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# Accountants Key to the Sustainable Development of the Malaysian Capital Market

at [at-mia.my/2025/12/03/accountants-key-to-the-sustainable-development-of-the-malaysian-capital-market](http://at-mia.my/2025/12/03/accountants-key-to-the-sustainable-development-of-the-malaysian-capital-market)

December 3, 2025



**Streamline accounting and e-Invoicing with Xero's  
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By Nazatul Izma and MIA Strategic Communication and Branding Team

As sustainability gains increasing momentum, new and evolving roles are envisioned for accountancy professionals. They are especially critical in shaping the sustainable growth of Malaysia's capital market.

"Today, the role of accounting professionals goes beyond ensuring the integrity of financial and sustainability reporting, which underpins investor confidence – a cornerstone of any well-functioning capital market. Accountants now play a strategic advisory role to top management, providing analysis and insights, and supporting business transformation and sustainability practices," stated Dato' Fad'l Mohamed, Chief Executive Officer of Bursa Malaysia in his special address titled *Vision for Growing and Developing the Malaysian Capital Market – Bursa Malaysia's Perspective* at the recent MIA Capital Market Conference 2025.

## NSRF – A Driver of Sustainability and Accountability

Championing sustainability excellence and decarbonisation among listed issuers (PLCs) is essential not only for supporting Malaysia's energy transition, but also for ensuring that they remain globally competitive and investable. As the standard setter and key influencer of sustainability across the Malaysian capital market, Bursa has mapped out comprehensive support for PLCs to embark on their sustainability journey. This includes providing regulatory guidance, awareness and capacity-building initiatives, implementation and measurement tools such as CSI Solution, and decarbonisation platforms like Bursa Carbon Exchange, where companies can purchase renewable energy certificates or carbon credits to offset their greenhouse gas emissions.

Importantly, Dato' Fad'l highlighted the significance of the National Sustainability Reporting Framework (NSRF) introduced last September. "The Framework plays a crucial role in enhancing accountability in how businesses manage sustainability risks to improve business resilience, while also adding urgency for PLCs to adopt sustainability practices," he stressed.

Main Market-listed companies with a market capitalisation of RM2 billion and above (Group 1 PLCs) will be required to comply with the NSRF from the financial year ending 2025. The remaining Main Market-listed companies will follow in the subsequent year. For ACE Market-listed corporations, compliance will be required from the financial year ending 2027.



“In line with this, our key priority is to accelerate the maturity and readiness of listed issuers to meet these requirements. To support this, the Exchange initiated the Sustainability Accelerator Programme in May 2025 to support Group 1 PLCs,” added Dato’ Fad’l.

Calling for strategic collaboration, he stressed that the accountancy profession’s expertise is essential in advancing Malaysia’s sustainability agenda. “The success of NSRF will rely heavily on your profession to ensure that disclosures are accurate, consistent, and meaningful. In this new landscape, accountants are risk managers and strategic enablers.”

## **Driving Collaborative Leadership and Upskilling for Future Readiness**

Dato’ Seri Dr. Mohamad Zabidi Ahmad, President of the Malaysian Institute of Accountants (MIA), emphasised the importance of strategic collaboration and upskilling in advocating for robust disclosures and sound business practices aligned with global standards and sustainable development goals.

For example, MIA works closely with the Capital Market Development Fund (CMDF) of the Securities Commission Malaysia to drive capital market-related talent development and technical capacity-building initiatives. Through CMDF support, MIA is able to offer capital market training programmes at subsidised rates for eligible accounting professionals — including this flagship Capital Market Conference.

The Conference programme was carefully curated to build capacity and competency among accountancy professionals on the following key developments, including:

- Updates on Malaysian Investment Reporting Standards (MIRS)
- ESG and sustainability leadership in public-listed companies
- IPO readiness and growth strategies for SMEs
- Co-investment opportunities via the Capital Market Sustainability Investment Fund (CoSIF)
- The impact of AI and blockchain on capital market operations
- Strategies for navigating global trade tensions, tariff changes, and economic volatility

## Upskilling for Sustainability

Moving forward, MIA will continue to upskill accountancy professionals for sustainability to enable future readiness. The MIA Sustainability Blueprint for the Accountancy Profession (Sustainability Blueprint) aspires for accountancy professionals to flourish as sustainability leaders, sustainability advocates, and trust providers — working towards a future-proof profession.

Guided by the new MIA Sustainability Roadmap (Roadmap), members can anticipate another milestone in sustainability for the profession – the inaugural [MIA Sustainability Showcase](#) (MIA SS) which will be held on 10 December 2025.



A one-day, one-stop event that is strategically designed to accelerate the profession's sustainability leadership and adoption of sustainable business practices, the MIA SS will bring together more than 500 senior delegates including accountancy professionals, CFOs, sustainability officers, regulators, auditors, consultants, and technology providers.

Through collaboration and networking, the MIA SS aims to advance Malaysia's sustainability agenda in alignment with national priorities and global goals — steered by the MIA Sustainability Blueprint and Roadmap.

Guided by the theme *Empowering Accountants for a Sustainable Future*, the MIA SS 2025 will present content structured around two key pillars. First, Sustainability Frameworks, Regulations & Reporting sessions will familiarise members with the latest global and local standards, regulatory trends, and compliance requirements shaping the future of the profession. Second, Sustainability in Practice sessions will equip members to meet evolving compliance requirements (such as the NSRF, IFRS S1, and IFRS S2) and stakeholder demands.

This is an exciting time for the profession as it explores new horizons. MIA is committed to empowering accountancy professionals to transition into new roles and emerge as future-proof leaders of sustainability.

# Beyond Compliance: Leading with AI and Sustainability

at [at-mia.my/2025/12/10/beyond-compliance-leading-with-ai-and-sustainability](http://at-mia.my/2025/12/10/beyond-compliance-leading-with-ai-and-sustainability)

December 10, 2025



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*By the MIA Sustainability, Digital Economy and Services Team*

Accountancy and finance professionals are accustomed to the detailed and methodical process of closing the books and financial reporting. Increasingly, that same discipline is being applied to a new and complex area — measuring and reporting a company's environmental and social impact. What was once a few pages on corporate social responsibility in an annual report has evolved into a data-intensive and highly scrutinised discipline. The sheer volume of information, from utility bills and emission reports to employee surveys, can be overwhelming.

This growing challenge has prompted a search for smarter solutions. What if technology could go beyond endless spreadsheets and manual data entry — not only handling compliance, but also unlocking strategic insights? A recent webinar, "Beyond Compliance: Leading with Artificial Intelligence (AI) and Sustainability," hosted by the Malaysian Institute of Accountants, brought together experts to discuss this very topic. Featuring insights from Steven Chong of the MIA Digital Technology Implementation Committee, Manohar Johnson of the MIA Council and MIA Sustainability Committee, and Dr Matthew Wong, Founder and CEO of CarbonGPT, the session painted a clear picture: AI is no longer a futuristic concept in sustainability; it's an operational reality that is reshaping the profession.

## The Evolution of Sustainability Reporting

Manohar perfectly captured the journey many companies have undertaken. "In the initial years, sustainability reports were just maybe a couple of pages or so," he recalled. "Over time, as stakeholders and regulators demanded more, these sections grew. The response was often to turn to a familiar tool — the spreadsheet. You started to see more extensive use of Excel sheets, which I think today is still very pervasive," Manohar noted.

While spreadsheets are powerful, they have their limits when dealing with the scale of sustainability reporting. This manual process is not just time-consuming, but it's also expensive and fraught with potential for error. Dr Matthew shared that companies were spending three to six months and over RM50,000 to RM200,000 per reporting cycle on carbon accounting, with teams drowning in spreadsheets and struggling to keep up with

evolving frameworks. It was this bottleneck and the aim to make sustainability reporting efficient for businesses of all sizes that inspired him to leverage AI, leading to the creation of his company—Carbon GPT.

## **How is AI Transforming Sustainability Reporting?**

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AI's capabilities are both broad and deep, transforming every stage of the reporting process. The global market for AI in ESG and sustainability is projected to grow significantly, with some estimates suggesting that it could reach over USD846 billion by 2032.<sup>1</sup>

The panellists shared insights on how AI is revolutionising sustainability reporting — from automating complex data collection and verification processes to transforming reports into powerful strategic tools that drive real environmental and business impact.

**AUTOMATING  
THE GRUNT  
WORK: DATA  
COLLECTION  
AND  
PROCESSING**



At its core, AI excels at automating repetitive tasks. Instead of manually entering data from hundreds of utility bills or procurement records, AI can do it for you. Dr Matthew detailed how AI can process utility bills, purchase records, invoices, and travel data, whether in PDF images or any kind of unstructured data. Using natural language processing, it extracts the relevant information, validates it, and converts and maps it to the correct emissions scopes automatically. This dramatically cuts down the time and effort required for data collection.

**READY FOR  
SCRUTINY:  
AI AND ESG  
ASSURANCE**



With ESG assurance becoming mandatory, data integrity is paramount. AI systems can create a clear audit trail, showing the journey from an original invoice to the final carbon emission calculation. This makes the assurance process smoother and builds trust in the reported data.

**LOOKING INTO  
THE FUTURE:  
PREDICTIVE  
ANALYTICS  
AND STRATEGY**



By analysing historical data, AI can help companies forecast their emissions trends and model the impact of future initiatives. For example, it can answer questions like, "If we install solar panels, what will be the estimated reduction in our emissions?" This forward-looking capability transforms the sustainability report into a strategic tool.

**YOUR DIGITAL  
WATCHDOG:  
PREVENTING  
GREENWASHING**



AI can also serve as a crucial check against greenwashing—making misleading claims about environmental practices. It can cross-check a company's data against industry benchmarks to flag anomalies. Furthermore, it can analyse the narrative claims in a report to ensure they align with the quantitative data.

## Upholding Ethics in the Age of AI

As the discussion unfolded, Steven steered the conversation toward a crucial issue – the ethics of entrusting AI with essential tasks. The idea of delegating such responsibilities to algorithms naturally raises important ethical questions. As Dr Matthew aptly remarked, "AI without ethics is like accounting without auditing."

## ETHICAL CHALLENGES IN AI

### THE 'GARBAGE IN, GARBAGE OUT' PROBLEM



Poor or biased data leads to flawed outputs. For sustainability reporting, transparency about data sources and calculation methods is essential.

### FIGHTING ALGORITHMIC BIAS



AI models can carry inherent biases, often trained on data that reflects Western developed market contexts. In sustainability, this may lead to unfair comparisons such as benchmarking a Malaysian Small and Medium-sized enterprise (SME) against a German manufacturer.

## Making AI Explainable

Dr Matthew highlighted that when stakeholders cannot see how an AI system arrives at its conclusions, trust quickly erodes. This is where “Explainable AI” (XAI) becomes essential. Ethical use of AI should do more than deliver a figure – it should reveal the what, how, why, and source behind its outcomes, as well as acknowledge its limitations.

### EXPLAINABLE AI (XAI)



According to IBM, XAI refers to a set of processes and methods that enable human users to understand and trust the results produced by machine learning algorithms.<sup>2</sup>

## The New Role of Accountants

“If technology can automate compliance, what new value should accountants be creating instead?”

