MIA conference 2017
MIA INTERNATIONAL ACCOUNTANTS CONFERENCE
Expanding Horizons - Be Future Relevant

CONFERENCE PROCEEDINGS REPORT

7 – 8 November 2017 | Kuala Lumpur Convention Centre
Kuala Lumpur, Malaysia.
About MIA Conference

The MIA International Accountants Conference (MIA Conference) is MIA’s annual flagship event which provides the best avenue for insightful discussions for the accountancy profession. The MIA Conference features top notch speakers from both local and around the world. Close to 3,000 delegates from commerce and industry, public sector, public practice and academia had participated in the MIA Conference 2017.

Who Attended

• Accountants in Business
• Accountants in Public Sector
• Accountants in Public Practice
• Accounting Educators
• Management and Finance Professionals

About the Organiser - MIA

Established under the Accountants Act 1967, MIA is the national accountancy body that regulates, develops, supports and enhances the credibility status and interests of the profession in Malaysia. MIA accords the Chartered Accountant Malaysia or “C.A. (M)” designation.

Presently, there are more than 34,000 MIA members making their strides in businesses across all industries, public practices, public sector and academia in Malaysia and around the world. MIA’s international presence and connections are reflected in its membership of regional and international professional organisations such as the ASEAN Federation of Accountants (AFA), and the International Federation of Accountants (IFAC).

MIA is a leading provider of continuing professional education for the accounting fraternity. MIA won the Human Resource Minister Award under the Training Providers category for its exceptional contribution and role in the human resources development sector of Malaysia.

The MIA conference has been organised successfully for three decades and attended by participants from Malaysia as well as the Asia-Pacific region. The MIA Conference won the “National Conference for Excellence” in the Business Events category at the Recognising Award Winning Results (rAWr) Awards 2013.”
KEY HIGHLIGHTS

- Officiated by Yang Berhormat Datuk Chua Tee Yong, Deputy Minister (Trade), Ministry of International Trade & Industry
- 2,980 conference delegates from over 25 countries
- 65 top notch local and international speakers
- 52 sponsors including 9 exclusive sponsors
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**Expanding Horizons : Be Future Relevant**

Globally, technology and automation are rewiring business models and social rules thus expanding the horizons of business and the profession. Accountants and the profession must be ready to harness digital to heighten performance, marketability and future relevance. As in Malaysia, apart from this technological revolution and changing regulatory landscape, accountants must prepare simultaneously to drive ‘Transformasi Nasional 2050’ (TN50), the next-generation crowd-sourced initiative which maps Malaysia’s future paradigm shift from 2020 - 2050. TN50 aims to uplift Malaysia to the top globally across multiple dimensions: economic development, citizen well-being and innovation.

Transformation is the permanent signature theme of the MIA International Accountants Conference, an agile, adaptable and globally recognised platform for continuous learning. Featuring world-class and sought after speakers, the MIA Conference 2017 seeks to expand the profession’s horizons by empowering accountants with the latest knowledge and tools to become future relevant, while upholding the core principles of integrity, accountability and trust which have made the profession invaluable and indispensable from Merdeka to TN50 and beyond.
Yang Berbahagia Dato' Mohammad Faiz Azmi
Conference Chairman
It is my great pleasure to pen a few remarks to mark the successful closure of the MIA International Accountants Conference 2017, with the theme of “Expanding Horizons, Be Future Relevant”.

MIA expended much effort and thought in choosing this theme, because we aspire to expose accountants today to how technology, automation and digitalisation are dramatically upending legacy business models and societal norms, and literally expanding our vistas beyond the limits of the familiar and conventional. In line with this theme, the Conference content this year was heavily tech-centric, because integration of technology poses a great challenge to businesses and management everywhere, especially for small-and-medium enterprises and practices. Our hope is that this Conference serves as a conduit of change for all our delegates, and that you arrived home replete with fresh insights and transferable, practical ideas that you can apply to your own organisations.

On top of being a platform for invoking mindset change and paradigm shifts, this Conference is also an unparalleled venue for building bonds and holding profound conversations. The Conference has earned a reputation of being one of the world’s largest assemblies of accountants, where we can network with our global and regional counterparts and discuss and deliberate on the numerous issues and trends affecting the profession and our business of accountancy.

Given the success of our continuing marketing and word-of-mouth, I’m happy to report that demand for Conference tickets has been rising steadily every year, and reached a new record in 2017 of 3,000 pax. Moving forward, we are exploring new ways of using technology to ensure that we can accommodate more delegates who want the Conference experience, while maximising comfort and customer satisfaction. We launched a mobile app for MIA Conference to provide instant updates, since all of us are now mobile and app-friendly, and this will be further improved next year.

