

# SNAPSHOT

*Inside the Issue*



Malaysia Chapter of The Institute of Chartered Accountants of India



## World Congress Accountants 2022

Date: 18<sup>th</sup> to 21<sup>st</sup> November, 2022

## ANTI-BRIBERY & CORRUPTION

Let's rewind back to the month of March 2021, the Malaysia Anti-Corruption Commission...

## ABCD FOR ACCOUNTANTS

During a discussion about Industrial Revolution 4(IR-04), I was told that new-age accountants must...

## WCOA 2022

To be hosted by ICAI in Mumbai, India

## MEETING WITH HIGH COMMISSIONERS OFFICE

*by CA Sudhir Kamath*

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CONTINUED TO P. 08





The new committee under the stewardship of CA Sandeep worked quickly to ramp up the coffers of our chapter which had got very limited sponsorship in during these difficult 18 months.

I am pleased to inform you that we have now achieved a sponsorship milestone exceeding previous year in just 4 months.

This will enable us to deliver quality programs in 2022. There is always strength in numbers and the more members we can bring on board, the bigger will be the recognition for our chapter and ICAI in Malaysia.

We request all members to pay their subscription dues for 2022 and bring in fellow ICAI members to join our chapter.

# EDITORIAL

by CA Devang Merchant



I wish you a very Happy new year on behalf of the entire Committee. As we reflect back on 2021 we achieved quite a bit considering the SOP constraints. We organized numerous CPE session and organized a virtual AGM & elections.

We again have two female members on our Committee after a gap of one year. We closed the year with our first face-to-face program for members which was well attended by more than 100 pax and as we open up, do expect more such events.

Some of the Committee members and mentors welcomed the new High Commission of India and engaged him on topics of beneficial interest including recognition of our chapter as a trade body, so that we can further support the interest of our Nation and further enhance the profile of Chartered Accountants.

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*We request all members to pay their subscription dues for 2022*







# TACKLING BRIBERY & CORRUPTION IN MALAYSIA

by CA Prakash Chetwani



Let's rewind back to the month of March 2021, the Malaysia Anti-Corruption Commission (MACC) charged a company providing ship rental services and its directors under the newly minted Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act) in connection with the payment of bribery worth of RM321,350 to secure a subcontract.

This marks as the first case under the new Section 17A, which came into force from 1st June 2020. The said provision imposes corporate liability for offences related to bribery and corruption on the company as well as its officers holding managerial positions.

The essence of Section 17A lies in its penalizing provisions, which is not only limited to monetary compensation, but also includes an imprisonment term for senior personnel such as a director, controller, officer, partner, or executives who are managing the affairs of the organization shall be deemed to have committed the said offence.

This deeming provision intends to hold officers accountable for the corrupt acts perpetrated in their organization. The onus is firmly shifted on the defendant to rebut/disprove criminal liability by convincing the judiciary that the offence was committed without their consent or connivance, and they had exercised necessary due diligence to prevent such incidents.

In order to define as what should be considered as part of the due diligence, the MACC Act has set out 'Adequate Procedures' which mandates the commercial organizations to formulate and implement Anti-Bribery and Corruption (ABAC) policies based on the principles of T.R.U.S.T.

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## *Principles of T. R. U. S. T*

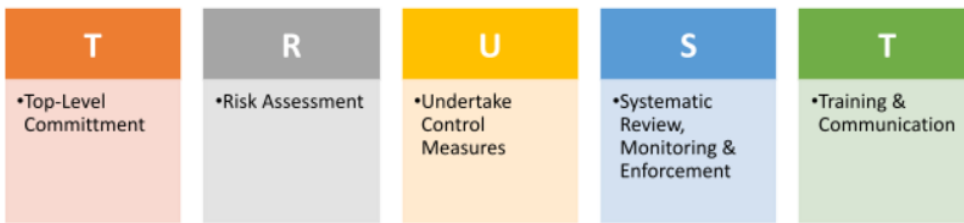
### *Section 17A of the MACC Act – At a Glance*

Offence	•A commercial organization commits an offence if an <b>associated person</b> offers gratification to any third party with an intent to obtain or retain business
Associated Person	•Includes directors, partners and employees of the organization as well as its agents or distributors
Penalty	•A maximum fine of 10 times of the value of gratification involved, or RM1 million whichever is higher or a maximum jail term of 20 years, or both

### Adequate Procedures

As defined under the provisions of the MACC Act, the commercial organization should establish necessary safeguards which should have prevented the offence at the initial stage.