The question, raised during the Q&A session, challenged the profession to think ahead and reflect on its evolving purpose.

Manohar explained that as technology automates compliance, accountants have a vital opportunity to move beyond traditional financial reporting and become sustainability leaders, in line with the overarching aspirations for accountants outlined in the MIA Sustainability Blueprint for the Accountancy Profession.<sup>3</sup> He highlighted that sustainability reporting is not merely about disclosing metrics – it is about informing strategic decision-making, managing risks, and driving long-term shareholder value. Accountants, he said, are well positioned to influence these decisions in this new role.

## Where Do We Go from Here?

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The convergence of AI and sustainability is a pivotal moment for the accountancy profession. It signals a shift from rearview-mirror compliance to forward-looking strategic guidance. As automation takes over the repetitive and routine, accountants and finance professionals are uniquely positioned to become architects of sustainable value — guiding organisations in decisions that balance profit, people, and the planet.

By embracing AI responsibly, with ethics at the core, the profession can elevate its role from recording the past to shaping the future. With smarter tools, more efficient processes, and boundless opportunities, accountants and finance professionals have the chance to move beyond compliance — to lead with purpose and help build responsible and sustainable organisations of tomorrow.

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<sup>1</sup> *Yahoo Finance*. (2025, August 28). *AI in ESG & sustainability market set to surge to USD846.75 billion by 2032*. <https://finance.yahoo.com/news/ai-esg-sustainability-market-set-153000334.html>

<sup>2</sup> *IBM*. *What is explainable AI?* <https://www.ibm.com/think/topics/explainable-ai>

<sup>3</sup> *Malaysian Institute of Accountants*. (2024, June). *MIA Sustainability Blueprint for the Accountancy Profession*. [https://mia.org.my/wp-content/uploads/2024/06/MIA-Sustainability-Blueprint-for-the-Accountancy-Profession\\_2.0.pdf](https://mia.org.my/wp-content/uploads/2024/06/MIA-Sustainability-Blueprint-for-the-Accountancy-Profession_2.0.pdf)

# Digital Tools: Driving Efficiency, Compliance and Transformation in the Profession

at [at-mia.my/2025/12/16/digital-tools-driving-efficiency-compliance-and-transformation-in-the-profession](http://at-mia.my/2025/12/16/digital-tools-driving-efficiency-compliance-and-transformation-in-the-profession)

December 16, 2025



**Streamline accounting and e-Invoicing with Xero's  
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By Christina Chia, CA(M), FCCA, ACTIM

The whole world, including Malaysia, has been on a whirlwind of digital evolution – with Covid-19 restrictions and lockdowns as a major catalyst for change.

For the accountancy profession, this digital acceleration has redefined roles and expectations. Accountants are now expected to harness technology not only for reporting accuracy but also for delivering strategic insights, strengthening governance, and ensuring compliance. This shift marks a profound evolution in the profession, underscoring why digital literacy is becoming as essential as technical accounting expertise.

Like other industries, the accountancy profession has also been able to leverage digital transformation, evolving from basic software which facilitated double entries only, to the super-efficient software of today which incorporates ERP seamlessly and generates not only financial reports but also metrics on data integrity, process flow compliance, and internal controls. Tasks that once required entire teams and lengthy manual effort can now be performed almost instantly by digital systems – faster, more accurate, and highly efficient.

Digitalisation is not confined to accounting systems alone. It cuts across every aspect of the profession – from audit to tax to corporate secretarial (cosec) work – driving efficiency, compliance, and transparency across the board. This broader transformation illustrates how specialised functions such as cosec are also being reshaped.

Interestingly, the newest version of these software solutions include role-setting functions that assign specific responsibilities to each user, thereby limiting access and actions within the system. For the accountancy profession, this is vital because it ensures segregation of duties, safeguards confidentiality, and supports strong internal controls. For example, junior staff may be limited to data entry, while managers review reconciliations, and partners approve reports. Such digital guardrails not only prevent conflicts of interest and fraud but also uphold professional ethics and compliance standards across increasingly complex organisations.

Cosec work has undergone a similar revolution, with digital platforms enabling compliance automation and productivity gains. A true digital experience is one where the tool manages compliance on the cosec's behalf – for example, sending auto-reminders periodically, allowing client access, and reducing transparency gaps among stakeholders.



From the C-Suite perspective, a fully digital cosec system enables greater accountability, transparency, and confidence that corporate secretarial matters are in line with ESG compliance. Imagine a group of companies with 50 subsidiaries or an MNC with operations in multiple countries. Instead of duplicating folders for every subsidiary or jurisdiction, companies can now subscribe to cloud-based systems with proper role-setting and support, eliminating the need for heavy in-house development costs. Role-setting is especially critical here because cosec systems hold P&C information; without it, such systems are not fit for multi-stakeholder use, let alone multiple legal jurisdictions.

## Conclusion

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The future of the profession is at a critical juncture. Embracing aggressive digital transformation is not merely an option; it is the essential path forward for continued relevance and efficacy. Digitalisation is the key to streamlining operations, enhancing compliance accuracy, and sustaining organisational growth.

As digital tools take over routine and compliance-heavy tasks, accountants will be freed to step into their evolving role as strategic advisors. Beyond ensuring that organisations meet regulatory requirements, they will increasingly guide business leaders in harnessing data for decision-making, integrating ESG into long-term strategy, and navigating risks in an uncertain global economy. In this sense, digitalisation elevates the role of accountants, positioning the profession as a vital partner in building sustainable, resilient, and future-ready organisations.

# e-Invoicing Malaysia: How Accountants Can Transform Manual Data Into Compliant Digital Records

at [at-mia.my/2025/12/29/e-invoicing-malaysia-how-accountants-can-transform-manual-data-into-compliant-digital-records](https://at-mia.my/2025/12/29/e-invoicing-malaysia-how-accountants-can-transform-manual-data-into-compliant-digital-records)

December 29, 2025



**Streamline accounting and e-Invoicing with Xero's  
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[Become a Xero Partner](#)

By Auto Count Team

As Malaysia rolled out [mandatory e-Invoicing in phases from 2024](#), accountancy professionals are in a pivotal position to assist small-and-medium enterprises (SMEs) in navigating the shift from fragmented, manual records to structured, compliant digital data. This isn't a task to push onto your 2026 to-do list—it's something to **act on now**. Early adoption minimises last-minute disruptions, reduces compliance risks, and positions your clients for long-term success.

## The Biggest Challenge for Accountancy Professionals

The reason to act now is clear: many SMEs still rely on outdated processes such as paper receipts, Excel spreadsheets, and handwritten sales logs. Often, these transaction records are only submitted to accountants once a month, leading to delayed, reactive record keeping.

This fragmented approach lacks the timeliness and accuracy required under LHDN's e-Invoicing framework, where data transparency and completeness are critical. For accountants, the manual consolidation of these records is not only time-consuming but also increases the risk of errors, especially during tax filings or month-end closings.

## From Manual to Digital: The “How-To” of Data Transformation

Technology is the key to streamlining this transition, enabling efficient and accurate e-Invoice submission. Here's how digitalisation transforms your workflow:

### Automated Data Capture

Integrated systems like mobile Point of Sale (POS) tools automatically record transactions, including e-wallet payments, cash sales, and credit sales. This eliminates duplicate data entry and simplifies end-of-month reporting.

### Data Mapping and Cleansing

Before data is submitted to the Inland Revenue Board Malaysia (LHDN), it must be mapped to specific e-Invoice fields and cleaned for consistency. Automation helps flag incomplete or inconsistent data early, reducing delays and improving accuracy.

## System Integration

Many accounting software programs can integrate directly with POS systems and LHDN's [MyInvois portal](#) via APIs, allowing data to flow seamlessly from point-of-sale to submission. This reduces manual uploads and minimises errors.

## Real-Time Validation

Digital systems perform validation checks based on LHDN's requirements before submission, catching errors like incorrect formats or missing fields. This proactive step reduces invoice rejections and ensures smoother compliance with regulations.

## The Accountant's Evolving Role: Digital Advisor

As compliance becomes more digitised, your role is transforming—into digital enablers for businesses.

Expanding your service offering will increase your professional value and strengthen client relationships. Consider focusing on:



**Workflow Redesign and Data Migration**  
Help clients shift from manual processes to streamlined digital workflows like business management platforms or cloud accounting to assist with migrating historical data.



**System Recommendation and Implementation**  
Guide clients in selecting and setting up digital tools that match their operational needs and business complexity.



**Training and Ongoing Support**  
Provide training to ensure clients' teams can confidently use new systems and offer continuous support to ensure ongoing compliance.

## Elevating Your Advisory Role in the Digital Economy

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Malaysia's e-Invoicing rollout is more than a regulatory update; it's an opportunity for accountancy professionals to take on a more strategic role.

By identifying manual data touchpoints and introducing the right digital solutions, **you not only ensure compliance but also build stronger, future-ready client partnerships.**

Now is the time to lead. Embrace technology like cloud accounting to guide your clients, and be the trusted advisor they need in the digital economy

# From Theory to Practice: A Strategic Roadmap for Public Practice Firms in the ESG Era

at [at-mia.my/2025/12/26/from-theory-to-practice-a-strategic-roadmap-for-public-practice-firms-in-the-esg-era](http://at-mia.my/2025/12/26/from-theory-to-practice-a-strategic-roadmap-for-public-practice-firms-in-the-esg-era)

December 26, 2025



**Streamline accounting and e-Invoicing with Xero's MDEC-accredited Affordable E-Invoicing Solution.**   [Become a Xero Partner](#)

By Ahmad Syahazan Yaacob

The accountancy profession stands at an inflection point. As Malaysia advances toward its net-zero commitment by 2050 and implements the National Sustainability Reporting Framework (NSRF) from 2025, accountancy professionals must evolve from traditional financial gatekeepers to strategic enablers of sustainable value creation. This transformation demands not merely new technical competencies, but a fundamental reimagining of our professional identity and societal role.

As sustainability-related engagements continue to expand across the profession, they present both opportunities and practical challenges for Malaysian public practice firms. While 87% of Malaysian accountants recognise sustainability's importance to our profession, only 14% report high involvement in sustainability activities, according to the Malaysian Institute of Accountants' (MIA) Member Survey 2024. This disconnect between awareness and action is particularly pronounced among Small and Medium Practices (SMPs), which are the backbone of the public practice sector yet face unique constraints in developing ESG capabilities.

This article provides a practical roadmap for bridging the theory-practice divide, drawing from real-world implementation experiences and the roadmap established by the MIA. The path forward requires acknowledging our challenges while leveraging our unique strengths as accountancy professionals to become trusted advisors in Malaysia's sustainability transformation.

## What Businesses Now Expect from Accountancy Professionals

The implementation of mandatory NSRF requirements is reshaping stakeholder expectations of accountancy professionals. Main Market listed companies with market capitalisation exceeding RM2 billion began reporting under IFRS S1 and S2 in January 2025, with phased expansion to cover all listed entities and approximately 260 large non-listed companies by 2027 ([The Edge Malaysia](#)). This regulatory shift creates immediate demand for accountancy professionals who can operate confidently at the intersection of financial and sustainability reporting.



