via email) prior to the on-site assessment. The list of documents are based on requirements to be reviewed and assessed, such as Customer Due Diligence (CDD), Customer Risk Profiling (CRP), Terrorism Financing (TF), Proliferation Financing (PF) & Other UN Sanctions Regimes (OSR) Sanctions Screening, Enhanced Due Diligence (EDD) & Ongoing Due Diligence (ODD), Record Keeping, Management Information System (MIS), Suspicious Transaction Reporting (STR) and other compliance functions.

Submission of Client List – The firm is required to prepare a complete client list in a prescribed format for services defined under the Gazetted Activities (GAs) as per the Policy Document (PD).

On 5 February 2024, BNM issued a revised Policy Document (PD) on AML/CFT/CPF and TFS for DNFBPS and NBFIs which was made effective on 6 February 2024. The link to the revised PD can be found below:

<https://www.bnm.gov.my/documents/20124/13380097/pd-AMLCFTCPF-TFS-DNFBFI-NBFI-Feb2024.pdf>

Firms may also refer to the Practice Review Annual Report, which was recently published on 1 October 2024, for more details on AML/CFT and Accountants.

The completed AML/CFT Requisition List, along with all requested documents mentioned above, should be submitted to the Institute within ten (10) working days from the date of receipt of the notification.

Submission should be made through the Compliance Officer for Anti Money Laundering / Countering Financing of Terrorism (AML/CFT). The Compliance Officer can be the sole proprietor, the senior partner, or another partner of the firm who is being assigned responsibility for AMLA and must be registered with BNM.

STEP
02

The Review Process after submission of Documents from RIs

1. Selection of Clients for Examination

Once the completed documents have been received from the selected RIs, the reviewer in charge will inform the RIs on the detailed documents for selected sample clients to be submitted. The RIs are given seven (7) days to submit these documents after the Reviewer has identified the clients selected for examination and specified the required documents, as listed below:

1. Sample of completed Customer Application Form/Know Your Customer (KYC) form, and evidence of verifying customer information against reliable and independent documentation (e.g. National Registration Identity Card (NRIC), passport, Suruhanjaya Syarikat Malaysia (SSM) record etc.), electronic data and any other measures and make copies of the verified documents, where relevant.
2. Documentation to show conduct of customer risk profiling assessment, considering multiple risk factors including customers, products and services, transactions, delivery channels, country or geographical and other information.
3. Results of sanctions screening against TF, PF and OSR sanctions list

4. EDD process and procedure for obtaining additional information on High-Risk customers and beneficial owners (e.g. the volume of assets and other information from commercial or public databases). The RI should assess the Source of Funds and/or Source of Wealth and obtain approval from Senior Management before establishing such a business relationship with the customer.
5. Documentation on ODD conducted on customers including updating customer's information and analysis of customer's transaction and assess whether they are consistent with customers' profiles.

2. Closing meeting with the RIs

A date will be set to communicate the results of the examination to the RIs, and a report card will be issued subsequent to the meeting.

During the closing meeting, the RIs will be required to give a short presentation on the firm's structure, capacity building in the provision of services under the GAs, and the mechanisms in place to ensure compliance with the AMLA.

STEP
03

Issuance of Report Card to the RIs

Three (3) possible results will be issued subsequent to the examination:

- **Full Compliance:** No further action required.
- **Partial Compliance:** Firms are required to submit a progress update report on rectifications within one (1) month from the date of the issuance of the report card.
- **Serious Non-Compliance:** This could lead to disciplinary action by BNM or MIA.

The reviewer will issue a report card based on their assessment and communicate the findings and rectification measures to the RI. The RI is required to acknowledge receipt and return the signed report card on the same day or the next working day.

Conclusion

While the MIA-BNM joint supervision primarily assesses specific AMLA requirements, RIs must comply with all regulatory obligations under AMLA and relevant subsidiary legislations, including the Policy Document.

The MIA -BNM joint supervision on the compliance status of Reporting Institutions (RIs) in the accountancy profession represents a critical step in assessing and enhancing the AML framework in Malaysia. While progress has been made, ongoing challenges and inconsistencies in compliance reveal the need for sustained efforts in training, resource allocation, and regulatory guidance. Through collaborative efforts, continuous improvement, and adherence to robust compliance practices, the accountancy profession can play a pivotal role in safeguarding the financial system against money laundering and terrorist financing threats, ultimately promoting greater transparency and integrity in Malaysia's financial landscape.

