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accountants today

Future-Ready, Trust-Centred Accountancy Profession Key To Malaysia’s Competitiveness – MIA

at-mia.my/2026/08/12/future-ready-trust-centred-accountancy-profession-key-to-malaysias-competitiveness-mia

August 12, 2026

By Karina Imran

KUALA LUMPUR, Aug 10 (Bernama) — Malaysia’s accountancy profession must evolve into a future-ready, value-driven and trust-centred profession to strengthen the country’s economic competitiveness amid rapid technological transformation and growing sustainability demands.

Datuk Saniza Said, President, MIA

Malaysian Institute of Accountants (MIA) President Datuk Saniza Said highlighted that accountancy professionals today play a far broader role in business advisory, strategic decision-making and safeguarding stakeholder confidence while exercising professional scepticism and professional judgement.

Saniza, who is also MIA’s first woman president elected on Dec 8, 2025, said the accountants need to build stakeholders’ trust as a profession that upholds trust and integrity

“We need to promote ethical principles, transparency, accountability and integrity. We must build stakeholders’ trust in the accountancy profession as part of the commitment to public interest” she told Bernama.

Embrace AI, Digital Transformation

While trust, integrity and ethics are the foundation of the profession, accountancy professionals must upskill and transform to be relevant in the evolving business landscape.

Saniza said technological transformation is inescapable and professionals who fail to adapt will be left behind.

However, she emphasised that technology should not be regarded as a threat to the profession, as human professional judgement, responsibility and accountability remain crucial.

> "I believe that artificial intelligence (AI) won't take away the accountants. You can use AI to transform bookkeeping, but when it comes to professional judgement, you need humans," she said.

Saniza said MIA's aspiration is for Malaysia's accountancy profession to be trusted, future-ready and globally respected, while continuing to embrace innovation without compromising its core values.

She pointed out that investors and markets rely on accountancy professionals to provide independent assurance over financial disclosure, reinforcing Malaysia's reputation as a trusted financial destination even as financial misconduct and scams become increasingly sophisticated.

Accountancy Profession Approaching Tipping Point

Meanwhile, MIA Chief Executive Officer G. Shanmugam said the accountancy profession is undergoing significant transformation and is approaching a tipping point, driven largely by AI, data analytics, automation and other emerging technologies.

He emphasised that technology would increasingly automate repetitive and common accounting tasks, allowing professionals to concentrate on higher-value functions such as data analysis, business strategy, risk management and advisory services.

He concurred with Saniza that the role of accountancy professionals is expanding tremendously.

G. Shanmugam, CEO, MIA

"Accountants today are trusted business advisers because they understand business, strategy and performance management," he said.

Shanmugam emphasised the importance of accountants developing foresight capabilities to help businesses anticipate challenges and opportunities.

"Management and stakeholders now expect accountants to guide them by saying, 'Tell me what I don't know. What do I need to do tomorrow and in the future?' This is where the foresight strategy becomes crucial" he said.

Shanmugam said accountants would increasingly need skills such as data analytics and predictive analytics to identify trends and patterns, anticipate future opportunities and risks, and advise businesses on future strategies and sustainability.

He said that the recent launch of MIA Sustainability Blueprint for the Accountancy Profession and MIA Sustainability Roadmap can help members develop the necessary competencies.

Shanmugam said these capabilities would enable accountants to support organisations in sustainability reporting and potentially provide assurance on sustainability information as demand develops.

Upskilling Key to Building Future-Ready Accountants

Currently, MIA has about 42,000 members, with membership growing between 1.5 and 2.0 per cent annually.

To support the profession, Shanmugam said MIA conducts about 1,000 Continuing Professional Development (CPD) programmes annually, alongside conferences, online learning and networking initiatives.

> “Our focus is on upskilling them so that they remain future-ready, especially in this technological and AI era,” he said.

Shanmugam noted that automation should ultimately make accountancy more attractive to younger talent by reducing repetitive work and enabling fresh graduates to move more quickly into analytical, managerial and advisory responsibilities.

“Although many people claim that technology and AI are eliminating accounting jobs, it is important to note that they are primarily taking over mundane and repetitive tasks. As a result, the nature of accounting work is becoming more engaging and dynamic.

“AI is transforming how accountants operate and creating numerous new opportunities for talent in the field,” he said.

Procedural Guidance for Type 3 (Order 3A) Firms on Changes to Approved Peer Reviewers

July 1, 2026

By MIA Surveillance and Enforcement

Background and Context

Where an audit firm has been assigned a Type 3 rating under the Malaysian Institute of Accountants (MIA) Practice Review Programme, the **Practice Review Committee (PRC**) may, at its discretion, issue one of the following orders to facilitate remediation and enhancement of audit quality:

Order 3A – Peer Review Requirement

The firm shall be required to **engage an independent peer reviewer** to perform a structured review of its audit quality over a twenty-four (24)-month monitoring and remediation period, subject to PRC oversight.

Order 3B – Quality Assessment Programme (QAP)

The firm shall be required to **undergo a structured Quality Assessment Programme (QAP) administered jointly by MIA and MICPA.**

Following PRC's approval of the proposed peer reviewer for an Order 3A, the 24-month monitoring and remediation process will commence. This process is considered final once initiated. Therefore, the selection and nomination of the peer reviewer should be undertaken with **due care, objectivity, and professional judgement** to support a consistent and effective remediation process.

For details on the peer reviewer approval process for Type 3 (Order 3A), please refer to https://www.at-mia.my/2025/06/10/the-peer-reviewer-approval-process-for-type-3-order-3a-audit-firms-a-critical-step-in-effective-remediation/

Subsequent Change of Peer Reviewer

Once the peer reviewer has been approved and the 24-month monitoring and remediation process has commenced, any subsequent change of the approved peer reviewer shall be strongly discouraged and will only be considered under exceptional and justifiable circumstances.

A firm seeking to replace its approved peer reviewer must submit a written request to the Practice Review Department (PRD), clearly outlining the reasons for the proposed change and including supporting documentation. The PRD will review the submission and determine whether the request is substantiated and reasonable, and the matter will then be tabled for PRC's consideration.

Approval for any change is at the sole discretion of the PRC. Firms should note that an approved change does not automatically reset or extend the 24-month monitoring period unless specifically determined by the PRC.

Firms are reminded to exercise due care and diligence in the initial selection process of a peer reviewer to ensure that the individual possesses the necessary competence, independence and capacity to complete the full duration of the monitoring period.

Any change should only be considered as a **last resort** and undertaken only when continuing with the existing reviewer is no longer feasible or appropriate.

Exceptional and Justifiable Circumstances for Changes

Requests for a change of peer reviewer may be considered only under the following situations:

- Resignation, unavailability, or incapacity of the existing peer reviewer.
- Conflict of interest or independence issue identified after approval.
- Significant deterioration in performance or conduct that may compromise the integrity of the monitoring process.
- Other exceptional and well-justified circumstances as accepted by the PRC.

Procedures for Requesting a Change of Peer Reviewer

Preparation of Request

Supporting Documentation

The request must be accompanied by the following documents:

- Written communication or evidence supporting the reason for the change (e.g., resignation letter, correspondence, or other relevant documents).
- Details of the proposed new peer reviewer, including a declaration of good standing and confirmation by the audit firm as part of the application process for PRC's approval. This declaration confirms that the proposed peer reviewer meets the required qualifications and maintains good standing with MIA.
- A duly signed consent form from the proposed peer reviewer, confirming his/her agreement to serve in this capacity, eligibility, and commitment to comply at all times with the requirements, obligations, and professional standards prescribed by MIA, including those applicable to the conduct of peer review engagements.
- A transition plan, outlining how the change will be managed to ensure continuity of the monitoring and remediation process.

Submission to PRD

The complete request package must be submitted to PRD within fourteen (14) days of identifying the need for a change.

Late or incomplete submissions may delay consideration and/or result in rejection.

The PRD will review the request and may request additional information or clarification before presenting it to the PRC.