Beyond compliance, businesses increasingly seek accountancy professionals who can translate sustainability data into strategic insights. Today, organisations are no longer asking merely how to report emissions; they are seeking guidance on integrating carbon pricing into capital allocation decisions, quantifying climate risks in financial projections, and demonstrating how sustainability initiatives contribute to enterprise value. The recent case of PETRONAS, which achieved USD1.3 billion in sustainability perception value through systematic ESG integration, illustrates how robust sustainability accounting drives both stakeholder trust and financial performance ([Brand Finance 2025](#)).

Malaysian SMEs, which make up 98.5% of all business establishments ([SME Corp](#)), are experiencing rising pressure as global supply chains demand ESG compliance. For instance, a manufacturer supplying to European markets was recently required to establish a Scope 3 emissions tracking system to meet evolving EU regulatory expectations. This example reflects a broader trend: sustainability-related competencies are now essential for SMEs and their advisors to maintain business relationships and continued access to international markets.

The shift extends beyond technical reporting and now includes strategic advisory capabilities. Boards and management increasingly expect accountants to conduct scenario analysis for climate transitions, develop internal carbon pricing mechanisms, and design sustainability-linked KPIs that are tied to executive compensation. Meeting these expectations requires accountants to synthesise environmental science, risk management, and financial analysis into coherent strategic recommendations.

## Challenges Facing Small and Medium Practices

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Despite growing demand, SMPs continue to face substantial barriers in building credible sustainability/ESG service offerings. Feedback gathered from engagements with practices across Malaysia indicates three recurring categories of challenges.

Technical capacity constraints remain the most immediate obstacle. Unlike large firms that can establish dedicated sustainability departments, SMPs must build capabilities within existing resource constraints. A recent MIA Survey on Understanding Sustainability in the Accountancy Profession revealed that 69% of practitioners cite inadequate ESG knowledge as their primary barrier. The complexity of carbon accounting, which requires understanding of chemistry, engineering, and environmental science alongside traditional accounting principles, can be overwhelming for practitioners trained exclusively in accounting and financial reporting. Furthermore, the proliferation of frameworks (GRI, SASB, TCFD, ISSB), each with distinct methodologies and disclosure requirements, creates confusion and makes it difficult for SMPs to prioritise their limited training efforts.

Data quality challenges further compound technical difficulties. Unlike financial information, ESG data often lacks standardisation and robust internal controls. In many early-stage sustainability reporting exercises, organisations often discover inconsistencies, such as energy consumption data from different sites using inconsistent units, emission factors varying by source, and social metrics lacking clear definitions. The challenge intensifies with Scope 3 emissions, mandatory from 2027, which require data from suppliers who may be unwilling or unable to provide reliable information. Manual data collection processes, still common among Malaysian SMEs, introduce additional errors and inconsistencies that undermine the credibility of sustainability reporting.

Ambiguities within the assurance framework add another layer of complexity. Although the International Standard on Sustainability Assurance (ISSA) 5000 provides comprehensive standards for sustainability assurance, its principles-based approach requires substantial interpretation and professional judgment. SMPs commonly grapple with issues such as maintaining independence when they provide both advisory and assurance services to the same client, determining the appropriate procedures for limited versus reasonable assurance, and competing with non-accounting firms that offer sustainability services without comparable professional standards. The absence of clear precedents and limited guidance on proportionate application for smaller engagements further contributes to uncertainty about the expected level of service quality.

These challenges are not insurmountable, but addressing them effectively requires systematic approaches and institutional support.

## MIA's Strategic Response

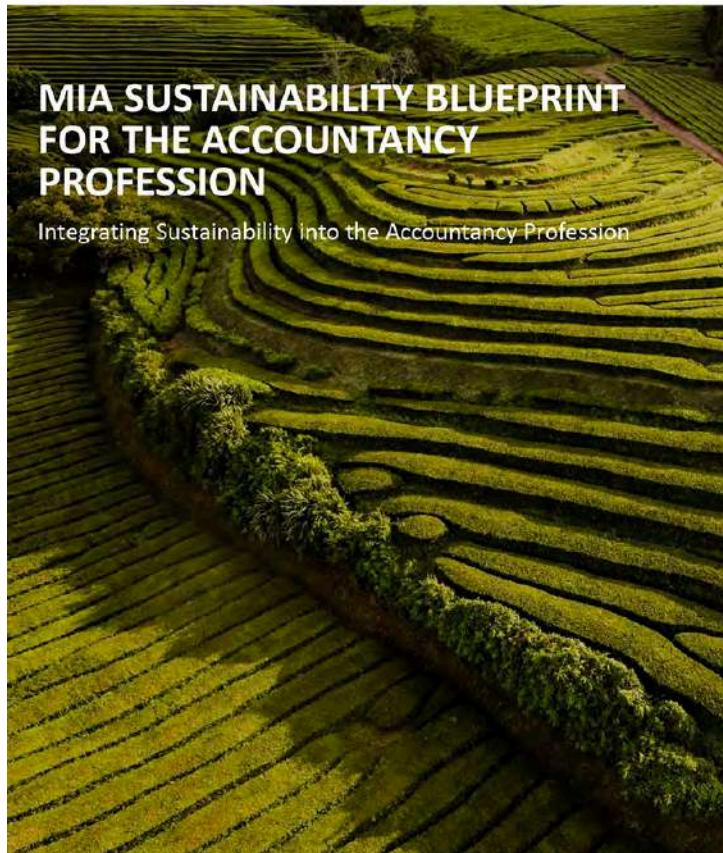
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MIA has developed a comprehensive infrastructure to support members on their sustainability journey. The MIA Sustainability Blueprint for the Accountancy Profession launched in June 2024, followed by the MIA Sustainability Roadmap in January 2025, provides a structured pathway for capability development across 169 specific initiatives.

Through its collaboration with the Business Council for Sustainable Development (BCSD) Malaysia, MIA offers a structured seven-module training programme covering sustainability fundamentals, carbon accounting, materiality assessment, and assurance standards. These programmes, eligible for RM7,000 tax relief under Budget 2025, support practitioners in enhancing sustainability competencies in line with national reporting requirements.

MIA also recently launched the MIA Certificate of Sustainability for Accountants. This is a structured three-day learning pathway designed to equip accountancy professionals, finance leaders, and sustainability practitioners with essential technical and practical competencies required for ESG and sustainability reporting, climate-related disclosures, assurance, and strategic advisory.

The Certificate of Sustainability was launched at yet another key platform for developing sustainability competencies – the inaugural MIA Sustainability Showcase 2025 which connected close to 600 accountancy professionals and experts under one roof, and focused on Sustainability Frameworks, Regulations, and Reporting and Sustainability in Practice. The inaugural Sustainability Showcase was offered on a complimentary basis, supported by MIA's RM1.1 million allocation for FY2025/2026 to enhance members' development, skills and future-readiness.



To enhance ethics as the foundation of the profession, MIA issued ISSA 5000 and International Ethics Standards for Sustainability Assurance (IESSA) in March and June 2025 respectively. These standards, effective for assurance engagements on periods beginning on or after 15 December 2026, position Malaysian practitioners ahead of many global counterparts. This proactive stance provides over one year for practices to develop methodologies and build capabilities before mandatory application. The standards explicitly include proportionality provisions that support SMPs by addressing concerns about scalability and resource requirements.

Beyond training, MIA provides practical technical support through tools and guidance. [The Interactive Small Business Sustainability Checklist](#) helps practices assess readiness and identify capability gaps. MIA also produces media content clarifying emerging issues, as well as provides consultation responses to ISSB and other standard-setters, to ensure that Malaysian perspectives are reflected in global developments. The strong emphasis on sustainability at the MIA International Accountants Conference 2024 and 2025, which attracted over 3,500 participants per year, further underscores the profession's commitment to collective capability building.

## A Practical Roadmap

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Experience from successful implementations across multiple practices shows that a phased approach covering foundation, capability development, pilot implementation and scaling, supports systematic capability development while effectively managing resource constraints.



The foundation phase, typically lasting three months, establishes the baseline understanding and builds organisational commitment. Partners begin with fundamental ESG training to grasp core concepts including materiality, carbon accounting principles and regulatory requirements. Conducting sustainability assessments within the practice provides practical experience while signalling commitment to clients. Initial investment should focus on essential training rather than expensive software systems.

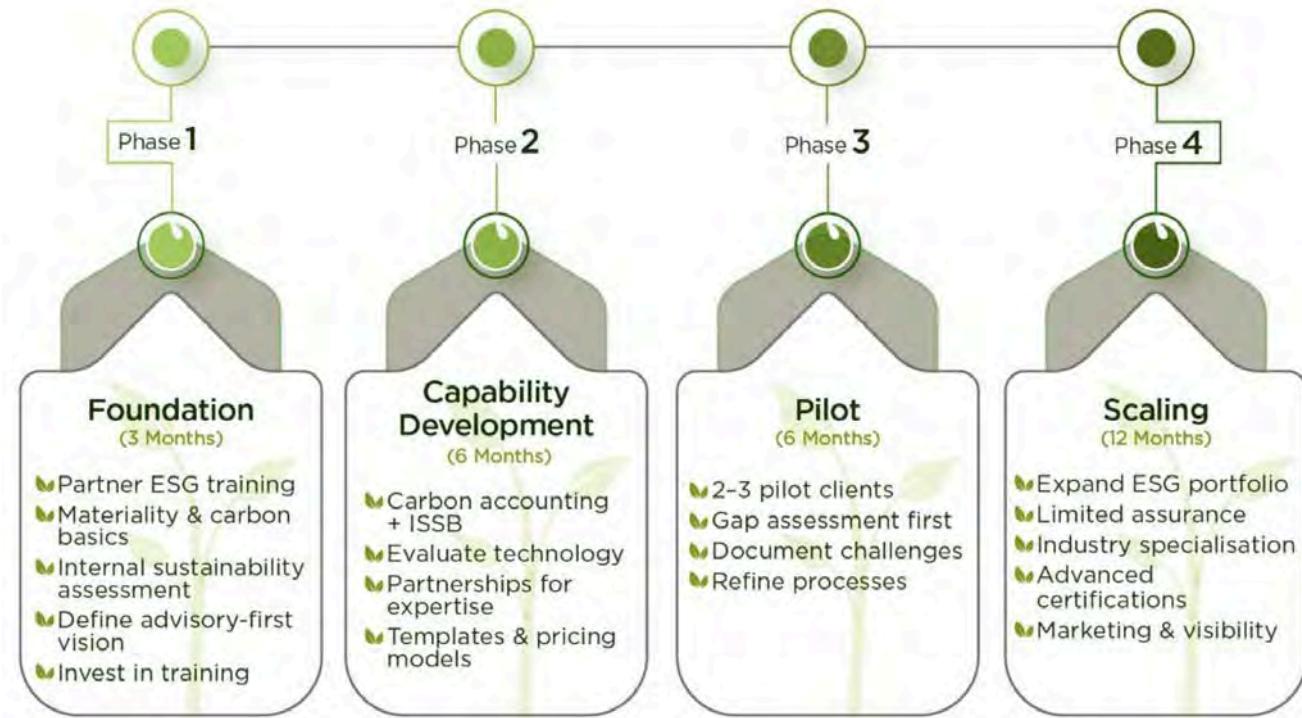
The capability development phase, typically spanning six months, focuses on building technical expertise and service infrastructure. Invest in comprehensive training on carbon accounting methodologies and ISSB standards relevant to your client base. Evaluate technology solutions appropriate for your practice size; spreadsheet-based tools may suffice initially before progressing to specialised platforms. Establish partnerships with environmental consultants or larger firms to access specialised expertise when needed. Develop standardised engagement letters, pricing models, and quality control procedures leveraging adaptation from existing financial audit methodologies.