Therefore, a robust ABAC policy is required to be implemented encompassing the five principles of T.R.U.S.T as provided below:



### Reality Check

With the implementation of severe laws addressing corporate liability in the same manner as the UK Bribery Act, it is well-expected from the commercial organizations to comply with the aforesaid norms.

However, the Global Economic Crime and Fraud Survey report 2020 by PwC Malaysia paints a rather worrying picture. The survey highlights that only 49% of the Malaysian companies have a dedicated framework to address bribery and corruption in their organization.

This could be attributed to a lack of awareness amongst the management even though the said provision was announced by the Malaysian Government during 2018, thereby giving organizations a timeframe of 2 years to adopt to such measures.

Another reason could be the difficult circumstances surrounding the Malaysian economy, that witnessed a strong wave of COVID-19 coupled with changes in the political landscape.

Looking at the incidents of fraud, corruption, and cybercrime in Malaysia which have steadily risen from 41% in 2018 to 43% in 2020, it is of paramount importance that the management swiftly adopt and manage ethics, and anti-fraud/corruption policies.

### Key Takeaways

While drafting ABAC policies, the management should focus on following areas:

- Draft robust policies to prevent acts of bribery and corruption focusing on MACC's principles of T.R.U.S.T and based on internationally accepted standards;
- Implement whistleblower policy which includes a dashboard to track all the complaints;
- Encourage employees to speak up anonymously, if they are aware of any fraudulent or corrupt practices at workplace;
- Implement vendor onboarding and gift policies to mitigate bribery risk;
- The management must periodically review the anti-corruption policies and properly communicate with all the stakeholders;
- Use of latest technology such as Artificial Intelligence (AI) to detect and tackle such incidents at an initial stage;
- Conduct risk assessment by engaging consulting firms at regular intervals to identify areas of improvement.

### Conclusion

The Malaysian Government has taken a commendable step in its fight against corruption, but it is enormously difficult for emerging economies to adopt to such practices so rapidly.

Given the thrust on corporate governance, it is essential for the organizations to adopt to such practices and embrace them as part of their corporate culture.

*(References: The Global Economic Crime and Fraud Survey report - 2020 published by PwC Malaysia)*

The author is a Chartered Accountant (CA) and Certified Fraud Examiner (CFE) who is currently working as a Forensic Manager with Alliance IFA Sdn. Bhd. For any feedback, do reach out to him at [prakash@allianceifa.com.my](mailto:prakash@allianceifa.com.my)





ABCD, which stands for Artificial Intelligence, BlockChain, Cloud Computing, and Data Analytics/Digital Security is here & now.

The stage is set for Accountants to greet, embrace and adopt them in practice to enhance their knowledge, and adapt to the changing working environment where accuracy and speed have taken the central stage and analytics is a must to survive.

Digitalization has created a whole new world and expectation from Accountants is much higher. We need to meet these expectations.

## ABCD FOR ACCOUNTANTS



by CA Prabhat Kumar

During a discussion about Industrial Revolution 4(IR-04), I was told that new-age Accountants must know the ABCD of the digital innovation world to survive and thrive. Accountants who are of the perception that Industrial Revolution (IR.04) is yet to come and they can survive the next 5 to 10 years by using old aged techniques and handling their routine job of debtors aging, ratio analysis, cost center analysis without being tech-savvy are in fallacy.

Without adoption and upgrading themselves, these Accountants may risk getting vanished within the next 2-3 years at most as there will be no market for them.