PRC Review and Approval

The request will be **tabled for PRC's consideration**, and the firm will be notified of the decision in writing.

Implementation

Upon approval by the PRC, the firm must formalise engagement with the newly approved peer reviewer.

The 24-month monitoring period continues from the original commencement date unless otherwise determined by the PRC.

For more information on the role of the peer reviewer in the 24-month remediation process, please refer to https://www.at-mia.my/2025/06/10/the-peer-reviewer-approval-process-for-type-3-order-3a-audit-firms-a-critical-step-in-effective-remediation/

Reporting Obligation

While the **appointed peer reviewer** has **no direct reporting obligation** to the **PRC**, they are required to submit a completion report to the PRC confirming that the rectification process has been completed.

With respect to the audit firm, it should be noted that the firm remains fully responsible for providing timely updates on its rectification and remediation progress. The firm is required to submit its first annual progress update to the PRC no later than twelve (12) months from the PRC's approval of the initial peer reviewer. Failure to submit the required progress update within the stipulated timeframe may constitute non-compliance with the monitoring and remediation requirements under Order 3A.

Conclusion

The careful appointment of a peer reviewer and adherence to the PRC monitoring and remediation requirements are critical for maintaining and improving audit quality among Type 3 firms.

Firms are therefore urged to exercise careful judgement and due diligence during the initial selection of the peer reviewer and to maintain open, transparent communication with the PRC throughout the process. Any request for a subsequent change should be made only when absolutely necessary, supported by valid justification and documentation.

A request for a subsequent change of peer reviewer is not only a **tedious and time-consuming process**, but more importantly, it may **disrupt the rectification and monitoring progress** of the audit firm. Such changes may also lead to **inconsistencies or confusion** if the outgoing and incoming peer reviewers adopt **different approaches or methodologies** in guiding the firm's remediation efforts. This may compromise the effectiveness and timeliness of the entire rectification process. By exercising due diligence in the initial appointment and minimising unnecessary changes thereafter, firms contribute meaningfully to the broader goal of upholding audit quality, professional integrity and public trust.

PRC's oversight is intended to ensure compliance, support continuous improvement, and promote sustainable audit quality in the profession.

Insights gathered from a poll held during a recent webinar session on 12 March 2026, *"Understanding Peer Review Criteria under MIA's Practice Review Framework"* provide additional perspectives on the practical considerations faced by practitioners through a series of poll questions.

Note: The peer reviewer approval process for Type 3 (Order 3A), as outlined in the article published on 10 June 2025 titled "The Peer Reviewer Approval Process for Type 3 (Order 3A) Audit Firms: A Critical Step in Effective Remediation", remains applicable and has not *been superseded by the poll conducted during the webinar session held on 12 March 2026, “Understanding Peer Review Criteria under MIA’s Practice Review Framework”.*

Refer to the following page for a summary of the poll questions, responses and key findings

***Disclaimer – This article is intended to provide general procedural guidance and does not replace or override any applicable laws, regulations, or decisions of the Practice Review Committee, which retains full discretion in all matters*.**

Member Poll Insights: Peer Reviewer Readiness and Challenges

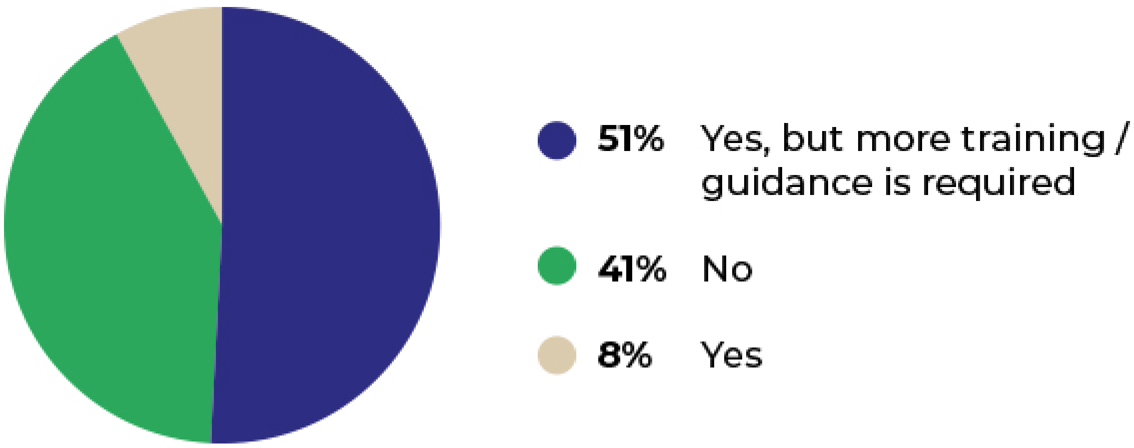
The following takeaways are based on responses from the webinar “Understanding Peer Review Criteria under MIA’s Practice Review Framework”

Overview

A total of **107 members** participated in the poll, providing valuable insights into their readiness to undertake the role of Peer Reviewer, as well as the challenges and support required.

Q1: Willingness to be Appointed as a Peer Reviewer

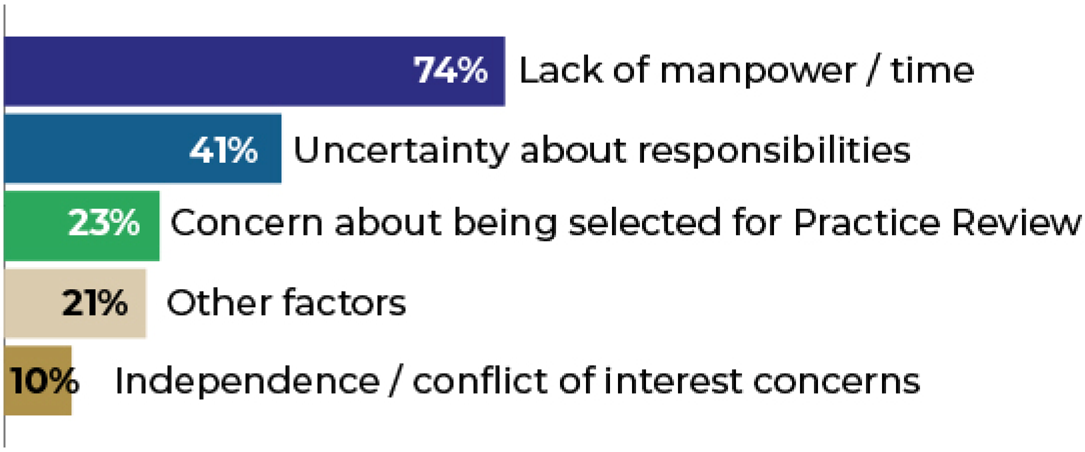
“After learning the role and scope of a Peer Reviewer for Type 3 firms, would you be willing to be appointed?”



> **Key Insight:** While there is moderate interest, the majority of respondents indicated a need for additional training and guidance, highlighting a capability gap rather than a lack of willingness.

Q2: Key Challenges in Accepting the Role *(Multiple responses allowed)*

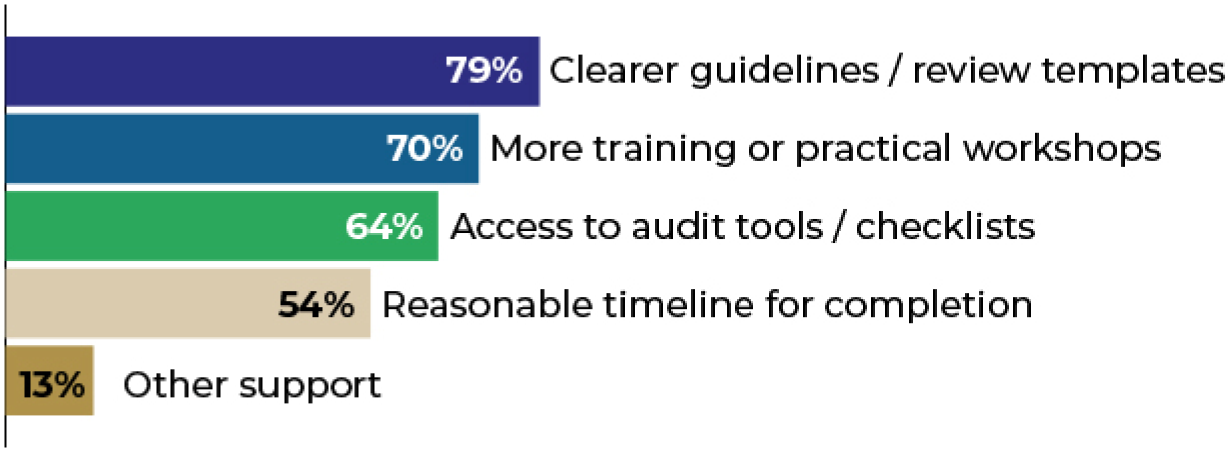
“What challenges might discourage you from accepting a Peer Reviewer role?”