The pilot implementation phase, typically lasting six months, focuses on testing service delivery with selected clients. Identify two to three clients facing immediate ESG requirements, ideally from different industries to maximise learning. Begin with gap assessments and advisory services before progressing to assurance engagements. Carefully document challenges, solutions and lessons learned to refine your service delivery approach. Implement internal review procedures to ensure service quality and compliance with professional standards.

The scaling phase, typically spanning twelve months, focuses on expanding the client base and enhancing service sophistication. Gradually progress from advisory to limited assurance services as capabilities strengthen. Develop industry specialisations by leveraging existing client relationships and sector expertise. Invest in advanced training for key staff including international sustainability certifications where relevant. Implement marketing strategies that showcase ESG capabilities and successful client engagements.

The above phases are summarised in the following diagram.

### ***ESG Practice Development Roadmap for SMPs***



## Transforming Challenges into Competitive Advantages

SMPs possess inherent advantages in sustainability service delivery but these advantages are often overshadowed when focusing on resource constraints. Deep client relationships built over years of service create trust essential for navigating sensitive sustainability transformations. Intimate knowledge of client operations, gained through recurring engagements, provides context for identifying material ESG issues and improvement opportunities. Additionally, their agility enables rapid service adaptation without the bureaucratic constraints faced by larger firms.

The key lies in leveraging existing competencies while systematically building new capabilities. Financial analysis skills transfer directly to sustainability reporting, particularly in quantifying ESG impacts on enterprise value. Audit methodologies provide frameworks for ESG data verification and control assessment. Risk management expertise applies to climate scenario analysis and transition planning. Tax knowledge becomes valuable as carbon pricing mechanisms and green incentives proliferate.

Success requires embracing collaborative approaches that complement individual practice limitations. Partnering with environmental consultants provides technical expertise while maintaining client relationships. Joining practice networks enables resource sharing and peer learning. Engaging with MIA programs provides continuous professional development and technical support.

## The Path Forward

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The transformation from compliance-focused reporting to strategic sustainability stewardship represents both professional imperative and market opportunity. As Malaysia progresses toward developed nation status and net-zero ambitions, accountants must lead rather than follow this transition.

This evolution demands commitment to continuous learning, courage to venture beyond traditional boundaries, and conviction that our profession's core values (integrity, objectivity, and professional competence) remain relevant in addressing humanity's greatest challenges. The roadmap presented provides structure for this journey, but success ultimately depends on individual and collective willingness to embrace change.

The gap between sustainability theory and practice will not close automatically. It requires deliberate action by practitioners, sustained support from professional bodies, and recognition that our traditional skills, properly evolved, position us uniquely to help organisations create sustainable value. By embracing this transformation, Malaysian accountants can strengthen their relevance, elevate the profession, and contribute meaningfully to the nation's sustainable development agenda.

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*This article reflects the views of Encik Ahmad Syahazan Yaacob, MIA Vice-President, Member of the MIA Small and Medium Practices Committee, and the Managing Partner of Aljafree Salihin Kuzaimi PLT.*

# Meeting Annual Continuous Professional Education Requirements: Tips for Busy Professionals

at [at-mia.my/2025/12/05/meeting-annual-continuous-professional-education-requirements-tips-for-busy-professionals](https://at-mia.my/2025/12/05/meeting-annual-continuous-professional-education-requirements-tips-for-busy-professionals)

December 5, 2025



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By MIA CPE Compliance Team

In a rapidly changing business environment, Continuous Professional Education (CPE) plays a crucial role in ensuring that professional accountants remain competent, current, and compliant with regulatory expectations. Beyond strengthening ethical and technical proficiency, CPE is a mandatory requirement enforced by the Malaysian Institute of Accountants (MIA or the Institute) to uphold the profession's standards.

Balancing professional demands with annual CPE obligations can be challenging. However, with proactive planning, busy professionals may fulfil their annual CPE requirements smoothly while gaining real value from their learning experiences.

## Understanding CPE Requirements

A critical first step is to clearly understand the specific CPE requirements set by the Institute. These typically include a minimum number of CPE hours per year, as well as guidance on what types of learning activities qualify.

Professional accountants are required to achieve a minimum of 20 structured CPE credit hours annually and participate in CPE learning activities that are relevant to their professional role. It is also important to distinguish between structured and unstructured learning.



Structured CPE includes formal activities such as seminars, conferences, webinars, e-learning programmes, and speaking engagements.



Unstructured learning consists of self-directed activities such as reading technical materials or staying updated on regulatory developments.

The structured and unstructured learning activities are outlined in APPENDIX V of the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (MIA By-Laws).

New members should be aware of when their CPE obligations begin:

- For members admitted between 1 January and 30 June, CPE requirements commence in the current year.
- For members admitted between 1 July and 31 December, CPE requirements start in the following calendar year.

Additionally, professional accountants should stay informed about upcoming changes, such as the introduction of mandatory ethics training hours starting from 1 January 2026. With this new requirement, while the annual CPE requirement remains at 20 structured and verifiable credit hours, members must now complete at least two (2) structured and verifiable CPE hours dedicated to ethics training. This update underscores the importance of ethical conduct as a cornerstone of professional practice. The revised requirements apply to all members of the Institute, reinforcing the profession's commitment to uphold standards of integrity and competence. Understanding these guidelines prevents misunderstandings and ensures that all learning efforts are appropriately recorded and contribute toward compliance.

## Plan Ahead and Avoid the Year-end Rush

Procrastination is one of the most common reasons professional accountants struggle to fulfil their CPE requirements. Planning your CPE activities early in the year can prevent unnecessary stress. Leaving CPE activities until the last quarter often results in rushed decisions and sub-optimal learning experiences.

To avoid this, professional accountants are encouraged to set annual learning goals and spread out the CPE hours across quarterly or monthly targets. Integrating CPE into one's professional development plan can also yield additional benefits. By aligning CPE activities with current responsibilities and career goals, individuals can choose training that not only fulfils a regulatory obligation but also supports their long-term growth. Tools such as digital calendars, reminders, or professional development trackers can further support consistency and accountability throughout the year.

## Leverage Flexible Learning Options

The shift toward digital learning has made CPE more accessible than ever. The increasing availability of flexible learning options has transformed the way professionals can meet their obligations. Busy professionals can benefit from:



Webinars, virtual conferences, and online learning platforms, which offer the ability to participate from anywhere at any time.



Self-paced e-learning courses, which allow professional accountants to learn during travel, breaks, downtime, or outside office hours.



In-house training programs organised by employers, which often qualify as structured CPE.



Pursuing advanced professional qualifications, such as an MBA or certifications in areas such as data analytics or sustainability, which can contribute significantly to required CPE hours, provided they are relevant to the member's professional role.

These flexible options enable professional accountants to balance work, personal commitments, and ongoing professional development effectively.

## Keep Accurate Records

CPE compliance goes beyond completing the CPE hours. Maintaining proper documentation and accurate records of CPE activities is equally vital, as members' CPE records may be subject to audit by the Institute. Best practices include:



Staying organized and consistently recording completed CPE activities throughout the year helps avoid the stress of last-minute documentation and ensures compliance with audit requirements.

## Recognise Everyday Opportunities for CPE

Not all CPE must come from formal learning settings. Many routine work-related activities may qualify as structured CPE if criteria are met. For example, delivering or presenting at a formal and structured professional training, and writing technical articles or research papers related to one's professional role, may qualify as structured learning.

These activities not only contribute to CPE hours but also allow professional accountants to share knowledge and add value to the profession. Recognising and leveraging these impactful learning experiences can make CPE more engaging and rewarding.

## Balance Learning with Practical Value

While meeting the minimum number of hours is essential, professional accountants should aim to select high-impact learning opportunities that deliver real, practical value. The goal should not simply be to "tick the box", but to pursue learning that enhances professional competency. High-impact CPE activities can improve technical competence, boost ethical decision-making, strengthen communication and leadership skills, and increase familiarity with regulatory changes and best practices.

When chosen thoughtfully, CPE goes beyond a compliance exercise to become a strategic investment in long-term professional excellence.

## Final Thoughts

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In conclusion, meeting annual CPE requirements need not be overwhelming. By understanding the rules, planning early, exploring flexible options, maintaining accurate records, and selecting meaningful learning experiences that align with personal and professional goals, busy professionals can stay compliant while continuously enhancing their expertise.

When viewed as an investment rather than an obligation, CPE becomes a valuable driver of professional growth, relevance, and long-term success in a dynamic professional environment.

# MIA Sustainability, Digital Economy and Reporting Insights (July – September 2025)

at [at-mia.my/2025/11/26/mia-sustainability-digital-economy-and-reporting-insights-july-september-2025](https://at-mia.my/2025/11/26/mia-sustainability-digital-economy-and-reporting-insights-july-september-2025)

November 26, 2025

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The MIA Sustainability, Digital Economy and Reporting Insights provides quarterly updates on the Institute's advocacy in sustainability, digital economy, tax, reporting and research. As the voice of the Malaysian accountancy profession, MIA delivers these Insights to help members stay ahead of regulatory, sustainability and digital developments shaping the profession's future.

## MIA Sustainability Framework and Strategy Plan Workshop Series

Following the approval of the MIA Sustainability Framework and Strategy Plan (the Framework) by the Council in May 2025, MIA held a series of internal workshops in July 2025 to raise awareness and support its implementation. This initiative reinforces MIA's commitment to organisational sustainability and supports the MIA Sustainability Blueprint for the Accountancy Profession.