In ending, I’d like to thank all the people and stakeholders who have made this conference a reality. Our most sincere appreciation is due to the Government for its support of MIA as we strive to strengthen the profession. Special thanks to Yang Berhormat Datuk Chua Tee Yong, Deputy Minister of International Trade and Industry, whose presence and delivery of the keynote address at the Conference signals the Government’s tacit support for MIA and the profession. We are also greatly indebted to MIA’s diligent staff, our speakers who have come from far and near to generously share their expertise on the cutting-edge developments affecting the profession, and our sponsors and partners for your contributions and support.

Even as I write these words, we at MIA are already brainstorming on how we can improve on this year’s grand success to enrich your Conference experience in future. Without doubt, the Conference delivers opportunities for both collaboration and learning in abundance. I urge you to make the most of these opportunities to expand your horizons and to return next year, when we will have even more exciting content in store.

Thank you.
Once again, MIA has successfully organised our MIA International Accountants Conference 2017, which attracted a record-setting 3,000 delegates. On behalf of MIA, I wish to thank all of our stakeholders – our sponsors, speakers, staff – who ensured that the Conference went smoothly.

Through this annual Conference, the MIA aims to groom accountancy professionals to become more skilled to support nation building, as part of our charter under the Accountants Act 1967. The theme of this year's Conference is Expanding Horizons, because technology and automation are rewiring business models and social rules globally, thus expanding the horizons of business and the profession. Accountants and the profession must hence be ready to harness digital to heighten performance, marketability and future relevance.

Hence, it is very important that MIA upskill accountants, to meet the demands of the market and to drive growth. Accountants practising in Malaysia, in all segments, across the public sector and the private sector, are responsible for improving financial management and our national competitiveness. This is our expertise and currently we plan and organise more than 900 CPD programmes, events and conferences annually to support this mission.

At the same time, MIA is focusing on ethics – the core values of Integrity, Accountability and Trust. We want to infuse these values in all accountants practising in Malaysia, to support good governance, build confidence in the market and uphold public trust. By educating accountants to be ethical, we hope to inspire better compliance and enforcement, enabling the profession to be of greater service to the government, especially in areas where accountants add much value, like GST, taxation and public sector financial management.

Moving forward, MIA and the profession hope to improve our partnership with our stakeholders, especially the Government, to support nation building. At the moment, we are closely studying how MIA and accountants can support the implementation of the National Budget 2018, which seeks to improve the rakyat's welfare. MIA finds that the Budget is highly relevant to the future direction of the Malaysian economy, with the focus on digital and Industry 4.0. MIA welcomes the many allocations for developing micro entrepreneurs, which will support social welfare and better quality of life. The profession looks forward to helping these micro businesses by providing financial and management advice, especially in marketing, human resources and operations. Accountants can play an important role as trusted business partners by providing financial management and relevant business support.

At the same time, MIA thanks the Government for relevant Budget incentives that will increase the demand for qualified accountants and grow the profession, such as the tax incentive for women returning to work after their two-year hiatus and the Government's allocation of RM90 million to the Program Peneraju Professional, Skil dan Tunas. The MIA has and will continue to work with Peneraju to increase the number of Bumiputera accountants in Malaysia, to grow the talent pool and meet market demand.

As the national accountancy body, the MIA welcomes the Government's efforts to spur the country towards achieving the status of a high-income nation. We are committed to steer and support the accountancy profession to contribute towards sustainable development in Malaysia.

I trust that the MIA International Accountants Conference 2017 has helped to upskill accountants and support our nation building efforts. We hope to welcome everybody back again to next year's Conference, which we believe will deliver even more useful content and satisfaction to our members, delegates and stakeholders.

Thank you
Yang Berhormat Datuk Chua Tee Yong
Deputy Minister (Trade),
Ministry of International Trade & Industry
KEYNOTE ADDRESS
by Yang Berhormat Datuk Chua Tee Yong
Deputy Minister (Trade), Ministry of International Trade & Industry

Congratulations to the MIA on yet another successful Conference!

MIA’s learning initiatives are invaluable especially in developing talent within Malaysia and across the broader ASEAN region. This year marks the 50th anniversary of ASEAN, and the bloc has grown impressively since it was established on 8th August 1967. With a combined current GDP of approximately US$2.6 trillion, ASEAN collectively is the world’s sixth largest economy and Asia’s third largest. We are the world’s fourth largest trading power and a preferred investment destination.

ASEAN could not have been achieved these milestones without the key factor – talent. To go forward, ASEAN needs not just financially skilled but agile and savvy talent to achieve further sustainable economic and financial development in ASEAN. This is where the profession plays a vital role. The Government is cognisant and highly appreciative of MIA’s efforts to build up the capacity and competency of talent in order to support development.