> **Key Insight:** The most significant barrier is resource constraints (time and manpower), followed by unclear expectations of the role, suggesting the need for clearer communication and practical support.

Q3: Support Needed to Encourage Participation *(Multiple responses allowed)*

"What support would encourage you to take up the role?"



> **Key Insight:** Respondents emphasised the importance of structured guidance and practical tools, alongside capacity-building initiatives, to build confidence and encourage participation.

Overall Takeaways – There is clear willingness among members to undertake the role of Peer Reviewer. However, participation is primarily constrained by capacity limitations and a lack of clarity regarding expectations, rather than any inherent reluctance. Accordingly, targeted interventions, such as enhanced training and well-defined guidelines, would play a significant role in strengthening confidence and increasing participation rates.

In this regard, MIA PRD will continue to provide appropriate and sufficient guidance to support members and encourage greater participation in the Peer Reviewer programme. This initiative contributes to the profession by supporting fellow practitioners while offering valuable opportunities for peer reviewers themselves to enhance their own competencies and improve audit quality.

SMP Forum 2026: Building Sustainable, Advisory-Driven Practices in an Evolving Profession

at-mia.my/2026/08/21/smp-forum-2026-building-sustainable-advisory-driven-practices-in-an-evolving-profession

August 21, 2026

By Siti Hazirah Hudal Firdaus

Small and Medium Practices (SMPs) face a challenging business landscape as rising audit exemption thresholds, accelerated digitalisation, stronger tax enforcement, talent shortages and ongoing fee pressure reshape traditional practice models.

At the same time, clients increasingly expect faster service, practical advice and strategic business support as compliance work becomes more automated. To remain competitive and resilient, SMPs must transform how they operate, adopt technology responsibly, strengthen talent strategies and develop advisory capabilities that create new sources of value for clients.

In response to these developments, the Malaysian Institute of Accountants (MIA) is pleased to present **SMP Forum 2026**, themed **Future-Ready SMPs: Building Sustainable, Advisory-Driven Practices in an Evolving Profession**.

Through panel discussions and focused deep-dive sessions featuring regulators, practitioners, and practice leaders, the Forum will equip participants with strategies and best practices to diversify service offerings, strengthen operational efficiency, adopt digital tools and sustainability measures, address talent shortages and build advisory-led practices that meet the changing needs of clients. As regulatory developments affect compliance and performance, the Forum will also examine the implications of proposed amendments to the Companies Act relating to sustainability reporting, as well as the AMLA Amendments and key updates to the AMLA & DCR 2026 Declaration, and how these developments will affect SMPs and their clients.

SMP Forum 2026 will be held on **Tuesday, 8 September 2026**, from **9.00am to 5.00pm** at the **Connexion Conference & Event Centre @ Nexus, Bangsar South, Kuala Lumpur**.

The Forum has been curated to help SMPs address some of their most pressing needs:


MIA MALAYSIAN INSTITUTE OF ACCOUNTANTS
ASAP
ONE SOFTWARE
xero
MICPA
SMP FORUM
2026
FUTURE-READY SMPs:
BUILDING SUSTAINABLE, ADVISORY-DRIVEN
PRACTICES IN AN EVOLVING PROFESSION
8 September 2026 (Tuesday), 9.00am – 5.00pm
Connexion Conference & Event Centre @ Nexus,
Bangsar South, Kuala Lumpur
GROUP DISCOUNT
What will it take for Small and Medium Practices (SMPs) to remain competitive and resilient in the years ahead? Rising audit exemption thresholds, accelerating digitalisation, stronger tax enforcement, talent shortages and continuing fee pressure are reshaping the profession and challenging traditional practice models. At the same time, compliance work is becoming more automated, while clients increasingly expect faster service, practical advice and strategic business support.
SMP Forum 2026 is designed to help practitioners respond to these challenges by strengthening business resilience and long-term sustainability. Moving beyond traditional audit and compliance services, the forum explores strategies to help SMPs diversify their service offerings, strengthen operational efficiency, navigate evolving regulatory requirements, and create new sources of value for clients.
Through panel discussions and focused deep-dive sessions featuring regulators, practitioners, and practice leaders, participants will gain valuable insights into adopting technology and AI responsibly, attracting and retaining talent, strengthening audit quality, and developing advisory services that support long-term business growth. Above all, SMP Forum 2026 aims to equip practitioners with the insights and strategies to build firms that remain relevant, profitable and trusted in an increasingly complex business environment.
FORUM OBJECTIVES
• To help SMPs reposition beyond traditional compliance into advisory-led and value-based practices
• To address talent attraction, retention, and sustainable workforce models for SMPs
• To provide practical guidance on managing rising regulatory demands
• To explore realistic adoption of digital tools, AI, and automation within SMP environments
• To support SMP sustainability amid audit exemption changes, fee pressure, and enforcement intensity
WHO SHOULD ATTEND
Sole Proprietors, Partners, Managers and Senior Associates of Small and Medium Practice Firms

CHOOSING THE RIGHT GROWTH PATH

Make informed decisions on whether to scale, specialise, form alliances, merge or build high-quality boutique practices, supported by effective leadership transition, succession planning, governance and operating systems.

BUILDING SUSTAINABILITY ADVISORY AND ASSURANCE SERVICES

Understand how SMPs can capitalise on existing assurance and advisory capabilities to seize practical opportunities arising from ESG and sustainability reporting requirements. Importantly, understand the implications of the requirements highlighted in the SSM's consultative document on the proposed Companies Act amendments relating to sustainability reporting.

TECHNOLOGY THAT DELIVERS

Explore the realistic adoption of artificial intelligence, automation and digitalisation to improve productivity, streamline workflows and enhance client service while safeguarding data security, cybersecurity, professional judgement and ethical considerations.

AMLA AMENDMENTS AND KEY UPDATES TO AMLA & DCR 2026 DECLARATION

Understand the implications of recent amendments to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (AMLA), together with key updates to AMLA and DCR 2026 Declaration requirements, including enhanced reporting obligations, enforcement focus, risk areas, common compliance gaps and internal controls.

BUILDING THE FUTURE SMP WORKFORCE

Consider practical strategies to attract, develop and retain talent through appealing career pathways, wellbeing support, upskilling and preparation for advisory and leadership roles.

FROM AUDIT TO ADVISORY

Learn how SMPs can identify advisory service areas, assess competency gaps, evaluate staffing and upskilling needs, and build a practical roadmap to transform service offerings through certifications, CPD and knowledge sharing.

SMP Forum 2026 offers an opportunity to network with peers, gain practical insights and pick up core tools to build future-ready SMPs that remain sustainable, advisory-driven and trusted in an evolving profession.

Group rates are available for registrations of two (2) participants and above from the same organisation. In addition, RM150 incentive is offered exclusively to MIA Members and Member Firms as part of MIA's efforts to support members in fulfilling their CPE requirements.

Click here for more information and registration.