The normal routine work is passé, in the new world Accountant's role, is not only structuring data and data sources but to work with the data more easily through machine learning and artificial intelligence.

Now the skills needed are to understand the art of managing humongous data of all types and giving meaning to the analytics.

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*ABCD is here  
and now*

They are expected to understand the data security and various aspects related to the digital finance ecosystem, future of digital money, data analytics, interpretation, and visualization using technology in finance.

Accountants are expected to highlight and influence key strategic initiatives and take them forward. They also need to find creative and innovative ways to deal with customers and competition.

There is a need to constantly assess whether they are relevant as professionals and need to adapt by acquiring additional skills and knowledge.



Similarly, Machine Learning is closely related to theories of statistical learning where machine finds predictive functions that fit the data. The System evaluates the functions and selects those that provide the most accurate forecasts and so on. As a result, decision-makers with the help of computer systems find patterns and significant correlations between variables.

It means repetitive accounting tasks of collecting numbers and performing calculations are now being transferred to ERP (Enterprise Resource Planning) systems and integrated information systems. This has allowed Accountants to spend more time providing assistance to decision-makers and decentralizing decisions.

The purpose of highlighting the above is to emphasize that Gen Z Accountants must be able to recognize the fast-changing landscape of business and its dynamics.

Almost all the Accounting Bodies across the globe are providing various facilities and conducting professional development programs to send the message across.

They are providing opportunities for their members to help them upskill themselves to make themselves relevant and fit for the digitalized business world. Malaysia Chapter of ICAI has also conducted various programs in 2021 in the area of Blockchain, AI, RPA to keep our fraternity on top of the game.

We, Accountants, are required to have hands-on experience about the evolving era driven by the conveyance of advanced technologies such as Robotics, AI, and the Internet of Things (IoT). It is now expected from us to advance our skills, which includes basic understanding and working knowledge of Robotics, Coding, Artificial Intelligence (AI), and embedded programming.

A tech-savvy Accountant is always in great demand. The recent COVID-19 health crisis has pushed Accountants to go through a transformation journey faster than expected to embrace the digitalization of numerous businesses and organizations.

This trend will continue to grow. As all industries embrace the digitalization revolution, it is natural to expect the transformation of the accounting sector as it has to run parallel to the changing environment.

As mentioned earlier, BlockChain is set to be popular as it offers strong protection of information, making fraud and lack of trust almost impossible. By having reasonable knowledge, Accountants can provide a wider range of services to their clients. Similarly, Accountants need to adopt emerging technologies like cloud computing, AI, Data Analytics, etc. to enhance their competitiveness.

BlockChain has the potential to revolutionize the entire concept of legacy accounting and the concept of dealing with operational risk including possibilities of fraud. BlockChain, which is a distributed ledger of cryptographically secured transactions in a supply chain network, can mitigate the risk of unauthorized alteration of records.

BlockChain can successfully be used in preventing government corruption. Its technology offers a singular combination of permanent and tamper-free evident record-keeping, real-time transaction transparency and auditability, and automated smart contract functionality.

A key feature of BlockChain-based solutions is transparency through decentralization, which allows parties concerned with the transaction to see and verify data. A BlockChain solution for some services could allow for independent verification of governmental claims.





For example, the Governments of certain countries are experimenting with BlockChain-based land registries (a perpetual headache for developing economy governments), enabling multiple parties to securely hold copies of the registry.

This model could help quickly resolve property disputes or prevent them altogether. When individual common man and governments share access to records that are beyond manipulation, the potential for distrust decreases.

Local governments in many countries are constantly looking to provide best-in-class service delivery to their customers. Most are finding that there are significant advantages, despite some teething problems in its implementation.

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It has features of increased transparency, accurate tracking with a permanent ledger, and cost reduction. Since it allows participants to exchange transactions with each other securely and transparently without the need for a central authority, no individual can make any alteration on his own.

Even if an alteration is made by one individual in the chain it is recorded and known to all the peers. Through this process, a verified transaction concept can involve land transactions and negotiations, so that fraudulent ownership can be prevented.