MITI has been working very closely with MIA – and will continue to do so - to develop sufficient talent at the ASEAN level. Many thanks must go to MIA for its leadership and excellent work in implementing the ASEAN-level Mutual Recognition Agreement (MRA), that will drive the trade liberalisation of the key professional services sector in the AEC. MIA was pivotal in drafting Malaysia’s Assessment Statement to the ASEAN Coordinating Committee on Services and the ASEAN CPA Coordinating Committee, which was approved in May 2017. A very important outcome of this Assessment Statement is the breakthrough “ASEAN CPA designation”, that will improve talent mobility for the AEC; enabling talent to go where it is demanded by markets in the ASEAN member states and hopefully enhancing talent recruitment and retention for employers. We believe that in opening up the ASEAN market and widening and enriching prospects for ASEAN accountants, the ASEAN CPA is key. Hence, the Government would like to extend its heartiest congratulations to MIA and the ASEAN profession for successfully advancing the MRA for accountancy services liberalisation, and driving the ASEAN CPA.

As the advisor to businesses, the accountancy profession is perfectly positioned to help the entire business ecosystem. The health of an enterprise and its growth are strongly influenced by financial management abilities. Indeed, financial mismanagement ranks as a key contributor to business failure, eventually impacting overall enterprise and trade performance.

I trust the MIA will continue to work to impart financial literacy and financial management skills at all stages of organisational development, to bridge the skill and knowledge gap. Accountants can play an important role as trusted business partners by providing financial management and relevant business support. The goal is not just to improve the financial capability of business owners, but enhance business formalisation and professionalism among all businesses and institutions. In particular, MITI and MIA are collaborating closely in SME development, because SME importance cannot be overemphasised if we want to achieve sustainability. SMEs make up 98.5% of total businesses in the country; hence, any economic growth with direct linkage to SMEs would directly benefit the people. As such, the Government views SME as the driver and backbone of the Malaysian and ASEAN economy.

It is my hope that we will continue to collaborate fruitfully in future in many dimensions, and that MIA will continue to provide ground-breaking and enlightening content that will expand the profession’s horizons and take accountants on new and inspirational journeys. Together, we can chart a new path for Malaysia and ASEAN.

Thank you
OPENING CEREMONY
“Companies have to attract, develop and retain the best.”

“While digital disruption may be front and centre now, it is only one of several megatrends which are making their presence felt...”

“More disruption should be expected, across industries and all levels of society, and the profession is advised to balance disruption with business as usual.”

“Trust will be more relevant in the future.”

“Perceive digital disruption and tech as an opportunity to add sustainable value and to be more agile and appealing to succeeding generations to attract and retain talent.”
What do the challenges of the digital economy mean for the profession? Helen Brand, Chief Executive, ACCA, pulled no punches when she said flatly, “Adapt or die.” The need to develop skills has become imperative in the past few years. With the burgeoning of tech tools in the accounting industry, accounting professionals who cannot keep abreast of the digital economy in terms of adjusting their methods of work to its pace and requirements, will lose out. In fact, Brand said, research has shown that the effects of tech are already being felt, and in the ACCA’s case, tech is being applied in its exams, its qualification and its teaching.

With the advent of the digital economy has emerged disruptive competitors like Airbnb and Uber which have been major successes because of their agility and adaptability; these are now setting the standard for businesses everywhere and underscoring the need for better capture and measurement of information for improved decision making. The dynamic nature of information is radically altering the work place; CFOs will thus have to match this dynamism and evolve in tandem, moving away from traditional finance roles into leadership positions where they can expect to spearhead the charge to utilise tech in strategising for the business.

Despite the focus on digitisation and its attendant disruption, however, she emphasised that at the heart of it all, the solution was not tech or process but people. “Smart people matter.” Brand stressed. “Companies have to attract, develop and retain the best.”

While digital disruption may be front and centre now, it is only one of several megatrends which are making their presence felt, said David Christopherson, Group CEO of Black Sun Plc. Expectations of businesses are changing and today there is an increasing demand that businesses evidence their license to operate through demonstrating how they create and deliver value not just for their shareholders but also for other important stakeholder groups. Best practice corporate reporting frameworks, such as Integrated Reporting, is a powerful platform to achieve this and helps organisations to articulate how they create and deliver long term and sustainable value to their stakeholders.

<IR> aligns splendidly with the growing movement to focus on long-term value creation, including mindset change, and away from short-term returns which short-change sustainability. Siva Ramanathan, Chief Strategy Officer, Malaysia Digital Economy Corporation Sdn Bhd urged accountants to perceive digital disruption and tech as an opportunity to add sustainable value and to be more agile and appealing to succeeding generations to attract and retain talent. Further, he suggested that accounting firms consider establishing innovation labs or units where young people can actually seek resolution to these challenges.

Nazrin Hassan, Group Chief Executive Officer, Cradle Fund Sdn Bhd, cautioned that more disruption should be expected, across industries and all levels of society, and advised the profession to balance disruption with business as usual. He was optimistic, however, that the increasing application of machines will result in higher productivity and cost-effectiveness. Even so, he urged delegates to identify what machines still cannot do, and fill the gap – particularly in cultivating human relationships. “Don’t underestimate your rolodex,” he stressed.