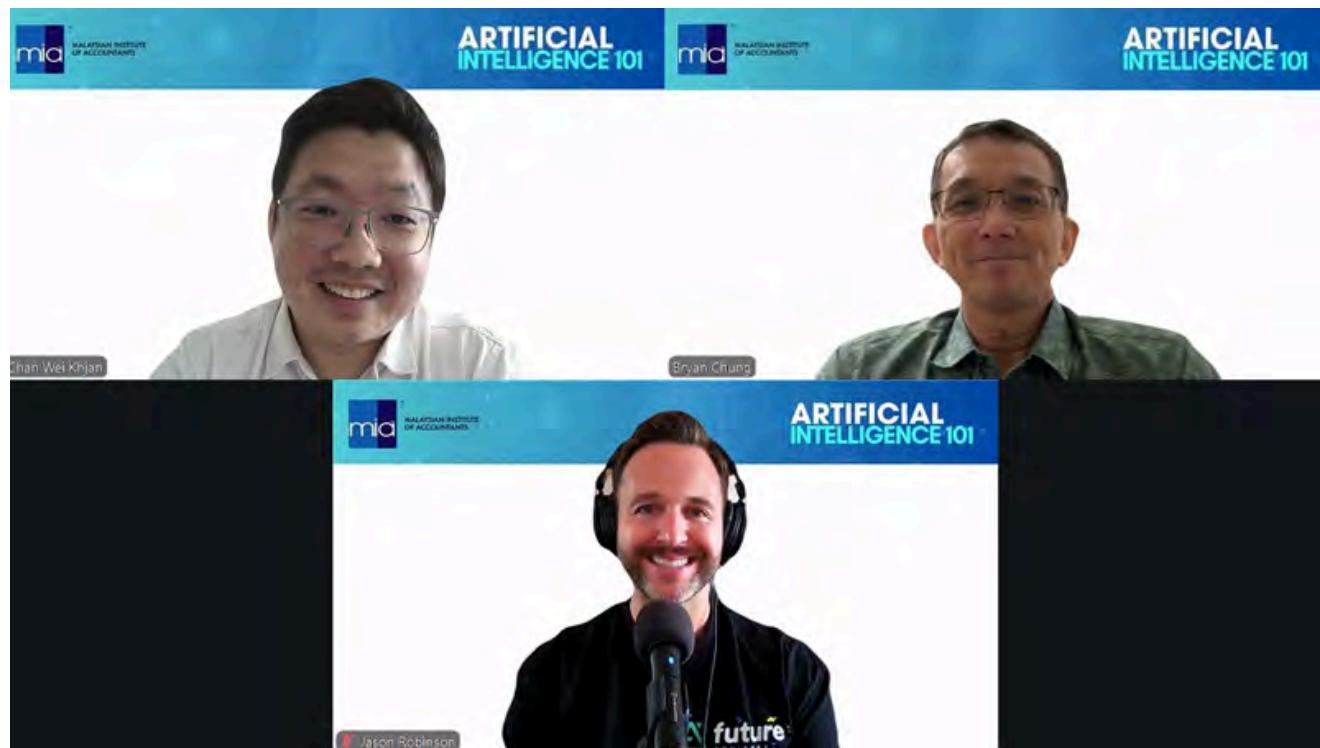


The series culminated in a high-level briefing on 29 July 2025 for Council Members and the Management Committee, featuring opening remarks by the MIA President on the Institute's sustainability vision and direction. Two sessions were held for staff in the same month on "Introduction to Sustainability" and "Introduction to the NSRF, Data Collection and MIA Sustainability Framework".

The workshops reflect MIA's commitment to embedding sustainability within both the accountancy profession and its own operations, supporting national sustainable development goals and marking a key milestone in MIA's sustainability journey.

## Artificial Intelligence 101

Recognising the importance of Artificial Intelligence (AI) for the profession and beyond, MIA hosted a complimentary webinar titled "Artificial Intelligence 101" on 18 September 2025, drawing over 800 participants.



The programme covered the fundamentals of AI, shedding light on its core concepts, wide-ranging benefits and practical applications in the accountancy profession, while also addressing the ethical considerations and potential risks associated with AI adoption. The session was moderated by Bryan Chung, Member of MIA Digital Technology Implementation Committee and Chair of MIA AI Advisory Group, and featured speakers Jason Robinson, Director & Co-Founder of Future Advisory, together with Chan Wei Khjan, Audit and AI Advisory Leader, YYC & Co PLT. The key takeaway was clear: AI is not just the future — it is already here, driving change that professionals must be ready to navigate.

## Voices from MIA Accounting & Finance Technology Showcase 2025

The “Voices from MIA AFT 2025” video series, now featuring seven videos, highlights key perspectives from leading technology providers at the MIA Accounting & Finance Technology Showcase 2025 (MIA AFT 2025). Packed with expert insights, the series explores various topics on how digitalisation is transforming and shaping the accountancy profession.

Watch the newest videos from the “Voices from MIA AFT 2025” series on [MIA's official YouTube channel](#) and stay tuned for upcoming releases.

## SST Scope Expansion 2025: What You Must Know

Nearly 1,000 participants tuned in for the SST Scope Expansion 2025: What You Must Know webinar. Moderated by Rafidah Mohd Noor, MIA Tax Manager, the session featured tax experts Ng Sue Lynn of KPMG Malaysia and Chan Kwan Yee of BDO Malaysia, who provided clear and structured updates on the key changes ahead. The presentation by Kwan Yee outlined what businesses need to prepare for when the expanded Sales and Service Tax framework takes effect from 1 July 2025.



The two-hour event went beyond policy updates to offer practical guidance. With insights from both experts, the panel discussion addressed real industry challenges, including navigating transitional rules and managing compliance risks effectively.

Participants gained a clearer understanding of which industries, goods, and services are now in scope, the compliance issues to watch for, and strategies to manage tax exposure. For companies, the message is unmistakable: the SST expansion is a significant regulatory

development that warrants timely attention and preparation.

## Joint Memorandum for Budget Consultation 2026

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In the Joint Memorandum for Budget 2026, MIA and the Malaysian Institute of Certified Public Accountants (MICPA) highlighted fresh proposals to ease cost-of-living pressures and enhance inclusivity i.e. including tax deductions for community services, scholarship support, a review of personal tax reliefs, and wider individual tax bands. These new measures, framed around the MADANI values of trust and compassion, complement broader recommendations on Environmental, Social, and Governance (ESG) incentives, small and medium-sized Enterprise growth, and Labuan's revival as a tax hub, underscoring the call for a tax system that is both competitive and people-focused.



## Article on Overview of the Third Edition of IFRS for SMEs Accounting Standard

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In February 2025, the International Accounting Standards Board (IASB) released the third edition of the IFRS for SMEs Accounting Standard (the Standard), introducing significant updates to better reflect developments in full International Financial Reporting Standards (IFRS) while keeping the framework practical for small and medium-sized entities. This latest edition incorporates significant updates on key areas such as financial instruments, fair value measurement, business combinations, and revenue. The revised Standard will take effect for reporting periods beginning on or after 1 January 2027. [Click link](#) to get a glimpse of the updates to the Standard.

# Navigating Rising Audit Exemption Thresholds (Part 1): From Compliance Mandate to Strategic Reinvention for SMPs

at [at-mia.my/2025/12/23/navigating-rising-audit-exemption-thresholds-part-1-from-compliance-mandate-to-strategic-reinvention-for-smps](https://at-mia.my/2025/12/23/navigating-rising-audit-exemption-thresholds-part-1-from-compliance-mandate-to-strategic-reinvention-for-smps)

December 23, 2025



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By MIA Professional Practices and Technical

A new chapter is unfolding for small and medium-sized practices (SMPs) in Malaysia as the Suruhanjaya Syarikat Malaysia (SSM) increases audit exemption thresholds through Practice Directive (PD) 10/2024. With the directive's progressive implementation requiring companies to assess their eligibility based on the "2-out-of-3" criteria for financial periods commencing after its effective date, SMPs now have latitude to redefine their value proposition and strengthen client relationships. This phased approach, highlighted in a recent MIA webinar titled "*Navigating Rising Audit Exemption Thresholds – Challenges, Opportunities and Strategic Growth for SMPs*", creates opportunities for firms to expand their service offerings as many companies are expected to qualify for audit exemption, positioning practitioners for continuity and meaningful growth in this evolving landscape.

The initial reaction within the profession is understandably one of concern. A live poll during the webinar asked participants, "*How much proportion of your fees do you expect to be affected by the audit exemptions?*" The responses painted a concerning picture, with a significant number of firms anticipating a high impact on their revenue streams. This underscores that for many SMPs, statutory audits have been a reliable, recurring source of income.

## Industry Readiness: A Mixed Picture

Understanding the profession's preparedness level is crucial in contextualising this transition. When webinar participants were asked "*Which best describes your firm's current response to recent regulatory changes?*", the results revealed that SMPs are in the early stage of adaptation:



These findings highlight that while almost all firms recognise the need for change, only a small fraction have moved to concrete implementation. This gap between awareness and action represents both a challenge and an opportunity for early movers to establish competitive advantage.

However, as the webinar highlighted, *“It is tough to be in public practice these days, but it isn’t easy for our clients either.”* As companies grapple with economic pressures, the removal of a mandatory audit can be seen as a welcome relief, reducing their regulatory burden and costs. This shared challenge creates a unique opportunity for SMPs to reposition themselves not only as compliance enforcers but also as strategic partners.

## Reframing the Challenge: Audit Exemptions Will Save Audits

In what might be considered an unpopular opinion, webinar speaker Mr Wong Wen Tak, CEO of Grant Thornton Malaysia PLT (Johor Office), proposed a compelling counter-narrative: **audit exemptions will save audits**. By removing compulsory audits for smaller entities, the value of a voluntary audit is heightened. When a company chooses to undergo an audit despite being exempt, it signals transparency and good governance to stakeholders, elevating the audit from routine compliance to a strategic tool for building credibility.

The key is to shift the conversation with clients from “*You must have an audit*” to “*Here is why an audit, or another form of assurance, is in your best interest.*” This requires a proactive and structured approach.

## An Immediate Strategic Roadmap: From Impact Assessment to Client-Centric Innovation

The webinar outlined a clear, actionable roadmap for SMPs to navigate this new environment, built on two critical pillars—a thorough impact assessment and strategic service diversification.

### Step 1: Assess the Impact with a Client Decision Framework

Before engaging clients, firms must first understand their clientele, which is the foundation of any successful strategy. The “Client Decision Framework” encourages practitioners to segment their clients by asking critical questions:

- Do they meet the “2-out-of-3” thresholds? This is the basic eligibility filter.
- What are their financing structures? Do they have lenders or external investors (not less than 5% of the total number of issued shares) that require audited statements?
- Who are their key stakeholders? Do government contracts, major suppliers, or key customers mandate audits?
- What is their future trajectory? Is the company a high-growth entity likely to exceed the thresholds soon, making an audit inevitable?
- What are their future plans? Are bank loans, mergers and acquisitions, or bringing in new investors on the horizon?

By categorising clients based on these factors, SMPs can prioritise their engagement efforts and tailor their messaging.

## **Step 2: Proactive Client Engagement and Communication**

Waiting for clients to ask about exemption is a reactive strategy. The webinar emphasised the need for proactivity. Firms must decide: *When will we start the conversation? Who will lead it?* Crucially, this engagement should be framed as a strategic discussion about the client’s future, not just a notification of a regulatory change.

This is the time to discuss the potential future cost and complexity of resuming an audit, such as the need for opening balance audits if a company later loses its exempt status. Transparent communication about these implications builds long-term trust.

## **Strategic Growth Through Alternate Service Portfolios**

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The reduction in mandatory audit work creates space for SMPs to diversify into higher-value, more impactful services. The webinar presented a comprehensive spectrum of alternative services that align with the evolving needs of SMEs:

### **Assurance and Reporting Beyond the Traditional Audit**

The market for non-financial assurance is growing. SMPs can offer:



### **ISRE 2400 Engagements to Review Historical Financial Statements**

Limited assurance reviews that are more cost-effective than a full audit.



### **Agreed-Upon Procedures (AUP)**

Providing factual findings on specific client-identified areas, without forming an opinion.



### **Compilation Services**

Preparing financial statements without assurance.