Similarly, authorization of certain transactions involving approval by various ministries, bureaucrats, and other officials can be recorded forever for future reference and the destruction of evidence will be out of the question. Issuance of a driving license and abuse by road transport authorities can be prevented once the concept of the BlockChain network is implemented.

Hence, if we Accountants are open and ready to learn and adopt the technology we will find a global market for the skills in which we have developed ourselves.

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# MEETING WITH THE HIGH COMMISSIONERS OFFICE

by CA Sudhir Kamath



The Malaysia Chapter of ICAI Committee Members met the newly appointed High Commissioner H. E. Shri B. N. Reddy at the Indian High Commissioners Office on the august evening of 11th November 2021.

The committee included Chairman Shri Sandeep Agrawal, Secretary Shri Aditya Khurana, other committee members and mentors Shri Raj Kumar Shah, Shri Renzo Viegas, Shri Prabhat Kumar & Shri Rajan Mittal.

The discussion with His Excellency was engaging and fruitful wherein the committee put forth a wide range of topics for discussion, the meeting ended with the committee inviting His Excellency to share his views via a CPE session for the members of the Malaysia Chapter of ICAI.

A brief on the topics discussed with His Excellency the High Commissioner of India to Malaysia Shri. B. N. Reddy

- VISA related issues for visitors and professionals, exploring possibilities to ease restrictions for potential candidates for industrial training
- Inputs for seminar on the 12th Malaysia Plan
- CPE session by His Excellency
- Increasing influence and involvement of professional body like MICAI in trade and industry matters

The Malaysia Chapter once again wishes to thank His Excellency for the meeting



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*CPE session by His Excellency*



# World Congress of Accountants 2022

Date: 18<sup>th</sup> to 21<sup>st</sup> November, 2022 | Mumbai, India

## WORLD CONGRESS OF ACCOUNTANTS

*18th to 22nd November 2022, Mumbai, India*

World Congress of Accountants (WCOA), popularly known as the "Olympics of the Accountancy Profession" is one of the most prestigious global event of Professional accountants under the aegis of the International Federation of Accountants (IFAC), where a conglomeration of 6000 delegates from over 130 member countries of IFAC exchange views with other Accounting and Finance professionals from around the world and engage with visionaries and leaders to bring their own expertise to the fore on a world stage.

The Congress gives the participants an opportunity to listen to world-class speakers and leaders of the finance and business community, to exchange views with other accounting and finance professionals from around the world, and to debate current issues and trends in the profession. Congress speakers include international and national standards setters, accounting organizations, accounting firms, regulators, and commerce groups.

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*Link:*

*<https://icaiauh.org/Content/WCOA-2022-Brochure.pdf>*

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(Set up by an Act of Parliament)




# Malaysia Chapter of ICAI

## Calendar 2022

## SPECIAL EVENT - MICAI CALENDAR



by *Chairman CA Sandeep Agarwal*

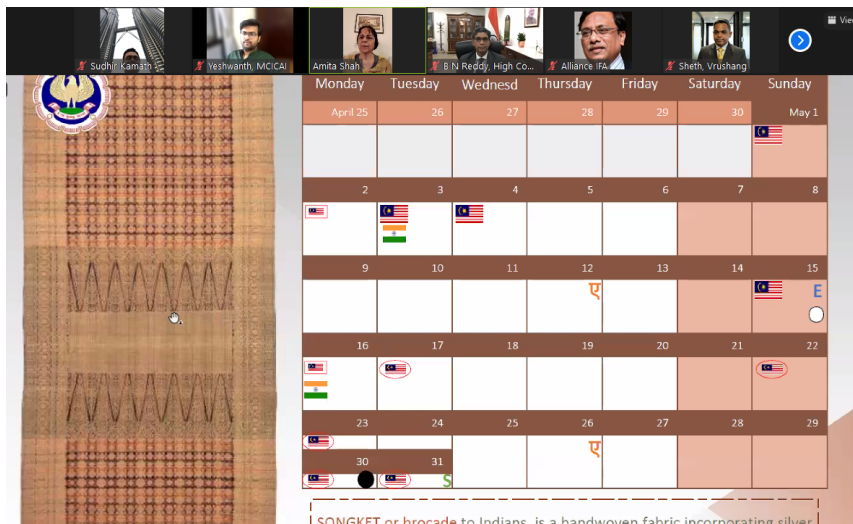
MICAI has initiated a novel concept to connect India and Malaysia by launching the exclusive MICAI Calendar which shall be designed to include various themes common to both the countries ranging from Festivals, Art & Craft, Tourist places, Historical monuments and the likes.