In a similar vein, the skills needed for coping with digital disruption are not so far removed from what is needed at the core of accounting. While machines can take away the tedium of tasks, humans still have to imbue these with integrity. ‘Trust will be more relevant in the future,” said Dr Nurmazilah Dato’ Mahzan, CEO, Malaysian Institute of Accountants. Accountants should be aware of how technology works, and need to understand the new language of the digital economy in order to properly manage it. Nevertheless, tech and machines notwithstanding, business will still be built on integrity, and accountants will be the ones who uphold trust.
“We need business skills, analytical skills, and to be able to lead, while cultivating a mindset that will allow us learn, unlearn and relearn,”

Chari TVT  
Board and Board Audit Committee Member, Dialog Axiata Plc

“Importantly, CFOs need to understand and manage data science and technology better, in order to lead and strategise more effectively.”

Andrew Harding  
Chief Executive, Management Accounting of The Association of International Certified Professional Accountants

“CFOs must be able to add value beyond just the traditional areas of Finance.”

Syed Ahmad Taufik Albar  
Group Chief Financial Officer, RHB Banking Group
The current syllabus and CPD (continuing professional development) should be revised more often to keep pace with industry changes; facts from four or five years ago, in this current environment, can already be considered history”, said Andrew Harding, Chief Executive, Management Accounting, at the Association of International Certified Professional Accountants. He continued: “Importantly, CFOs need to understand and manage data science and technology better, in order to lead and strategise more effectively. Technology is already driving many aspects of business, including costing, predictive modelling and process improvements. Robotics and artificial intelligence (AI) systems are changing the way business services are delivered. Despite all this, however, human business acumen is still critical, and its development has to be ongoing”.

“We need business skills, analytical skills, and to be able to lead, while cultivating a mindset that will allow us learn, unlearn and relearn,” Harding said, adding that if accountants today thought that they could get by on what they learned 20 years ago, they would be bitterly disappointed. The other panellists agreed, with session moderator Chari TVT, Board and Board Audit Committee Member, Dialog Axiata Plc, adding that accountants were now not expected to just keep score, the way they did 25 years ago, but were also being perceived as full business partners. “Roles are changing, companies and businesses are changing,” said Chari, and divisions of labour are being dismantled. Today’s CFO knows or has to know far more than just finance because even the dynamics of the firm’s management team have changed.

Chari indicated that the role of finance will be to stay much closer to the business by proposing creative new business models, radical simplification of business processes and digitising the business for long term sustainability. He also said that it is critical for the future finance community to use analytics as a competitive differentiator to drive incremental revenue, and reduction of cost of Capex.

The CFO needs to see herself as a member of the leadership team first and foremost, and a CFO second. “Every member of the leadership team needs to have a stake in all matters that concern the company, not just in their respective areas of expertise. So each must know enough about the different functions to keep each other honest,” said Syed Ahmad Taufik Albar, Group Chief Financial Officer, RHB Banking Group. He emphasised that CFOs must be able to add value beyond just the traditional areas of Finance. Imminent change in the workplace will give rise to different opportunities as businesses evolve and Finance professionals now more than ever must work hand in hand with their business colleagues to capture those opportunities.

Another huge plus of technological advancement, added Taufik, is that digitisation and the use of artificial intelligence can reduce the cost of business by delivering solutions that are able to automate manual repetitive tasks and make them more efficient. What this means is that mundane, tedious jobs will be done by machines in the near future, and humans – particularly young people just entering the workforce – can be redeployed to achieve something more meaningful. Companies that capitalise on this stand a better chance at winning the war on talent. They’d be better able to attract the new breed of young talents who have a different mindset on the sort of jobs they are prepared to do.
“Achieving the total revenue increase of over 6% in 2018 will be a challenge…”

“Businesses can also expect more regulation in tune with global developments, such as the OECD BEPS (base erosion profit shifting) project”

“As far as the GST collection is concerned, the Government is looking at consumption GDP rather than the overall GDP growth.”

“For tax incentives, the 2018 Budget focuses on the Fourth Industrial Revolution and automation because the Government acknowledges that there is a serious issue with productivity,”

“ The introduction of the 50% tax exemption on rental income of up to RM2,000 a month is to make rented housing more affordable and to encourage voluntary disclosure on rental income.”

Dr. Veerinderjeet Singh
Group Executive Chairman, Axcelasia Inc

Datuk Noor Azian Abdul Hamid
Deputy CEO (Policy), Inland Revenue Board of Malaysia

Dato’ Sri Subromaniam Tholasy
Director General, Royal Malaysian Customs Department

MA Sivanesan
Deputy Under-Secretary (Indirect Tax & GST Policy Sector), Tax Division, Ministry of Finance

S. Saravana Kumar
Partner, Lee Hishammuddin Allen & Gledhill
Themed ‘Prospering an Inclusive Economy, Balancing between Worldly and Hereafter, for the Wellbeing of Rakyat, Towards the TN50 Aspiration’, the 2018 Budget was prepared against the backdrop of continuing global economic uncertainty, concern about sovereign downgrades and the need for fiscal discipline. Consistent with the previous budgets, the key strategies include invigorating investment, prioritising the wellbeing of the people, driving inclusive development, and fortifying the Fourth Industrial Revolution and digital economy, remarked moderator Dr Veerinderjeet Singh, Group Executive Chairman, Axcelasia Inc.