## **ESG and Sustainability Assurance**

Starting with readiness assessments (establishing policies, baselining metrics) and moving towards formal assurance under standards like International Standard on Sustainability Assurance (ISSA) 5000 as demand grows.

## **Advisory and Outsourcing as a Core Offering**

This is where SMPs can become deeply embedded in their clients' operations, by providing:

- Accounting Outsourcing & Management Reporting — Offering monthly closes, KPI dashboards, and cash flow visibility, integrated with cloud accounting technology.
- Business Advisory & Part-Time CFO Services — Assisting with budgeting, business plans, and preparing packs for investors or lenders.
- Tax Compliance and Advisory — Providing advisory services on increased transactional tax compliance obligations, such as e-invoicing, Sales Tax, Service Tax and Stamp Duty.
- Internal Audit & Controls Design — Providing risk-based reviews for growing entities needing stronger governance.

## **Client-Centric Innovation Across the Business Lifecycle**

The most forward-thinking SMPs will segment their services not just by client type, but by the client's stage in the business cycle. This holistic approach allows firms to serve as trusted advisors from cradle to grave:



### **Start-up**

Business planning and budgeting, shareholder and financing structures, tax efficiency and risk management, business coaching.



### **Growth**

Talent and business process outsourcing, internal controls/policies implementation, business advisory – expansion and improvement, IT systems implementation, Pre-IPO advisory.



### **Maturity**

Business acquisition, cost optimisation, sustainability advisory and assurance, wealth management.



### **Exit**

Business disposal, legacy planning, closure of businesses.

The rise in the audit exemption threshold is your opportunity to strategically pivot and free up valuable capacity. This shift allows you to move beyond traditional compliance and build a future-proof practice by offering the very services your clients now need most.

## **The Execution Roadmap: Building a Future-Ready Practice**

To successfully transition from compliance-focused practices to strategic advisory firms, SMPs could consider following this clear execution roadmap built on three core pillars:

<b>STANDARDISATION &amp; QUALITY MANAGEMENT</b> 	Develop consistent methodologies and delivery templates for new services	Create robust quality management frameworks for all advisory offerings	Establish standardised tools for client assessment and outcome measurement	Ensure professional reliability while scaling new services
<b>PEOPLE &amp; CULTURE DEVELOPMENT</b> 	Invest in comprehensive training for higher-value services	Foster innovative, client-centric thinking across the organisation	Encourage continuous learning and cross-service collaboration	Develop an entrepreneurial mindset to view changes as opportunities
<b>STRATEGIC GROWTH IMPLEMENTATION</b> 	<b>Leadership</b> Champion the transformation vision  <b>Technology</b> Invest in tools to enable new service delivery	<b>Alliances</b> Pursue mergers and partnerships for scale and expertise  <b>Client Segmentation and Service Packages</b> Implement systematic client assessment and develop tailored offerings for different client needs	<b>Market Education</b> Reposition the firm's value proposition	

This structured approach enables SMPs to effectively reallocate resources from traditional compliance work to sustainable, higher-value advisory services, ensuring long-term relevance and growth in the evolving professional landscape.

## Conclusion: The Rise of the Trusted Advisor

The challenge is real, but so is the opportunity. For SMPs willing to embrace this change, the future is not one of diminishment, but of strategic growth and enhanced relevance. As Wong of Grant Thornton aptly concluded during the webinar, *“Audit exemption may reduce mandatory work, but it amplifies the importance of trusted advisors — that’s where SMPs can truly thrive.”*

A final poll during the webinar asked, *“What is your primary strategic focus in response to rising audit exemption thresholds?”* The most resonant answer, and the thesis of the session, was the need to diversify into higher-value non-audit services.

This consensus confirms that the rising audit exemption threshold is not an end, but a beginning. It is the catalyst forcing a necessary evolution from a compliance-focused model to a client-centric, advisory-led practice. While the strategic roadmap is clear, the most valuable guidance comes from those who have already completed the journey. In Part 2, we will move from theory to practice, drawing actionable lessons from SMPs in Singapore and Brunei to explore how they not only adapted but emerged stronger, more resilient, and more indispensable to their clients.

# Practice Review Process: Insights into the Closing Meeting and Reporting Stage

at [at-mia.my/2025/12/31/practice-review-process-insights-into-the-closing-meeting-and-reporting-stage](https://at-mia.my/2025/12/31/practice-review-process-insights-into-the-closing-meeting-and-reporting-stage)

December 31, 2025



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By the MIA Practice Review Team

## Overview

The Practice Review Programme (PRP) is established under Section B250: Quality Assurance and Practice Review of the Malaysian Institute of Accountants (MIA) By-Laws. The practice review framework requires all audit firms to be subjected for inspection by the practice review function of MIA. It serves as a structured mechanism to evaluate whether practitioners' audit practices adhere to applicable professional standards, as well as legal and regulatory requirements in Malaysia.

A critical yet often underemphasised part of the PRP lies in its final stage, the closing meeting and the subsequent reporting to the Practice Review Committee (PRC). These two stages, which are conducted following the review by the Practice Review Department (PRD), are integral to upholding the integrity and effectiveness of the entire review process.

This article explores the final stage in the PR process in greater depth, highlighting key takeaways, practical insights, and relevant references to the MIA By-Laws to underscore their importance within the PRP framework.

## Practice Review Process – A Snapshot of the Three Stages of the Reporting Process

To gain a comprehensive understanding of the Practice Review Programme (PRP), practitioners are encouraged to consult the *Summary of Practice Review Process* in Appendix VI of the MIA By-Laws.

The review process and procedures can be categorised into three stages:



### **(A1) PLANNING**

Selection of audit firms using a risk-based approach, notification and submission of the Practice Review Questionnaire, and confirmation of visit.

### **(A2) EXECUTION**

Covers five key areas, namely the initial meeting, review of the firm's quality management system, selection and review of audit engagements, and the closing meeting.

### **(A3) REPORTING**

Involves the reporting process that takes place after the closing meeting.

The focus of this article is on the final stage of the PR process, which encompasses the closing meeting and the reporting process.

Note: For full details of the above three stages, refer to **Appendix VI of the MIA By-Laws**.

## **A2.5 – Closing Meeting: Aligning on Findings and Factual Accuracy**

*Refer to A2.5 of Appendix VI of the MIA By-Laws*

At the conclusion of the review, the closing meeting is held to discuss the factual findings with the firm's sole proprietor or partners. This meeting serves several purposes:

- To communicate key findings and deficiencies (if any);
- To allow the firm to provide clarifications or explanations on the findings raised; and
- To engage proactively if there is any concern regarding the practice review matters and to address the issues constructively.

After the closing meeting, the reviewer and sole proprietor or partners are required to sign off on the summary of review findings (SRF) to confirm the accuracy of the factual findings of the review. The firm's sole proprietor or partners should be mindful of the importance of open dialogue and that any finding raised by the reviewer is based upon the documentation provided by the firm, hence, clear communication should be established and the firm should focus upon confirming the factual accuracy of the findings. In sum, the guiding principle "if it is not documented, it is not done" reinforces the importance of clear communication and thorough verification of each finding.

⚠ As stipulated in Appendix VI A2.5 of the MIA By-Laws, refusal to sign off on the summary of review findings, without a valid reason, would be considered as non-cooperation and deemed to be unprofessional conduct. A complaint shall be lodged with the Registrar.

It is also important to note that any new submission of documents made after the closing meeting and the date of the certificate of completeness of audit working papers shall not be accepted or considered in the review process. Firms are expected to have submitted all relevant working papers by the time of the commencement of the practice review, reflecting their declaration of completeness and compliance with documentation standards.

### **Best Practices at this Stage:**



## **A3 – Reporting: Finalising and Submitting the Review Outcome**

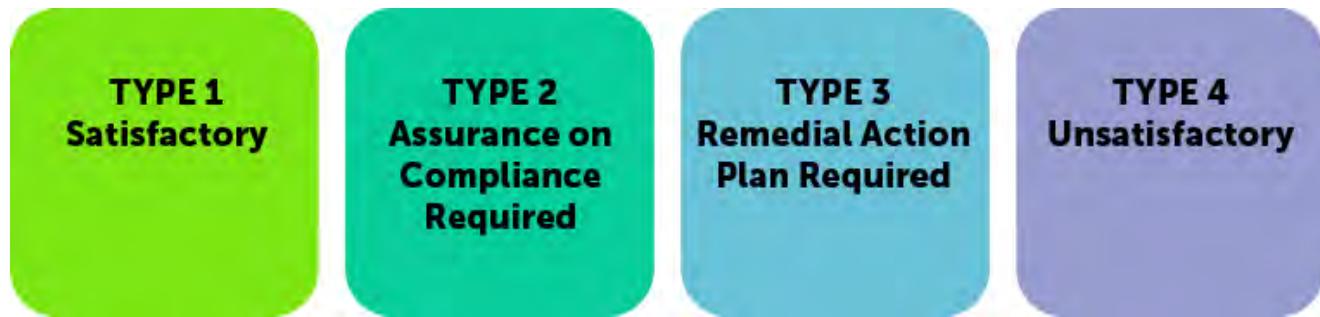
*Refer to A3 of Appendix VI of the MIA By-Laws*

Post-closing meeting, the reviewer will prepare the draft report, incorporating the factual findings as discussed with the audit firm, and a draft report will be issued to the audit firm for comments.

Any comments on the draft report must be submitted in writing within 21 days from the date of receipt of the draft report. The reviewer will finalise the draft report upon the receipt of the firm's submission of comments. In finalising the report, the reviewer may make changes to

the draft report in light of the comments received from the audit firm. Should the reviewer deem that further clarification is required based on the firm's comments, the reviewer will include their justification in the report. The final draft report will be presented to the PRC for consideration. All identifying details of the firm and its clients are removed prior to the submission of the final draft report to the PRC to ensure confidentiality and fairness.

The PRC will determine a rating based on the review findings, and the following are the possible ratings:



Once the PRC has issued the final rating, that rating stands as the final outcome for the review cycle.

To ensure a constructive review outcome, firms are encouraged to remain mindful of the review process and timelines, while being responsive and proactive in addressing any findings. In addition, firms are strongly urged to undertake regular self-assessments and/or peer reviews as part of their commitment to continuously monitoring and enhancing audit quality.

## Conclusion

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The PRP's ultimate goal is to **improve audit quality**, thereby strengthening the accountancy profession and protecting public interest. Firms are encouraged to view the PRP not merely as a compliance exercise but as a **chance to enhance the firm's system of quality management**, strengthening its **documentation standards to enhance overall audit quality**. While its primary function is oversight, it also serves as a valuable platform for firms to reflect on their current practices, identify areas for enhancement, and reinforce a culture of quality and accountability.

A taskforce will be established, and MIA will undertake a holistic review of the practice review programme to ascertain its ongoing relevance and operational effectiveness in fulfilling its intended objectives, having regard to the evolving landscape of the audit profession.