The idea of initiating the Calendar is to bring these countries chosen theme on the same platform and including public holidays of both Malaysia & India in a single calendar for ease of reference of users having a link to both of them. Apart from Public Holidays, the MICAI Calendar also strives to include commonly celebrated festivals in both countries, Tax deadlines and due dates for Malaysia and if design permits other features like lunar schedules to suit Indian families requiring them for references.



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*Special thanks  
to Madam  
Amita Shah*





The Calendar has been conceptualised by Chairman CA Sandeep Agarwal, Produced by Vice Chairman CA Yeshwant and Curated by Smt. Amita Shah, author of the renowned and handy book “Celebrate and Cook – Culinary Delights and Traditions of Indian Festivals”.

Amita has chosen ‘Art & Cultures of Malaysia and India’ as central theme of the MICAI Calendar for Year 2022. Curated designs includes Batik, Pottery, Rattan, Pua Kumbu, Songket and Tekat representing Malaysian Art and Bandhini, Bidriwork, Chikankari, Madhubani, Marble Stone Craft & Pashmina Shawls from Indian Art.

As Amita ji rightly puts “These two nations have a lot in common, specially in the field of Arts & Crafts. According to ancient texts, Indian traders have been coming here since ever. With them came Arts and Crafts. The list being extensive, six most well known ones from each country, are portrayed here in MICAI Calendar 2022”

In today's tech savvy world, while E-Calendar format is the in trend, but there are still quite useful needs of having a desktop version of calendar and considering ‘Back to Office Desk’ trend expected in 2022,

MICAI has launched both E-Calendar version and the Desktop versions. MICAI intends to print & distribute limited editions of 500 copies of calendar in Malaysia and E-Calendar version shall be disseminated for wide circulations.

The Calendar was launched via Online Event on 14 Jan 2022 by H. E. Shri B. N. Reddy, High Commissioner of India to Malaysia.

MICAI also invited all members of Chapter, Sponsors, Office Bearers of other India linked associations and organisations in Malaysia for the launch event.

Please connect with any of office bearers to collect your copy of the MICAI Calendar 2022.

Entire Committee of MICAI wishes all members a very Happy, Prosperous New Year 2022 and hopes MICAI Calendar 2022 is useful and serves its intended purpose.



## MICAI CPE EVENT CALENDAR FOR JAN - JUNE 2022

SUBJECT	SPEAKER	FROM	DATE	TIME	VENUE	OPEN FOR	STATUS
Business Valuations	Mr. Kuldeep	Zerin Properties	29-Jan-22	11AM - 1 PM	Online	All	DONE
Diplomacy & Ethics	H.E. B.N. Reddy	IHC Malaysia	26-Feb-22	10 AM - 1 PM	Sagar Restaurant	Members	DONE
Union Budget 2022-23	Hemal	Deloitte India	5-Mar-22	1130AM - 1230 PM	Online	All	SCHEDULED
Malaysia Tax Filings	Renga/ Tanesh	Tra Tax	12-Mar-22	11AM - 1 PM	Physical	Members & MICPA	PLANNED
Trade Finance	Mr. Pankaj Mundra	360 TF	26-Mar-22	TBD	Online	All	PLANNED
Cloud Engineering	Mr. Varun	Deloitte SEA	9-Apr-22	11AM - 1 PM	Online	All	WIP
The Future is Emotional	Mr. Sanjeev Rajput	Petronas	9-Apr-22	11AM - 1 PM	Online	All	WIP
Insurance Structuring - General	Mr. Chong	SAG Global	23-Apr-22	11AM - 12 Noon	Physical	Members & MICPA	WIP
IFRS	TBD	TBD	14-May-22	TBD	Online	Members & MICPA	WIP
<b>AGM - Annual Event</b>	<b>TBD</b>	<b>TBD</b>	<b>28-May-22</b>	<b>TBD</b>	<b>Physical</b>	<b>Invite Only</b>	<b>WIP</b>
DEFI - Decentralised Finance	TBD	TBD	11-Jun-22	11AM - 1 PM	Online	All	WIP
Insurance Structuring - Life	TBD	Manulife	25-Jun-22	12 Noon - 1 PM	Physical	Members & MICPA	WIP
SPAC - Special Purpose Acquisition Company	TBD	TBD	25-Jun-22	TBD	Online	Members & MICPA	WIP