Sustainability and IPO Readiness in Malaysia: Emerging Trends and Expectations

at-mia.my/2026/07/03/sustainability-and-ipo-readiness-in-malaysia-emerging-trends-and-expectations

July 3, 2026

By MIA Professional Practices and Technical

An Initial Public Offering (IPO) is a significant milestone for any company, leading to better brand presence and opportunities, but also introducing a host of new responsibilities as a public listed entity. In Malaysia, 2025 saw a record 60 IPOs on Bursa Malaysia Securities Berhad (Bursa Malaysia), the highest number among the ASEAN exchanges. Against this backdrop of interest in entering the public markets, it is crucial to note that investors are steadily incorporating sustainability considerations into their decision-making, thus recognising that these factors also directly impact business resilience and the long-term value of a company.

This shift is reshaping how prospective IPO companies may be evaluated, with sustainability readiness playing a part in investor decision-making. Malaysia is no exception. With the rollout of the National Sustainability Reporting Framework (NSRF) and the publication of the Securities Commission's latest Capital Market Masterplan (2026 to 2030), which identifies supporting national sustainability goals as a key strategic outcome theme, sustainability considerations are playing an increasingly prominent role in Malaysia's capital market landscape.

Alongside Bursa Malaysia's enhanced disclosure requirements, these initiatives reflect the increasing importance of sustainability considerations within Malaysia's capital market ecosystem. While sustainability disclosures remain primarily a post-listing obligation, sustainability readiness is likely to become an increasingly relevant aspect of IPO preparation as investor expectations and reporting requirements continue to evolve.

Sustainability Reporting in Malaysia

The commitment to sustainability reporting has strengthened in Malaysia over the years. Bursa Malaysia's Listing Requirements[1] require listed issuers to include a *"Sustainability Statement"* in their annual reportscovering material sustainability matters. These requirements were further elevated in 2022 when Bursa announced enhanced sustainability reporting requirements including climate change-related disclosures aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The advent of the NSRF in 2024 marked the beginning of Malaysia's next phase in this sustainability journey. By aligning reporting requirements with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), the NSRF addresses the use of these standards as the baseline for sustainability disclosure, with the aim of ensuring companies provide consistent, comparable and reliable sustainability information that enhances transparency and accountability of how businesses demonstrate sustainability-related risks and opportunities.

International Trends in Sustainability Prospectus Disclosures

Globally, sustainability disclosures in IPO prospectuses are gradually becoming more common, with regulators beginning to incorporate these disclosures directly into prospectus regimes.

In the United Kingdom, the Financial Conduct Authority (FCA) introduced climate-related disclosure requirements[2] for certain equity issuers if such issuer has identified climate-related risks within its risk factors or climate-related opportunities as material to its prospects as part of its new prospectus regime. Additionally, issuers that have a published climate transition plan are required to include a summary of the plan in the prospectus, as well as details on where it can be located.

In the Asia Pacific region, Hong Kong requires its IPO applicants to put in place necessary mechanisms that enable them to meet the Hong Kong Stock Exchange's (HKEX) corporate governance and Environmental, Social and Governance (ESG) disclosure requirements upon listing. In its "*Guide for New Listing Applicants*"[3], HKEX requires new applicants to disclose significant ESG-related risks and opportunities, where applicable, in their listing documents.

> These developments demonstrate that sustainability is no longer just a post-listing reporting exercise but increasingly a part of the pre-IPO preparation. While the specific approaches may differ across jurisdictions, it is increasingly evident that investors and regulators are expecting IPO-bound companies to demonstrate their readiness on sustainability matters as part of their listing journey.

More broadly, these global developments underscore the growing importance of sustainability considerations in shaping market confidence at the point of listing. For investors, sustainability-related disclosures provide greater visibility into how issuers identify and manage forward-looking risks such as climate exposure, supply chain resilience and governance challenges that may affect long-term performance. As a result, such information is increasingly considered alongside traditional financial disclosures when assessing an issuer’s readiness for public markets.

In the Malaysian context, awareness of international practices is relevant to supporting the quality and credibility of disclosures made by IPO-bound companies. As sustainability expectations continue to evolve globally, investors may place greater emphasis on governance structures, internal controls, data reliability and sustainability oversight mechanisms disclosed in the prospectus. If regulators were to make such requirements a prerequisite for IPO applicants, this would have practical implications for pre-IPO planning, the scope of due diligence and the demands placed on finance, risk and reporting functions.

In light of these developments, monitoring international trends is not about replicating other jurisdictions’ regulatory frameworks, but about the market’s strategic positioning and preparedness. Companies and markets that respond proactively to evolving investor expectations are better positioned to build confidence, support valuation discussions and facilitate a smoother transition into post-listing reporting regimes. This presents Malaysia with the opportunity to strengthen its position on sustainable growth while ensuring its capital market remains competitive in an increasingly sustainability-focused global environment.

Pre-IPO Considerations and Integration into IPO Strategy

Preparing for an IPO requires companies to demonstrate strong governance, operational efficiency, financial transparency and effective risk management. Today, as sustainability considerations are progressively gaining greater relevance in the context of IPO readiness, companies may also refer to the best practices set out in Bursa Malaysia’s Corporate Governance Guide (CGG), Listing Requirements and Sustainability Reporting Guide. The following are some of the areas companies could focus on:

While all of the above key focus areas are increasingly relevant to IPO readiness, several tend to pose particular challenges for IPO-bound companies in Malaysia, especially those transitioning from private ownership or founder-led structures. One of the most common challenges lies in conducting a robust materiality assessment. This requires companies to identify and prioritise sustainability-related risks and opportunities across their operations and, where relevant, their value chain, supported by appropriate stakeholder engagement. For many companies, particularly those embarking on sustainability reporting for the first time, materiality assessments require greater clarity and structure to support investor understanding.

Another area that frequently proves challenging is the establishment of clear and effective sustainability governance structures. Many private companies lack formalised roles, accountability frameworks and oversight mechanisms for sustainability matters at both board and management levels. Aligning governance arrangements with expectations set out in the CGG and Sustainability Reporting Guide often necessitates changes to board oversight, internal reporting lines and management responsibilities, which take time to embed and operationalise.

In addition, setting meaningful sustainability metrics and targets, together with developing reliable systems and internal controls over sustainability data, can be particularly demanding. Establishing appropriate metrics often requires companies to determine relevant baselines, select suitable measurement methodologies and ensure consistency across business units and time horizons, all of which can be challenging where sustainability data has not previously been tracked in a structured manner. Companies may also face difficulties in calibrating targets that are both achievable and aligned with business strategy, risk appetite and emerging stakeholder expectations, particularly in the absence of established internal benchmarks or historical non-financial data.

> As sustainability information increasingly complements financial information in investor assessments, companies that proactively address the robustness of their metrics, data quality, systems and controls will be better positioned during prospectus preparation and due diligence processes, regardless of whether such requirements are formally mandated for IPO applicants in the future.

Early adoption of these practices can increase the preparedness of IPO-bound companies to navigate post-listing obligations. By integrating sustainability considerations into strategy, governance, risk management and reporting mechanisms during the pre-IPO phase, companies can build internal capabilities incrementally, strengthen data integrity and address control gaps in a more measured manner. From an IPO readiness perspective, early preparation reduces execution risk, alleviates post-listing compliance pressure and enables clearer, more credible communication of the company's sustainability position to investors.

Post-Listing Sustainability Requirements in Malaysia

Upon listing, companies must continue to maintain and strengthen their sustainability practices. Bursa Malaysia requires both Main Market and ACE Market-listed issuers to disclose an annual *Sustainability Statement*. In 2024, Bursa Malaysia further enhanced its Listing Requirements to align with the NSRF, under which the IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* form the baseline standards for sustainability reporting in Malaysia. Companies that embed sustainability into their governance, strategy, and reporting frameworks before listing will be better placed to meet these obligations after going public.

Opportunities and Challenges

As Malaysia embeds sustainability into its capital markets, IPO-bound companies will face both opportunities and practical challenges.