# Purpose-Driven Leadership: Charting the Next Phase of Growth

at [at-mia.my/2025/11/03/purpose-driven-leadership-charting-the-next-phase-of-growth](http://at-mia.my/2025/11/03/purpose-driven-leadership-charting-the-next-phase-of-growth)

November 3, 2025



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The Malaysian Institute of Accountants (MIA) has appointed G Shanmugam (G Shan) as its Chief Executive Officer, effective 1 September 2025. A Chartered Accountant of MIA, Fellow of the Chartered Institute of Management Accountants (FCMA), Chartered Global Management Accountant (CGMA), and ASEAN CPA, G Shan assumed the Acting CEO role in March, succeeding Dr Wan Ahmad Rudirman Wan Razak.



G Shanmugam, Chief Executive Officer, MIA

Notably, G Shan is a product of the Institute, having grown alongside MIA's transformation since joining the Institute nearly two decades ago. Prior to his appointment as acting CEO and then CEO, G Shan served as the Executive Director of Strategy and Development, exercising oversight over MIA's strategy, systems, methods, communications, branding, and continuing professional development. His milestones include introducing new approaches to CPD, strengthening high-level engagements and branding, and building value partnerships to reinforce financial sustainability.

Commenting on the appointment, MIA President Dato' Seri Dr Mohamad Zabidi

Ahmad said: "Mr G Shan exemplifies the flexibility and agility of the accountancy profession. Since joining MIA in 2007, he has merged his expertise in financial and business management, strategic planning, consulting, training and development in delivering innovative and sustainable value to the Institute and the profession."

With his appointment, attention now turns to MIA's aspirations under his leadership. Members and stakeholders are keen to understand how the Institute will navigate the next phase of growth, from AI adoption and sustainability to legislative reform and talent

development. In this feature, the Accountants Today team speaks to G Shan on MIA's priorities and vision for strengthening the profession's future relevance.

## A Purpose-Driven Organisation

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Aligned with MIA's nation-building mandate, G Shan frames the Institute's mission in national terms. "If I am appointed as CEO of a private company and I fail, only the company fails. But MIA has a national duty — if MIA fails, we fail the nation."

This sense of responsibility requires clarity of purpose and strategic direction. "We must enable a purpose-driven organisation. That means focusing on talent, regulation and development to ensure the profession continues to serve the public interest."

MIA's mission is also aligned with the global sustainability agenda, particularly the United Nations Sustainable Development Goals (SDGs). The Institute emphasises SDG 16 (Peace, Justice and Strong Institutions), which prioritises accountability and robust regulation, and SDG 17 (Partnerships for the Goals), which calls for collaboration to strengthen institutions and drive sustainable growth.

## The Profession at a Tipping Point

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G Shan believes the profession is at an inflection point. "The profession is at a very interesting tipping point. Those who know how to embrace technology, particularly AI, will become superstars. Those who don't risk becoming dinosaurs."

He emphasises that technology is an enabler rather than a threat. "AI will not replace accountants, but accountants who use AI will replace those who don't. The speed of AI adoption is mind-boggling. Tasks we once did manually over days can now be completed in minutes — but only if accountants embrace these tools."

AI, he says, is fundamental to keeping the profession adaptable and future proof. "Professional judgement, accountability and interpretation must still come from humans — that is where the value of accountants lies."

## Embracing Technology and AI

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Accelerating technology adoption among members remains a priority for MIA. MIA's Initiatives such as the Digital Technology Adoption Awards (DTAA), the MIA AI Advisory Group, and the MIA Accounting and Financial Technology Showcase (MIA AFT) along with a series of technology focused CPD programmes offered to members are designed to encourage members to integrate digital tools into their work.



G Shan also highlights the need for MIA itself to embrace a digital-first culture. “Technology must also transform MIA. We need to further modernise processes, leverage generative AI and ensure that our communications project authority, professionalism and pride in membership.”

The objective is to enhance organisational productivity and member support. In practice, this means faster processing, focused and targeted communications, and a more connected ecosystem that reflects the digital realities of business.

## **Building Future-Relevant Talent**

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Talent development is another key priority. “Our overarching goal is to ensure our talent remains future relevant — continuously adding value through upskilling, reskilling and embracing future skills.”

At the Institute level, succession planning is equally critical. “We must have a robust succession plan. We cannot afford leadership vacuums, especially in an organisation with national responsibility.”

G Shan stresses the importance of inclusivity in building MIA’s culture and performance. Management is considering a proposed townhall series with staff to promote openness, alignment and collaboration across the Institute. “Leadership must go beyond command to create safe spaces where ideas are shared and ownership is built collectively.”

This inclusive approach extends beyond MIA's workforce to the wider profession, from students and young accountants to public accounting organisations (PAOs) and regulators. "We must take an inclusive approach to stakeholder engagement — members, students, young accountants, PAOs, higher learning institutions, associations, employers and regulators — to bring everyone on board for the future."

## **Strengthening Regulation and Advocacy**

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G Shan underscores the importance of the pending amendments to the Accountants Act. "Amendments are essential to strengthen regulation and address long-standing issues such as bogus accountants."

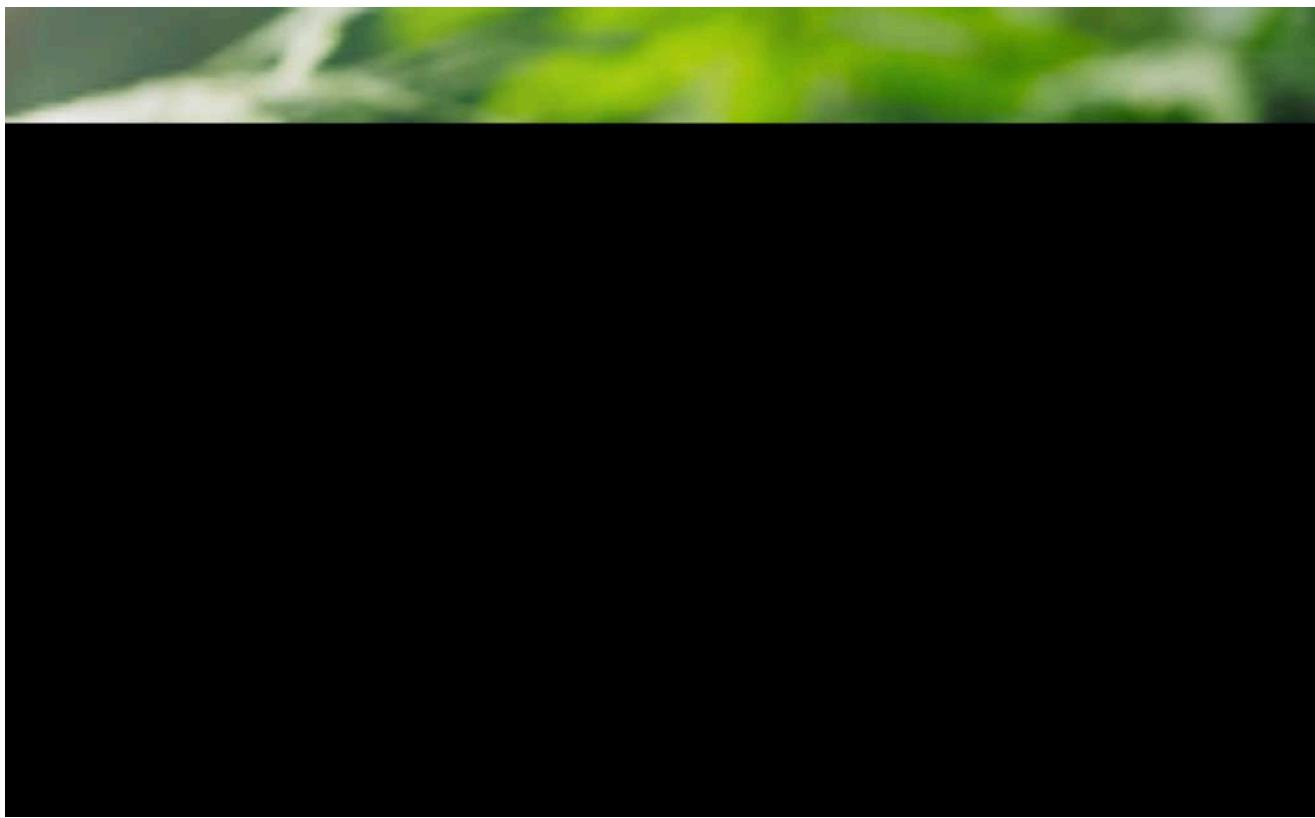
MIA advocates a balanced approach that integrates regulation and development — robust rules on one hand, strong member support on the other. "Regulation and development must go hand in hand."

Advocacy will continue to be central to MIA's strategy. G Shan stresses the importance of closer high-level engagement with ministries, regulators, industry bodies and regional peers. "Collaborative leadership is not only about internal alignment but also about building trust and influence through strong external relationships."

## **Sustainability and Nation-Building**

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Beyond regulation and technology, sustainability is another cornerstone of MIA's agenda. The Institute has consistently emphasised the role of accountants in enabling sustainability reporting and assurance, climate-related disclosures and integrated thinking.



“Accountants sit at the intersection of business strategy, governance and reporting. By equipping members with sustainability knowledge and frameworks, MIA can support Malaysia’s transition to a greener, more resilient economy. This also links back to nation-building: ensuring that the profession is not only future proof but actively contributing to Malaysia’s competitiveness in a fast-changing global landscape.”

## **Collaborative Leadership in Practice**

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Throughout his career, G Shan has leaned on collaboration as a strategy. From building value partnerships in professional development to working with regulators and PAOs, his leadership style is to engage, connect and build consensus.

This collaborative approach underpins MIA’s advocacy. By engaging stakeholders at the highest levels, the Institute can strengthen its role in shaping policy, championing sustainability and driving future readiness.

## **Beyond Work**

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Away from the office, G Shan finds balance through reading, fitness and music. A regular at the gym and a keen music enthusiast, he credits these pursuits with helping him stay grounded, disciplined and creative.

## Looking Forward

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Well regarded by members for his competence and approachable style, G Shan now shoulders the responsibility of steering MIA into its next chapter. The challenges ahead are clear: accelerating technology adoption, embedding sustainability, strengthening regulation, and ensuring the profession remains future relevant, resilient and adaptable.

“Change doesn’t happen overnight, but we must act now to remain future relevant,” he stresses.

Backed by a purpose-driven vision and collaborative leadership, G Shan believes that MIA is poised to chart the next phase of growth for the profession it serves — ensuring future relevance while contributing to sustainable nation-building.

# The Tech-driven Accountant: Turning Efficiency Into Opportunity

at [at-mia.my/2025/12/19/the-tech-driven-accountant-turning-efficiency-into-opportunity](https://at-mia.my/2025/12/19/the-tech-driven-accountant-turning-efficiency-into-opportunity)

December 19, 2025



**Streamline accounting and e-Invoicing with Xero's MDEC-accredited Affordable E-Invoicing Solution.**



[Become a Xero Partner](#)

By Diane Wong

In today's fast-changing business landscape, the role of accountants is evolving faster than ever before. No longer confined to compliance work and number crunching, accountants are increasingly expected to serve as strategic advisors, helping businesses plan for the future, manage risks, and capitalise on growth opportunities.

From automation tools to cloud-based accounting systems, technology is empowering accountants to work smarter, not harder. By eliminating repetitive, manual tasks, accountants can reclaim valuable time and turn it into opportunities for deeper client engagement, better insights, and even new business ventures.