## MICAI - FAMILY & CHARITY EVENT CALENDAR FOR YEAR 2022

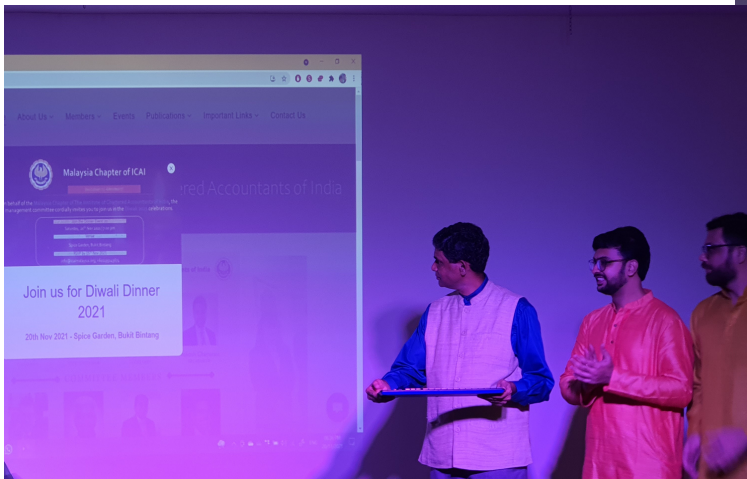
SUBJECT	TEAM	ORGANISATION	DATE	TIME	VENUE	OPEN FOR	STATUS
Calendar Launch	MICAI, IHC, Amita	MICAI	14-Jan-22	11AM - 1130 AM	Online	All	DONE
Sports Event - 1	Sudhir	MICAI	5-Feb-22	8 - 10 AM	Bangsar	Members	DONE
Charity - Q1	SA / Sweta / Others	TBD	27-Feb-22	Morning	TBD	All	PLANNED
Family Movie Night / Family Games Night	SA / Prakash	Jersey	14-Apr-22	Evening	GSC / TGV	Members	PLANNED
Charity - Q2	SA / Sweta / Others	TBD	21-May-22	Morning	TBD	All	PLANNED
Family Night Out	Committee & Mentors	MICAI	18-Jun-22	Night Stay	Mallaca / Johor	Members	PLANNED
Charity - Q3	SA / Sweta / Others	TBD	15-Aug-22	Morning	TBD	All	PLANNED
Sports Event - 2	Sudhir	MICAI	15-Aug-22	Morning	TBD	Members	PLANNED
Charity - Q4	SA / Sweta / Others	TBD	2-Oct-22	Morning	TBD	All	PLANNED
Family Diwali Dinner	Committee & Mentors	MICAI	29-Oct-22	Evening	TBD	Members	PLANNED

# Snaps

FROM THE PAST YEAR



*Charity Event by MICAI members*



*Launch of new MICAI website by HE Shri B. N. Reddy  
Diwali Event*



*Speech by HE Shri B. N. Reddy  
Diwali Event*



*HE Shri B. N. Reddy with MICAI committee & mentors*



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