These opportunities and challenges reflect the current stage of sustainability adoption within Malaysia's capital markets. As sustainability considerations become more firmly embedded in listing requirements, IPO-bound companies are increasingly preparing to capture the strategic benefits of sustainability readiness while addressing the practical challenges of implementation in anticipation of post-listing obligations. At this stage, sustainability expectations among many companies remain largely compliance-oriented, with most focused-on understanding and meeting emerging disclosure requirements rather than demonstrating fully embedded sustainability practices across their operations.

For IPO-bound companies, sustainability readiness is therefore often in its infancy, particularly when compared with larger listed entities that have had more time and resources to develop structured sustainability frameworks, reporting processes and internal capabilities. This represents a natural progression, given that meaningful sustainability integration requires specialist expertise, reliable data, internal ownership and alignment with business strategy elements that are typically built incrementally over time. In addition, governance and oversight mechanisms for sustainability matters are still being formalised, with roles and responsibilities continuing to take shape at both board and management levels. While these foundations are more firmly established among large listed entities, they often form part of broader IPO preparation for companies entering the public markets.

> At the same time, these early-stage considerations present a valuable opportunity to establish the right foundations from the outset. By taking a measured and proportionate approach, focusing on governance clarity, data discipline, internal controls, and alignment with strategy and risk management, IPO-bound companies can progressively build internal capabilities without undue disruption. Early groundwork allows sustainability considerations to be integrated more seamlessly into reporting, controls and decision-making processes, rather than being addressed reactively after listing.

Concerns around limited resources, expertise constraints and rising compliance costs are frequently cited, particularly by smaller or newly listed companies. While sustainability readiness does require upfront investment in skills, processes and advisory support, these costs should be considered alongside the longer-term benefits. Companies that invest early are generally better positioned to reduce execution risk upon listing, respond more efficiently to evolving regulatory expectations, and transition more smoothly to comply with post-listing requirements.

Ultimately, sustainability readiness for IPO-bound companies in Malaysia should be viewed not as an immediate expectation to “walk the talk”, but as a process of capability building. Approached strategically and incrementally, sustainability obligations can move beyond compliance to become an enabler of stronger investor confidence, improved access to capital and long-term value creation, supporting Malaysia’s broader ambition for a resilient and competitive capital market.

Conclusion

As sustainability reporting rises on investor agendas, companies aspiring to take the next step in their growth journey should act early to embed sustainability into their strategies. From the rollout of the NSRF in Malaysia to global developments, the momentum is clear; sustainability readiness is increasingly recognised as an important marker of long-term value and business resilience for any organisation. Companies seeking to list should already be aware of the continuing compliance requirements post-listing. Early action allows sustainability considerations to be embedded thoughtfully into governance, risk management and value creation, rather than being addressed under the pressure of post-listing requirements. In this sense, sustainability readiness is not a last-minute compliance exercise, but a forward-looking strategic investment in long-term resilience and market credibility.

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[1] Bursa Malaysia Securities Berhad’s Main Market Listing Requirements and ACE Market Listing Requirements, which include requirements relating to sustainability-related disclosures in annual reports.

[2] Financial Conduct Authority (FCA) first published the FCA policy statement 25/9 on 15 July 2025 (https://www.fca.org.uk/publications/policy-statements/ps25-9-new-rules-public-offers-admissions-trading-regime)

[3] The Guide for New Listing Applicants is published by the HKEX and consolidates all currently effective guidance letters, listing decisions and frequently asked questions related to New Listing. (https://en-rules.hkex.com.hk/rulebook/guide-new-listing-applicants)

This article has been prepared with contributions from the following personnel of Baker Tilly Malaysia and the Malaysian Institute of Accountants (MIA):

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The Role of Public Sector Accountants in Driving Climate Resilience

July 3, 2026

By MIA Sustainability, Digital Economy and Services team

Climate change is increasingly recognised as a pressing fiscal and governance challenge that demands immediate and coordinated action. Public sector accountants can play a central role in strengthening governance, enhancing sustainability reporting, and supporting climate-resilient public finance.

MIA recently hosted a complimentary webinar titled *"The Role of Public Sector Accountants in Driving Climate Resilience",* bringing together global and local perspectives on the matter. Moderated by Rasmimi Ramli, Executive Director of Sustainability, Digital Economy and Services, the webinar featured Angela Ryan, Member of the International Public Sector Accounting Standards Board (IPSASB), Farhana Jabir, Director of Sustainability and Climate Change at PwC Malaysia.

Climate Change: A Fiscal and Governance Imperative

Rasmimi emphasised the urgency of climate action, citing episodes of extreme heat in Malaysia that necessitate cloud-seeding operations, as well as legal actions by Malaysian youth advocating for forest conservation. These developments illustrate the tangible and societal impacts of climate change. Globally, the World Meteorological Organisation has confirmed that the past decade was the hottest on record, with extreme weather events causing significant economic and social disruptions.[1]

> "As we look at recent developments, the data has really given us the urgency of looking at climate and the actions that we need to take," she remarked.

Rasmimi also highlighted broader societal and legal developments, including initiatives to safeguard Malaysia's forest and the anticipated introduction of a carbon tax framework. These developments reinforce the notion that climate change is not merely an environmental issue but a core public sector finance concern with significant implications for governance, policy, and resource allocation.

Why Climate Resilience Is Central to Public Sector Finance

Angela explained that climate resilience refers to an entity's ability to adapt to both physical risks, such as floods and heatwaves, and transition risks arising from policy and technological shifts toward a low-emissions economy.

> "When you look at that broad understanding of what climate resilience is, it seems almost very obvious that it's a public sector finance issue," she said.

Angela further noted that Governments often act as the "insurer of last resort," bearing the responsibility of supporting communities in the aftermath of climate-related disasters. This expectation places significant pressure on public finances and underscores the importance of integrating climate considerations into fiscal planning.

Advancing Sustainability Reporting: The Role of IPSASB

Angela highlighted the issuance of IPSASB Sustainability Reporting Standard (SRS) 1 *Climate-related Disclosures*.

> "The IPSASB made the decision that the first sustainability project would be climate-related disclosures," she explained, noting that the standard is closely aligned with IFRS S2 *Climate-related Disclosures* to promote global consistency.

Angela described IPSASB's two-phased approach in relation to climate-related disclosures, which distinguishes between disclosures related to an entity's own operations and those concerning the public policy role of Governments. This distinction recognises the unique responsibilities of public sector entities as both service providers and policymakers.

Readiness for Climate and Sustainability Reporting

Farhana observed that public sector entities are at varying stages of readiness in adopting sustainability reporting. While federal and state Governments form the core of the public sector, statutory bodies, Government-linked companies (GLCs), and Government-linked investment companies (GLICs) also play significant roles.

> “We do see quite a few of them actually have started to prepare sustainability reporting because they are providing critical services and understanding how this impacts their stakeholders is important.”

However, Farhana also highlighted the challenges posed by fragmented climate-related data across different ministries and agencies, as well as the limited public disclosure of the impact of climate change on Government operations.

A notable example is Bank Negara Malaysia, whose reporting distinguishes between its operational emissions and its policy influence on the financial sector. This dual approach aligns closely with the IPSASB’s approach as shared by Angela and provides a valuable model for other public sector entities.

Global Lessons: Insights from New Zealand and Beyond

Angela shared insights from New Zealand’s experience, emphasising the country’s strong foundation in accrual accounting and its evolving journey toward climate-related reporting.

Mandatory Climate Reporting Framework

One of the key developments highlighted by Angela is New Zealand’s mandatory climate-related disclosure regime, introduced by the External Reporting Board (XRB). XRB is an independent Crown entity, that is responsible for financial reporting, climate reporting, auditing and assurance and professional and ethical standards in New Zealand.[2] Although primarily targeted at private sector entities, particularly those participating in capital markets, Aotearoa New Zealand Climate Standards establish a useful benchmark and encourage voluntary adoption by other Government agencies seeking to enhance their sustainability reporting practices.