Revenue for 2018 of RM239.9b is expected to be RM14.5b higher than 2017, largely derived from the expected increased collection in respect of Income Taxes, GST and Non-tax revenue. Operating Expenditure and Net Development Expenditure for 2018 are also expected to increase to RM234.3b and RM45.4b respectively, resulting in a reduced deficit of 2.8% compared to 3% in 2017. Achieving the total revenue increase of over 6% in 2018 will be a challenge, according to Dr Veerinderjeet, considering that the GDP growth is at 5.0% to 5.5%. “As far as the GST collection is concerned, the Government is looking at consumption GDP rather than the overall GDP growth. For Budget 2018, the consumption GDP growth is estimated at 6% to 7.5%,” explained Dato’ Sri Subromaniam, Director General, Royal Malaysian Customs Department.

Labelled as a people-centric budget with a strong focus on SMEs, domestic demand and private investment will continue to be the key drivers. No new tax incentives were announced except for the personal income tax rate reduction of 2% aimed at the M40 group. Except for the Digital Free Trade Zone, there was also very little headway on digital economy. The compliance burden is expected to increase for all businesses with more tax audits in line with the higher collection target of the Inland Revenue Board (IRB).

Businesses can also expect more regulation in tune with global developments, such as the OECD BEPS (base erosion profit shifting) project which is important for tax practitioners to note. Datuk Noor Azian Abdul Hamid, Deputy CEO (Policy), IRB Malaysia explained that Malaysia is a member of the Inclusive Framework set up by the OECD and G20 countries, and thus must comply with a minimum of four out of the fifteen action plans under BEPS. One of the four concerns harmful tax practices which relate to tax incentives, and OECD has identified 17 incentives which may be classified as harmful tax practices. She added that the review by the OECD panel is still ongoing, and the recent announcement in the budget is an indication of the Government’s open commitment to OECD initiatives.

"For tax incentives, the 2018 Budget focuses on the Fourth Industrial Revolution and automation because the Government acknowledges that there is a serious issue with productivity,” remarked MA Sivanesan, Deputy Under-Secretary, (Indirect Tax & GST Policy Sector) Tax Division, Ministry of Finance. Other key tax incentives include those for hospitality and rental, with the ultimate aim of raising revenue. The Government plans to revitalise the tourism industry in line with Visit Malaysia Year 2020 via extension of tax incentives for investment in new 4-star and 5-star hotels and tour operating companies. Meanwhile, the introduction of the 50% tax exemption on rental income of up to RM2,000 a month is to make rented housing more affordable and to encourage voluntary disclosure on rental income, said S Saravana Kumar, Partner, Lee Hishammuddin Allen & Gledhill.

GST reform continued to be a key concern in ensuring a wider revenue collection objective. “When it comes to the digital economy, we are in urgent need of GST reform since we are not providing a level playing field for the service providers that provide services in Malaysia,” explained Dato’ Sri Subromaniam. For example, Iflix which is based in Malaysia pays the 6% GST, but Netflix is not taxable despite providing similar services in a similar environment. "The GST legislation on foreign suppliers or service providers is highly anticipated but the compliance and enforcement issues need to be addressed first, since the registrants are outside our jurisdiction,” concluded Sivanesan.
“Through this and squash, I learnt how to be disciplined, focused, learnt time management, to be very dedicated in what I do, be hardworking and fair play.”

“I’ve always followed three guidelines throughout my life: set realistic goals and achievable dreams, be kind to yourself and give yourself a chance, and have passion in whatever you do.”

“Being at the top is amazing obviously, but nobody tells you what it feels like; there are no tutorials on how to be world no 1 or a world champion.

Datuk Nicol David
8 Time
World Champion
She credits her sportsman father, Desmond David, and former school teacher mother, Ann Marie for her success. Both to this day continue to shape her as a person. “My dad was always encouraging my sisters and me to play any sports. Through this and squash, I learnt how to be disciplined, focused, learnt time management, to be very dedicated in what I do, be hardworking and fair play,” Nicol enthused. “It also helped me learn about team building and how to work as a team. Those values are difficult to instill in a kid, but sports allowed me to do that.”

Unsurprisingly, squash ultimately gave her the fundamentals to succeed in life. Nicol first discovered squash at the age of five when the coach to her two elder sisters, Cheryl and Lianne, thrust a racket into her hands to keep her occupied. “I began hitting the balls at the court– then at home. Mom would return from school and find marks on the wall because I simply enjoyed hitting. But she wouldn’t get angry.”