## From Data Entry to Decision-Making

Traditional accounting work and processes have always been time intensive. Automation changes that. Studies indicate that [77%](#) of general, everyday accounting processes can now be fully automated and no longer require manual effort.

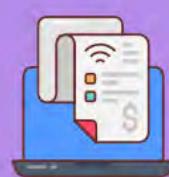
Cloud platforms can now process transactions, match payments, and generate reports in real-time. Instead of spending hours keying in figures, accountants can shift their focus to higher-value activities such as:



Analysing business performance trends



Advising clients on cash flow and growth strategies



Guiding compliance with evolving regulations like e-Invoicing

This shift doesn't just benefit accountants, but also benefits their clients, who get timely advice instead of delayed reporting.

## The Dual Role Advantage

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Technology also opens up new revenue possibilities. Accountants, especially those in smaller firms, can explore a dual role: combining their accounting expertise with the provision of business software solutions.

This doesn't mean becoming a full-scale software company. Even smaller practices can [integrate cloud tools that enhance efficiency](#) while maintaining compliance without having to become full-scale software companies.

Instead, it's about offering clients tools that integrate seamlessly with the services you already provide. By supplying solutions you are familiar with, you gain two key advantages:

**DATA FAMILIARITY**  
You can access and interpret information from systems you know inside out.

**CLIENT TRUST**  
Clients rely on you not only for accurate financials but also for the tools that make compliance and business management easier.

This approach can strengthen client relationships while creating additional income streams.

## Building Stronger Client Relationships

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When technology frees up your time, you can invest more in understanding your client's business beyond the numbers. This deeper engagement positions you as a holistic business advisor rather than just a compliance service provider.

For example, instead of simply filing tax reports, you could help a client identify cost savings, plan investments, or navigate market challenges. Over time, this creates loyalty that's hard for competitors to match.

## Positioning for the Future

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The accounting profession is in a period of transition. Those who embrace technology, whether in small practices or large firms, will be better positioned to:

- Deliver faster, more accurate results
- Offer richer business insights
- Build stronger, longer-lasting client relationships
- Expand their service offerings beyond traditional boundaries

Even global bodies like the Institute of Chartered Accountants of India (ICAI) are incorporating [AI into their training](#), emphasising that AI will create new opportunities and enhance, rather than displace, chartered accountants. The choice is clear: technology isn't replacing accountants, but it's enabling them to do more, serve better, and grow faster.



## Final Thoughts

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Efficiency is only the beginning. For the tech-driven accountant, automation and cloud tools are the gateway to new opportunities to advise, innovate, and lead in ways that weren't possible before. Whether you're part of a global firm or running your own practice, the tools are here.

The question is: how will you use them?

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*Diane Wong is Senior Marketing Executive at AutoCount Sdn Bhd.*

# Why Malaysia's Accountants Must Align with 13MP Sustainability Agenda

at [at-mia.my/2025/11/28/why-malaysias-accountants-must-align-with-13mp-sustainability-agenda](http://at-mia.my/2025/11/28/why-malaysias-accountants-must-align-with-13mp-sustainability-agenda)

November 28, 2025



**Streamline accounting and e-Invoicing with Xero's  
MDEC-accredited Affordable E-Invoicing Solution.**



[Become a Xero Partner](#)

By Dr Dalilah Aziz and Dr Ann G.

As Malaysia's sustainability agenda continues to evolve under the Thirteenth Malaysia Plan (RMK13), the next important question is how future accountants can prepare themselves to play a meaningful role in this transformation. The profession is changing in ways that demand not only new technical abilities but also a reimagining of professional identity. Sustainability in accounting is no longer a matter of awareness or compliance; it is a question of purpose, positioning, and preparedness.

The acquisition of technical skills remains critical, but these skills are only part of the story. The Malaysian Institute of Accountants (MIA) has introduced a Sustainability Blueprint that provides a structured pathway to guide the profession's transition. The Blueprint is organised around three key areas: Aspirations, Sustainability Maturity Levels, and Enablers. Under the Maturity Levels, accountants are expected to progress from basic awareness of ESG and compliance reporting, to integrating sustainability into organisational systems and frameworks, and eventually to leading strategic initiatives and industry-wide advocacy.

As the profession continues to evolve, a fundamental question arises. How can students learn to see themselves not merely as accountants, but as sustainability professionals who shape the world around them? Socialisation into this new professional identity does not begin after graduation; it begins in lecture halls, student organisations, and internship placements. It begins with the choices that aspiring accountants make long before they step into the workforce.



Extracurricular activities, reading interests, and even the organisations one follows on social media all contribute to shaping an individual's sustainability predisposition. In Malaysia's context, this anticipatory socialisation will determine whether the next generation of accountants is ready to seize opportunities in the green economy or risks being left behind. What, then, can aspiring accountants do beyond their formal studies? The following are several practical ways to begin developing a sustainability-focused professional identity.

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### **Reframe coursework as identity-building.**

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Learning sustainability is not just about passing a subject; it is an opportunity to think, speak, and communicate in the language of sustainability. When students reflect on what kind of professionals they are becoming through this learning, the course itself takes on a deeper and more personal significance.

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### **Choose internships that signal green values.**

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An internship in a bank's ESG division or with a sustainability consultancy now does more than add a skillset to one's résumé. It also signals to future employers, and to oneself, a genuine commitment to embedding sustainability into one's professional life. Being deliberate about such choices demonstrates foresight and self-awareness, qualities that will define tomorrow's accountants.

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### **Engage in sustainability-focused student societies and competitions.**

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Joining student-led environmental groups or participating in climate finance challenges provides practical spaces to rehearse the role of the sustainability accountant. Many Malaysian universities are offering opportunities for students to practise being sustainability professionals through events and projects. These spaces are valuable because they allow

aspiring accountants to experience what a sustainability-focused identity feels like in action, where values are tested and shaped. Such experiences reinforce that professional identity begins forming long before graduation.

### **Adopt sustainability as part of your professional narrative.**

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Aspiring accountants can start crafting their professional stories with sustainability at their core. For instance, one might say, “I want to be an accountant who helps organisations reduce carbon impact,” rather than simply, “I want to work in audit.” Narratives like these are powerful tools of self-definition. They help individuals internalise a sense of purpose and communicate that purpose to others.

### **Keep up with the sustainability revolution.**

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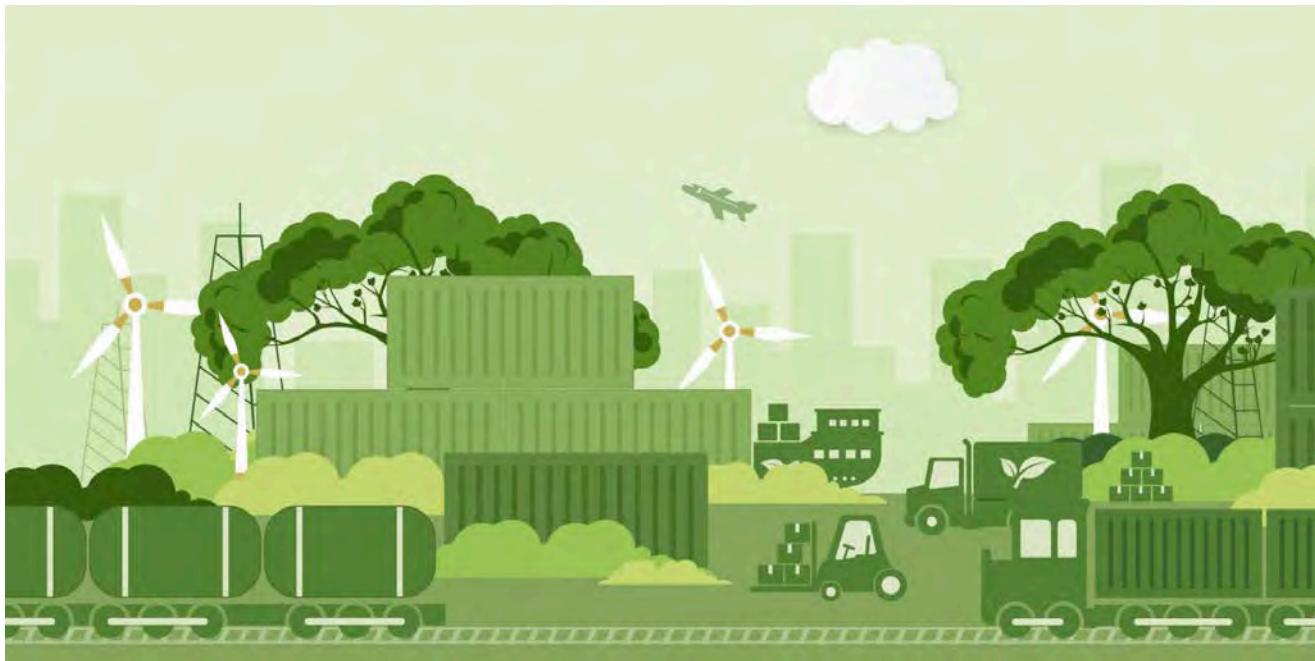
The shift toward IFRS-aligned climate reporting means that accountants are expected to be at the forefront of ESG disclosures. Following these developments closely, even as undergraduates, helps students understand what it means to be professionally ready for the future. Awareness today builds capability tomorrow.

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The MIA President, Datuk Seri Dr Mohamad Zabidi Ahmad, recently remarked in an MIA publication that accountants are uniquely placed to embed sustainability into governance, risk management, strategy, and performance, thereby creating long-term value. This perspective reflects a growing recognition that accountants must move beyond a purely financial focus and embrace integrated reporting, sustainability assurance, and interdisciplinary collaboration.

Globally, the International Federation of Accountants (IFAC) echoes this call by emphasising that future-ready accountants need more than technical knowledge. The key competencies for sustainability reporting and assurance include systems thinking, critical and analytical reasoning, interpersonal communication, adaptability, and technological capability. These professional developments align with Malaysia’s aspiration to become a high-income, low-carbon economy.

Achieving this national goal requires a new generation of accountants who are transforming not only technically but also culturally and professionally. Universities must integrate sustainability principles into the foundation of accounting curricula, while professional bodies must continue promoting initiatives that embed sustainability as a defining element of professional identity. Preparing accountants for sustainability, as the IFAC has noted, requires rethinking how they are educated, mentored, and socialised into the profession.



The green transition is often described in terms of technology and infrastructure, but it is also deeply human. It requires transformation at the level of values, habits, and identity. From our experience in academia and engagement with aspiring accountants, we have observed that professional futures are not handed down ready-made. They are shaped through everyday choices, meaningful conversations, and deliberate participation in communities of practice.

The MIA Sustainability Blueprint reminds us that accountants contribute not only to their organisations but also to Malaysia's broader sustainability ambitions. By aligning their work with national priorities, accountants help both large corporations and small and medium enterprises adopt sustainable practices that drive long-term progress. For aspiring Malaysian accountants who have yet to find your "why", contributing to Malaysia's sustainable future is a meaningful place to begin. Each sustainability-focused decision made today is a small but significant step toward the professional you will become tomorrow.

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