The standards are closely aligned with the Task Force on Climate-related Financial Disclosures (TCFD) and the IFRS Sustainability Disclosure Standards (IFRS S1 and S2). Importantly, certain public sector entities such as local Governments or agencies that issue debt securities are also required to comply. For example, the Auckland Council, which raises funds through international capital markets, is subject to these mandatory disclosure requirements. This demonstrates how market participation can act as a catalyst for enhanced transparency and accountability within the public sector.

The Carbon Neutral Government Programme

Another significant initiative is New Zealand's Carbon Neutral Government Programme (CNGP). This programme requires central Government agencies to measure, manage, and reduce their greenhouse gas emissions, focusing primarily on Scope 1 and Scope 2 emissions, with gradual inclusion of Scope 3 emissions where feasible.

The programme serves several important purposes as follows[3]:

PURPOSES	DESCRIPTION
Operational Accountability	Each Government agency is responsible for measuring, managing, and reporting greenhouse gas emissions from its own operations. This includes emissions arising from energy use in Government buildings, Government vehicle fleets, and procurement activities.
Alignment with National Targets	The programme supports New Zealand's broader national commitment to achieving net-zero emissions by 2050.
Integration with Public Financial Management	By embedding emissions monitoring within existing management, budgeting, and reporting systems, the initiative demonstrates how climate considerations can be systematically incorporated into routine Government operations and decision-making processes.

Lessons from Leading Jurisdictions

Angela also highlighted exemplary practices from other jurisdictions that offer valuable insights for Governments worldwide.

State of Victoria, Australia

The State of Victoria is recognised as a leader in public sector climate reporting. Its approach is characterised by a top-down, whole-of-Government strategy, where climate commitments are embedded within legislation and long-term policy frameworks.

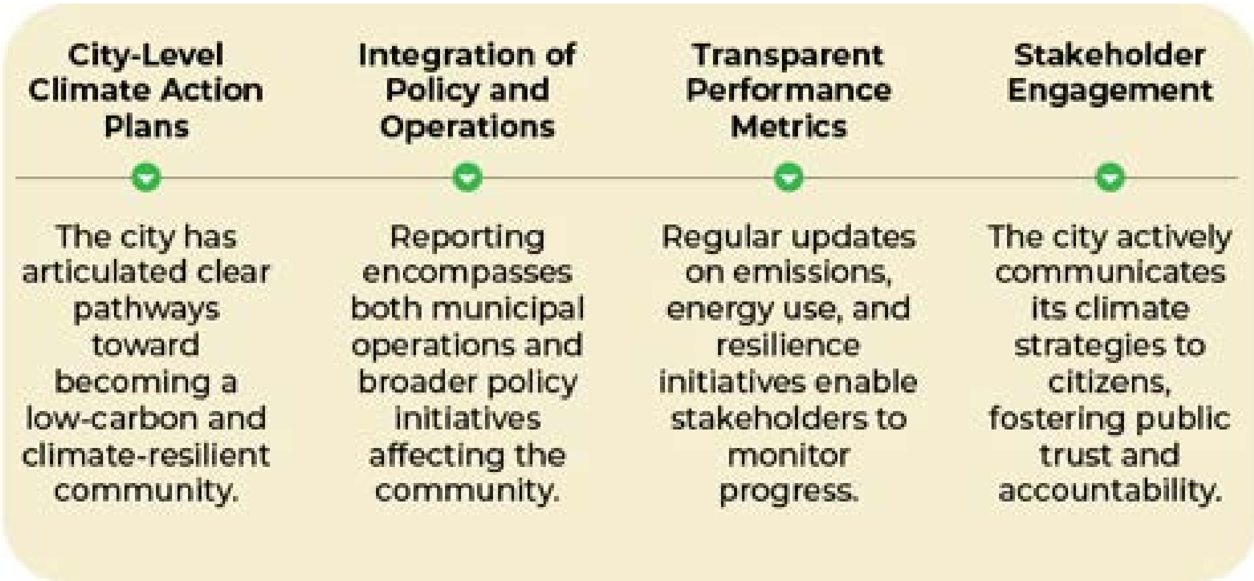
Key features of Victoria's approach include:

This comprehensive and coordinated approach enhances transparency and enables citizens to track the Government's progress toward achieving its climate objectives.

City of Vancouver, Canada

Angela shared that the City of Vancouver is a good example of how local Governments can lead in climate-related disclosures.

Key elements of Vancouver's leadership include:



These initiatives demonstrate how municipalities can play a pivotal role in advancing climate action and serve as practical models for other jurisdictions.

Integrating Climate Considerations into Public Financial Management

Farhana explained that while climate data is increasingly used to inform policy decisions, integrating it into day-to-day operational decision-making remains a challenge.

This shift requires development of new metrics and analytical frameworks, such as greenhouse gas emissions and broader socio-economic impacts, to complement traditional financial indicators.

Angela further emphasised the importance of building a reliable climate and sustainability data ecosystem. She recommended starting with an inventory of existing datasets and focusing on information that supports risk management and decision-making.

Key Challenges in Implementing Sustainability Reporting

The transition toward climate and sustainability reporting presents several challenges for both public and private sectors. According to Farhana, two critical issues stand out.

Skills and Capacity Constraints

There is a scarcity of professionals who possess expertise in both sustainability and financial reporting.

She emphasised the need for interdisciplinary collaboration, suggesting that organisations may soon require an “ESG controller” to bridge the gap between sustainability and finance functions.

Organisational Clarity on Sustainability Priorities

Another challenge is the lack of clarity regarding material sustainability risks and opportunities. While climate change is often the primary focus, organisations must assess their unique risk profiles to ensure meaningful and relevant disclosures.

Conclusion

Public sector accountants have a pivotal role in driving climate resilience by integrating climate considerations into financial decision-making, risk management, and long-term fiscal planning.

As Governments navigate complex trade-offs in transitioning to a low-emissions and climate-resilient economy, accountants are uniquely positioned to enhance transparency, support evidence-based policies, and strengthen accountability to citizens. Climate-related reporting is ultimately intended to influence behaviour and decision-making. The profession is called upon to move beyond traditional financial reporting and actively contribute to shaping sustainable and resilient public sector governance.

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[1] *World Metereological Organization, 23 March 2026, State of the Global Climate 2025, https://wmo.int/publication-series/state-of-global-climate/state-of-global-climate-2025*

[2] *New Zealand Government, External Reporting Board, https://www.govt.nz/organisations/external-reporting-board/*

[3] *Ministry for the Environment, November 2025, About the Carbon Neutral Government Programme, https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/carbon-neutral-government-programme/about-carbon-neutral-government-programme/#about-the-programme*

Top Sustainability News for Accountants — June 2026

at-mia.my/2026/07/08/top-sustainability-news-for-accountants-june-2026

July 8, 2026

By MIA Sustainability, Digital Economy and Services

In supporting the accountancy profession navigating sustainability, MIA presents the June 2026 edition of "Top Sustainability News for Accountants" which highlights significant global and local sustainability-related developments in sustainability reporting standards, climate-related disclosures, regulations, and ESG-related initiatives that continue to shape the future of corporate reporting and sustainable business practices.

Through these updates, accountants can stay informed on key developments in sustainability reporting, ESG disclosure requirements, nature-related financial risks, carbon accounting, and professional integrity, enabling them to better support transparent reporting, informed decision-making, and long-term value creation.