Nicol also credited her coaches for inspiring her to aim higher. Starting with the psychological game her first coach played with her in her first competition at 9 years old – offering an ice cream treat as a reward if she could hit 10 balls to the back of the court. She succeeded, and “after that, the incentives just got better.” After her first competition at age 9, and encouraged by her then coach’s game plan, Nicol never stopped setting goals and targets.

But getting her parents’ blessings in all her decisions was as important as goal setting. “When I wanted to transition from playing juniors to the pros, it was important for me to get my parents’ blessings,” because she would have had to give up – or even postpone – college. But the continued backing of Malaysia’s National Sports Council and a winning streak that included triumphing at the Asian Games at just 14 years old in 1988 convinced her that a successful professional career was possible.

“I’ve always followed three guidelines throughout my life: set realistic goals and achievable dreams, be kind to yourself and give yourself a chance, and have passion in whatever you do.” These helped ease her decision to move her training base from Malaysia to Amsterdam in 2003 at just 18. Here she worked with Liz Irving, then ranked No. 2 in the world. “That was the turning point in my life. Liz broke down everything for me – my techniques, tactics, style of playing. She opened up my mind to what a top squash player should be. It was not easy.”

What surprised them both was how fast Nicol would move up the world rankings with Liz’s tutelage. In 2005, Nicol leapt from No. 8 in the world to No. 4 in just one year. Along with the big wins, Nicol had big upsets but took them in her stride. “I was losing because I wanted to practice all these new things, but the main thing I had was trusting (that) Liz knew what she was doing, and trusting her to take me to the top.”

Eventually, she earned her first world title in Hong Kong in 2006, at 22. “Being at the top is amazing obviously, but nobody tells you what it feels like; there are no tutorials on how to be world No. 1 or world champion. I played tournaments and lost a few, I just couldn’t perform, didn’t know what was expected of me. I had to learn this was something I had achieved, now what?” It was not until her win in Belfast in the 2006 World Open that she finally figured it out. As she reached the finals and then won her second world title, she knew then what she wanted to be was the best squash player ever.
LUNCH & ENTERTAINMENT SNAPSHOTS
“There will be uncertainty about economic policies, including on trade, in some advanced economies, while geopolitical tensions in the region are high and rising.”

Dr. Richard Record
Lead Economist, The World Bank

“I think for the first time in 200 years, the Chinese will be back on top in terms of being the number one economy in the world, which is ideally expected given its population.”

Noel Clehane
Global Head of Regulatory & Public Policy, BDO

“Much is dependent upon the Brexit deal but it is incredibly important for UK companies to know what the deal is going to be so they can actually plan and drive and start to take out a more global perspective.”

Nick Parker
President, ICAEW

“Brexit will be positive for Malaysia because the UK is one of its largest trading markets.”

Dato’ Charon Wardini Mokhzani
Managing Director, Khazanah Research Institute
What are the headwinds for the global and Asian economy, and how should businesses, policy makers and governments respond?

In his introduction, moderator Dr. Richard Record said that, “There will be uncertainty about economic policies, including on trade, in some advanced economies, while geopolitical tensions in the region are high and rising.” Furthermore, he expects: “Possible tightening of global financing conditions as monetary policies in the US and the Euro Area normalise while levels of private sector debt remain elevated and continue to rise.”

Outlining the top risks to Asia, Dato’ Charon Wardini Mokhzani, Managing Director, Khazanah Research Institute said that one, there were risks to global trade from protectionism and a tangible shift to services and the experiential economy, two, financial risks and three, geopolitical risks.

Brexit is a political risk, and Nick Parker, President, ICAEW, remarked that Brexit’s largest problem is the current state of uncertainty. “Much is dependent upon the Brexit deal but it is incredibly important for UK companies to know what the deal is going to be so they can actually plan and drive forward and start to take out a more global perspective.”

Meanwhile, Noel Clehane, Global Head of Regulatory & Public Policy, BDO, described Brexit as a wake-up call for the EU to reenergise trade as an engine of growth. He enumerated the EU’s moves to advance trade negotiations with Australia and New Zealand, and the signing of an Economic Partnership Agreement with Japan that should morph into one of the world’s largest trade agreements. He predicted increased interest in a region-to-region free trade agreement with ASEAN, as Europe is the largest foreign direct investor into ASEAN and ASEAN’s second largest trade partner after China. “There is an increased awareness that Europe needs to trade its way back to prosperity. There’s also recognition that we and North America are in relative decline and I think for the first time in 200 years, the Chinese will be back on top in terms of being the number one economy in the world, which is ideally expected given its population.”

Although uncertainty surrounds Brexit, Charon predicted that Brexit will be positive for Malaysia because the UK is one of its largest trading markets. The UK is expected to pivot to Malaysia and other Commonwealth nations in the wake of Brexit.