9 June 2026

Finance Minister II, SC Chief Urge Accountants to Uphold Trust and Integrity

Finance Minister II Datuk Seri Amir Hamzah Azizan and Securities Commission Malaysia (SC) Executive Chairman Datuk Mohammad Faiz Azmi urged accountants to uphold the highest standards of integrity, professionalism and ethical conduct during the Malaysian Institute of Accountants (MIA) International Accountants Conference 2026 (MIAC 2026). They emphasised that accountants play a vital role in sustainability reporting, corporate governance and maintaining public trust as Malaysia advances its sustainability and economic transformation agenda. https://theedgemalaysia.com/node/806345

11 June 2026

Bank Negara, UNDP Launch Report on Nature Related Financial Risks in Malaysia

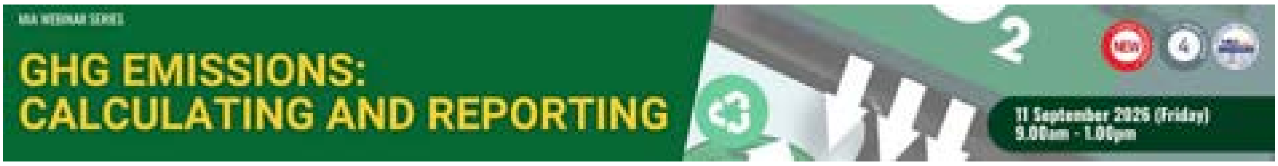
Photo credit: businesstoday.com.my

Bank Negara Malaysia, together with the World Bank Group and the UNDP Biodiversity Finance Initiative (UNDP BIOFIN), launched a report to help financial institutions and businesses better assess nature-related financial risks and opportunities. The report provides practical guidance to strengthen risk management, improve sustainability practices, and support Malaysia's transition towards a more resilient and nature-positive economy. https://www.businesstoday.com.my/2026/06/11/bank-negara-undp-launch-report-on-nature-related-financial-risks-in-malaysia/

16 June 2026

EU Corporate Sustainability Reporting Directive: impact of CSRD on non-EU Companies

The European Union (EU)'s Corporate Sustainability Reporting Directive (CSRD) will affect non-EU companies with significant operations in the EU. In-scope companies are encouraged to assess their reporting obligations early, strengthen governance and data collection processes, and prepare for new sustainability reporting requirements aligned with evolving EU standards. *https://sustainablefutures.linklaters.com/post/102n2xc/eu-corporate-sustainability-reporting-directive-impact-of-csrd-on-non-eu-compani*



16 June 2026

EU Releases Draft Sustainability Reporting Standards for U.S. Businesses

The EU released draft sustainability reporting standards for U.S. and other non-EU companies under the CSRD. The proposed standards aim to simplify reporting requirements while ensuring greater transparency and consistency for companies with significant operations in the EU.
https://www.forbes.com/sites/jonmcgowan/2026/06/16/european-union-release-draft-sustainability-reporting-standards-for-us-businesses/

19 June 2026

Carbon Accounting Explained: The Complete Guide to Measuring, Reporting, and Reducing Corporate Emissions

Carbon accounting enables organisations to measure, report, and manage greenhouse gas (GHG) emissions across their operations and value chains. Effective carbon accounting helps businesses improve ESG reporting, identify emissions reduction opportunities, and support compliance with evolving sustainability regulations and net-zero commitments. *https://carboncredits.com/carbon-accounting-explained-guide-measuring-reporting-reducing-corporate-emissions/*

22 June 2026

GRI: Malaysia leads region in sustainability reporting

Malaysia has emerged as a regional leader in sustainability reporting, with the Global Reporting Initiative (GRI) remains the most widely adopted reporting framework among companies. The strong adoption reflects growing commitment by regulators, listed issuers and market participants to strengthening sustainability disclosure practices through the National Sustainability Reporting Framework (NSRF). *https://themalaysianreserve.com/2026/06/22/gri-malaysia-leads-region-in-sustainability-reporting/*

24 June 2026

ESG Round-up: EBA Eases ESG Reporting Requirements

The European Banking Authority (EBA) has introduced measures to simplify ESG reporting requirements for banks by reducing reporting burdens while maintaining transparency. The changes are intended to improve reporting efficiency, support regulatory alignment, and help financial institutions meet evolving sustainability disclosure requirements. *https://www.responsible-investor.com/esg-round-up-european-banking-authority-eases-esg-reporting-requirements/*

MIA encourages accountancy professionals, businesses, and stakeholders to keep strengthening their sustainability knowledge and capabilities while upholding responsible and ethical business practices. By embracing continuous learning and shared commitment, the profession can contribute to sustainable growth, long-term value creation, and a more resilient future for businesses and society.

Top Sustainability News for Accountants — July 2026

August 10, 2026

By MIA Sustainability, Digital Economy and Services

As the sustainability landscape continues to evolve, MIA presents the July 2026 edition of "Top Sustainability News for Accountants", featuring key developments from Malaysia and around the world. This edition highlights the increasing use of sustainability disclosures in financing decisions, recognition of ESG excellence in Malaysia, regulatory efforts to streamline reporting requirements and new initiatives to support the application of the IFRS Sustainability Disclosure Standards.

2 July 2026

Banks Increasingly Require Firms Seeking Loans to Provide Sustainability Reports — ESGright

Banks and other financial institutions are increasingly requiring companies seeking financing to provide sustainability reports as part of their loan assessment process. According to ESGright, sustainability disclosures have become an important factor in evaluating a company's long-term resilience, risk management, and governance practices, reflecting the growing integration of ESG considerations into lending and investment decisions. https://www.bernamabiz.com/news.php?id=2575660/

3 July 2026

Bursa Malaysia Becomes First Malaysian Listed Firm to Secure Top FTSE4Good ESG Score

Bursa Malaysia has become the first Malaysian listed company to achieve the highest ESG score in the FTSE4Good Bursa Malaysia Index, reflecting its strong commitment to environmental, social, and governance (ESG) practices. The recognition underscores Bursa Malaysia's leadership in promoting sustainable capital markets and reinforces the growing importance of robust ESG performance and transparent corporate governance within Malaysia's financial ecosystem. https://themalaysianreserve.com/2026/07/03/bursa-malaysia-becomes-first-malaysian-listed-firm-to-secure-top-ftse4good-esg-score/amp/)

10 July 2026

EU Commission Adopts Revised Sustainability Reporting Standards

The European Commission has adopted revised European Sustainability Reporting Standards (ESRS) to simplify sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD). The updated standards are expected to reduce mandatory disclosure data points by more than 70% and lower compliance costs by around 30% per company, while maintaining high-quality, decision-useful sustainability information for investors and stakeholders. https://www.esgdive.com/news/eu-commission-adopts-revised-sustainability-reporting-standards/824974/

23 July 2026

RSPO Launches New Guidance to Leverage Sustainable Palm Oil Certification for IFRS Sustainability Disclosure Standards

The Roundtable on Sustainable Palm Oil (RSPO) has launched new guidance to help companies leverage RSPO certification when reporting under the IFRS Sustainability Disclosure Standards. The guidance supports organisations in aligning sustainable palm oil practices with IFRS S1 and S2 disclosure requirements, enabling more consistent, credible, and decision-useful sustainability reporting while reducing reporting complexity. *https://www.eco-business.com/press-releases/rspo-launches-new-guidance-to-leverage-sustainable-palm-oil-certification-for-ifrs-sustainability-disclosure-standards/*

24 July 2026

European Union (EU) Proposes Sustainability Reporting Rules for Big Foreign Firms

The European Commission (EC) has proposed new sustainability reporting rules that would require large non-EU companies with significant operations in the European Union (EU) to comply with the Corporate Sustainability Reporting Directive (CSRD). The proposal aims to ensure a level playing field between European Union (EU) and foreign firms by enhancing the consistency, transparency, and comparability of sustainability disclosures across global markets. *https://news.bloombergtax.com/daily-tax-report-state/eu-proposes-sustainability-reporting-rules-for-big-foreign-firms*

As sustainability reporting frameworks continue to evolve globally, accountants play an increasingly important role in supporting transparent, reliable, and decision-useful disclosures. MIA remains committed to keeping members informed of key developments that shape the future of corporate reporting and sustainable business practices.

Transfer Pricing Conference 2026: Stay Compliant. Stay Defensible. Stay Ahead.

August 27, 2026

By MIA Strategic Communications & Branding Team

As the tax authorities refine the transfer pricing framework, taxpayers are increasingly expected to shed the compliance mindset and demonstrate good governance, sound decision-making and exemplary documentation to Stay Compliant. Stay Defensible. Stay Ahead.

Anticipating this shift, MIA has curated its annual flagship Transfer Pricing Conference to equip practitioners with the baseline strategies and capabilities to move beyond compliance to defence and competency.

Key to this will be strategising and executing transfer pricing positions that are defensible throughout the transfer pricing audit and dispute lifecycle, even under increasing scrutiny from the tax authorities. This requires practitioners to be prepared for audits, as well as the disputes that may follow — from managing adjustments and Form Q appeals to alternative dispute resolution, judicial review and recent case law, alongside the implications of Pillar Two implementation.

Importantly, tax practitioners must strengthen their professional judgment and oversight while their companies develop the requisite robust governance and technology capabilities that enable compliance while protecting business performance.

Headlined by senior regulatory officers from the Inland Revenue Board Malaysia (IRBM) and leading transfer pricing experts, the **Transfer Pricing Conference 2026 will be held on 22 September 2026 (Tuesday), 9.00am – 5.00pm at M Resort & Hotel Kuala Lumpur.**

The Conference will focus on the following key areas to strengthen taxpayer capabilities in this new regime:

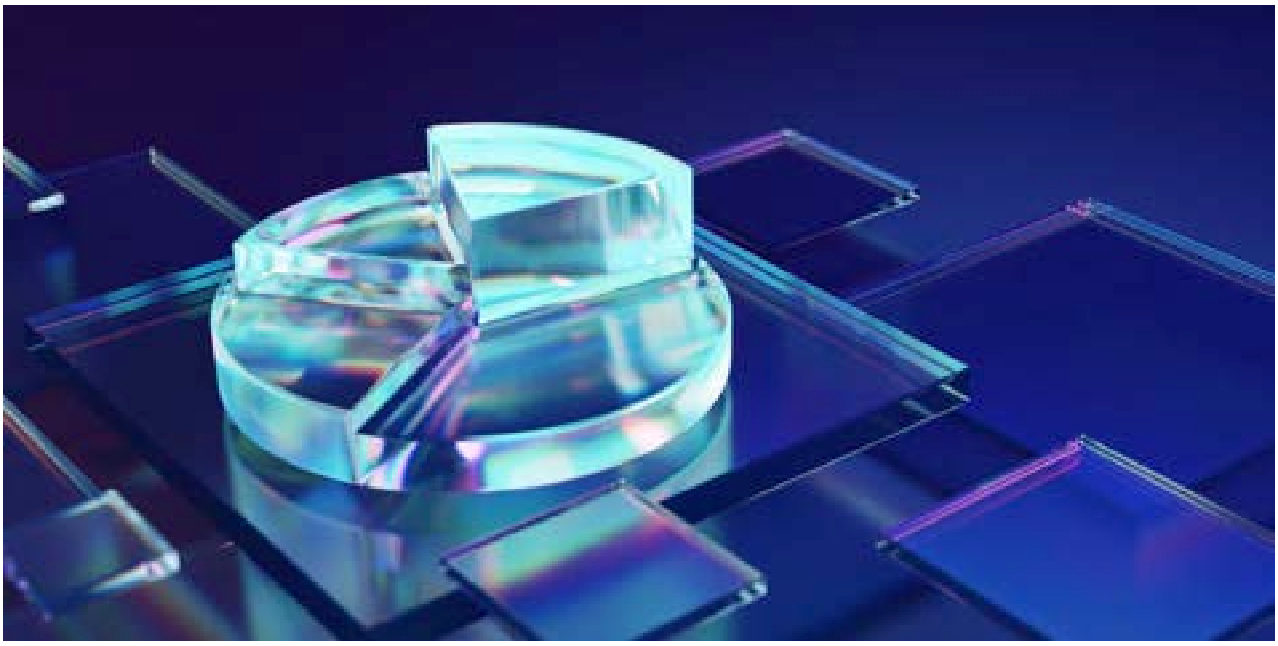
Embracing the New IRBM Guidelines on Intra-group Financing (IGF): What to Expect for Effective Compliance

Provides an overview of the IRBM's new Guidelines on Intra-Group Financing (IGF) and its intent and enforcement, while offering practical guidance on meeting analytical and documentation requirements, addressing key risk areas, and strengthening compliance and audit readiness in line with IRBM's expectations.

Governance & Decision-making: The New Compliance Benchmark

Examines how taxpayers should embed robust governance frameworks to stay aligned with IRBM's expectations and global best practices as transfer pricing shifts from a documentation-focused approach to demonstrating the governance and decision-making processes behind business arrangements.

The Future of Transfer Pricing: Leveraging AI, Automation and Data Transparency



Explores how organisations can harness artificial intelligence (AI), automation and data transparency to improve analysis, prepare documentation and manage compliance, to stay ahead of evolving transfer pricing expectations.

Getting Transfer Pricing Documentation (TPD) Right: Avoiding Common Pitfalls

Examines common transfer pricing issues most frequently encountered in practice, from documentation deficiencies and weak benchmarking to the treatment of intra-group services. Most importantly, participants will get practical guidance and checklist-based approaches to strengthen documentation quality, build defensible transfer pricing positions, and improve audit readiness.

Transfer Pricing Audit Excellence: Managing Audits, Disputes & Resolution

Taxpayers face increasing audit activity and greater scrutiny of related-party transactions as the IRBM ramps up transfer pricing enforcement. This session shares practical strategies to stay defensible throughout the transfer pricing audit and dispute lifecycle, from documentation expectations and managing adjustments to Form Q appeals, alternative dispute resolution, judicial review and recent case law, while also considering the implications of Pillar Two implementation.

Click here for more information or to register. ***Enjoy 10% group discount for groups of 3 or more from the same organisation.*** *This programme qualifies for the purpose of application or renewal of tax agent licence under Subsection 153(3), Income Tax Act 1967.*

Your AI Should Argue With You

August 4, 2026

By Dominic Gopal

Ask most senior leaders how they use AI and you'll hear a list of tasks: drafting, summarising, coding, formatting. Useful work — but all of it the same kind of work. They are using AI as an assistant. Almost none are using it as a thought partner. That gap is the difference between getting 10% out of these tools and the 90% that actually moves a decision.

> The distinction is simple. An assistant executes; a thought partner challenges. An assistant writes what you tell it. A thought partner asks why you believe what you believe. One makes you faster. The other makes you right.

That framing comes from Geoff Woods' *The AI-Driven Leader*. It only meant something to me when I tested it on a difficult client situation — the kind I would normally handle on instinct and a little emotion. Instead of asking AI to draft my reply, I spent an hour asking it to interrogate me. What is the other party actually afraid of? What am I optimising for — short-term comfort, or long-term trust? Which of my assumptions don't survive scrutiny?

What I eventually sent was nothing like what I would have written alone. Calmer. Sharper. Aligned to the outcome I actually wanted, rather than the one my mood was steering me toward. The tool hadn't handed me an answer. It had handed me better questions.

This is where our profession should pay attention, because challenge is already our trade. "Which of my assumptions don't survive scrutiny?" is not a clever prompt — it is the auditor's instinct, turned inward. We are trained to test everyone's reasoning except, too often, our own in the moment we commit to a number, an opinion, or a position. A thought partner closes that gap.

And the gap compounds. A leader's decisions accumulate faster than the people around them can correct course. A thought partner inserts one round of questioning between instinct and action — long enough for a weak assumption to be named before it hardens into a commitment. That single pause is the most underused source of judgement available to us, and it now costs almost nothing.

> So treat AI less like a clerk and more like the sharpest sceptic in the room. The next time you reach for it to produce something — a memo, a recommendation, a reply you've half-written in your head — stop. Don't ask for the answer. Ask it to find the holes in yours. Ask what you're optimising for, and what you're avoiding.

If you’re still using AI only to execute, you’re leaving the most valuable 90% on the table — the part that doesn’t do your work, but improves your thinking.

What’s a decision you made recently that a thought partner could have made better, if you’d let it?

Dominic Gopal is Founder and Chief Executive Officer of Hypernix Sdn. Bhd.

The content in this article is the personal view of the author and does not purport to reflect the views of Hypernix Sdn. Bhd. or the Malaysian Institute of Accountants.