Given that Brexit is considered a more remote risk, policymakers and businesses here are more focused on ironing out regional challenges. The ASEAN free trade zone (AFTA or ASEAN Free Trade Area) is not quite the EU, but the closest thing we have to a regional economic compact,” said Charon. Governments are pushing businesses, including SMEs to look at participating in the ASEAN market and take full advantage of the ASEAN Economic Community (AEC), but this is difficult for SMEs, who have trouble even filling out the customs forms and complying with rules of origin. “Beneficiaries of the AEC will tend to be the large ASEAN companies, and even more so, the large Japanese companies or the large American companies,” he added.

Specific to Brexit, businesses affected, not just UK companies, must do scenario planning, said Clehane. “There are about four million businesses in the EU 27 supply chain with connections to the UK that are either importing or exporting components or finished goods.” These businesses will be relatively affected, particularly when the UK leaves the EU Customs union, which will result in added paperwork and trade barriers. “In planning for the interconnectedness of supply-chains around the world, companies particularly midsized and larger need to have some type of lobbying capacity to lobby governments for the best possible outcomes in terms of EU-Brexit arrangements.” Unfortunately, lobbying for reduced barriers to trade and investment will be more difficult particularly for vulnerable small companies.

Asked whether 2017 was more risky than usual, the panelists admitted that the world is becoming more volatile and uncertain. But their advice is for businesses to just accept these conditions and get on with it, because conditions and timing will never be perfect. Sanguinely, the Malaysian economy has become more resilient to economic shocks, and since the 1997 crisis, every Asian economy has tried to be more diversified and ensure they can withstand future shocks, said Charon. In short, summed up session moderator Dr. Richard Record, Lead Economist, The World Bank, Asia and the global economy are more prepared than in the past.
“I think there is recognition in the industry that we have met the halal part. Now the question is the toyyiban part.”

“VBI is the next growth driver of Islamic finance in generating positive and sustainable impact.”

“The balance sheets of Islamic banks, what we see today, may or may not be there moving forward for the next one year, two to three years. There are going to be a lot of changes.”

“SDG is not about stopping at the legal requirement of shariah but going beyond that.”

Dato’ Mohammad Faiz Azmi
Chairman, International Accounting Standards Board’s Islamic Finance Consultative Group

Dr. Hamim Syahrum Ahmad Mokthar
Deputy Director Islamic Banking and Takaful Department, Bank Negara Malaysia

Malkit Singh Maan
Group Chief Financial Officer, BIMB Holdings Berhad

Prof. Dr. Mohamad Akram Laldin
Executive Director, International Shari’ah Research Academy
Islamic finance can play a catalytic role in achieving the United Nations' Sustainable Development Goals (SDGs), which aim to shape a more sustainable future for society and environment. These 17 SDGs are: no poverty; zero hunger; good health and wellbeing; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions; and partnerships for the goals.

The session moderated by Dato’ Mohammad Faiz Azmi, Chairman, International Accounting Standards Board’s Islamic Finance Consultative Group, solicited the views of regulators, industry and scholars on how best to link Islamic finance and sustainability. One key mechanism is Value-based Intermediation (VBI). Dr. Hamim Syahrum Ahmad Mokhtar, Deputy Director, Islamic Banking and Takaful Department, Bank Negara Malaysia (BNM) said VBI is “the next growth driver of Islamic finance in generating positive and sustainable impact.” To date, BNM working together with industry have produced a strategic paper on VBI; a VBI implementation guide and VBI scorecard for impact assessment are also being developed.

Two key drivers behind VBIs are going beyond compliance to assess outcomes and co-operation. Eleven shariah standards have been issued so far. “Now, we want to see how Islamic banks achieve the objectives of shariah, the maqasid (goals) of shariah. It’s not just observation of shariah requirements but also assessing whether the financing we have given is providing impact,” said Dr. Hamim. Co-operation entails cooperating within the competitive environment. “VBIs is where the nine Islamic banks work together in the community of practitioners to help each other and share the kind of practices needed to achieve the end goal,” said Dr. Hamim.

The focus on VBI and SDGs opens up new vistas for Islamic banks, with the industry exploring the rent-to-own model for property and venturing into areas such as green tech financing and green sukuk. “That (green sukuk) will also help us in terms of BASEL III requirements as well as the new requirements that are coming up in terms of NSFR (net stable funding ratio),” said Malkit Singh Maan, Group CFO, BIMB Holdings Berhad.

Offering a scholarly perspective, Prof Dr. Mohamad Akram Laldin, Executive Director, International Shari’ah Research Academy, said that the Islamic finance agenda must go beyond shariah compliance towards impact assessment. “SDG is not about stopping at the legal requirement of shariah but going beyond that. We should not only fulfil fiqhi (legislative) requirements but always look at the impact of whatever we are doing – the social agenda, community development and everything has to be encompassing.” The industry must assess whether what it is doing really benefits society, he urged.

For instance, halal versions of credit cards and personal financing exist but do they perpetuate a debt-ridden society? Akram also suggested that VBI might shift the industry towards the risk sharing model away from the risk transfer model, which is not really viable and has perpetuated financial and social crises.

In his summing up, Dato’ Faiz playfully referred to a fast food chicken brand, which is permissible but unhealthy for the consumer – halalan but not necessarily toyyiban. “I think there is recognition in the industry that we have met the halal part. Now the question is the toyyiban part.”
The roles least likely to be automated are knowledge-based management positions, which usually sit outside of shared services.

Integrated Cumulative Grade Point Average is being implemented to enable employers to assess academic credentials, social engagements and personality traits...

The World Economic Forum predicts that by 2020, one-third of the desired skills that we would need are not skills that we consider as crucial today.

However, the expectations that are changing is that CFOs are moving from being pure navigators to becoming co-pilots who are still expected to navigate.

Siti Norliza Mohd Sahar
Director, Talent & Digital Entrepreneurship, MDEC

Prof Dr. Noor Azizi Ismail
Deputy Director General of Higher Education, Ministry of Higher Education, Malaysia

Karen McWilliams
Sustainability Leader, CAANZ

Charles Tilley
Chairman, IFAC Professional Accountants in Business Committee
Are the robots going to take over our jobs? Given the increasing importance of automation as a strategic business priority, Deloitte conducted a survey with shared services and business services leaders from a wide range of industries in the UK and Europe in 2015. “The results indicated that although the executives have been focusing on automation for some time, yet over 56% of roles in a typical UK finance function could still be automated, namely payroll managers, credit controllers, financial administrators and finance managers. The roles least likely to be automated are knowledge-based management positions, which usually sit outside of shared services,” shared session moderator Siti Norliza Mohd Sahar, Director, Talent & Digital Entrepreneurship, Malaysian Digital Economy Corporation Sdn Bhd.

“Technology has been around for a long time. It is the pace of change and the resulting degree of uncertainty that has increased. This has brought about creative destruction where some jobs get lost, but new ones are then created. There are jobs that are still to come that we won’t even comprehend now. The World Economic Forum predicts that by 2020, one-third of the desired skills that we would need are not skills that we consider as crucial today. We then need to learn the relevant skills to progress,” advised Karen McWilliams, Sustainability Leader, CAANZ.

Given that Malaysia needs approximately 60,000 tech-savvy accountancy professionals to deliver value in a digital economy by 2020, the Malaysia Education Blueprint 2015-2025 (Higher Education) has included a ‘Redesigning Higher Education’ focus to include disruptive tech with goals to prepare graduates for the digital economy as they enter the workforce. “These include several initiatives such as 3U1I, MOOCs and iCGPA,” said Prof Dr. Noor Azizi Ismail, Deputy Director General of Higher Education, Ministry of Higher Education (MoHE), Malaysia.

“For 3U1I, MoHE is in negotiations with a few professional accounting bodies to implement 3 years in university and 1 year of coaching on the job in the industry. MOOCs (Massive Open Online Courses) support life-long learning and e-learning by bringing universities to the device and device to the universities. This is not simply about making content online, but also enables knowledge seekers to pick and choose content from different curriculums and universities to be tailored to their individual needs. China is already many steps ahead with its MOOEs (Massive Open Online Experiments),” shared Prof Dr. Noor.

“Lastly, the iCGPA implementation - Integrated Cumulative Grade Point Average is being implemented to enable employers to assess academic credentials, social engagements and personality traits to include assessment on soft skills, e.g. critical thinking, communication skills and entrepreneurial skills. In contrast, the current CGPA is very academically-driven,” elaborated Prof. Dr. Noor.

“To thrive in the new digital world of ideas and talent, it is the leaders who will need to bring all the diverse parts together. To achieve this, the 6Cs of inclusive leadership are vital: cognisance, curiosity, cultural intelligence, collaboration, commitment and courage,” said McWilliams. In the digital economy, the fundamental role of the finance function hasn’t changed. CEOs still expect CFOs to provide security, controls and input into business strategy.

“However, the expectations that are changing is that CFOs are moving from being pure navigators to becoming co-pilots who are still expected to navigate,” said Charles Tilley, Chairman, IFAC Professional Accountants in Business Committee. CFOs are expected to deputise for the CEO and have an end-to-end understanding and experience of the business model. Tilley noted that there are numerous examples of leaders who have run businesses prior to taking on a CFO role. An example is the CFO of Tesco who used to be the CEO of Thomas Cook before taking on the CFO role. Ultimately, trust and reputation continue to be key even in the world of digital economy, and these are embedded in the role of professional accountants.
“Accountants must continuously play strong governance roles as trusted partners, emphasising accountability and practising transparency and good governance especially where public funds were concerned.”

— Dato’ Haji Muhammad Redzuan Abdullah
Executive Director, Surveillance & Enforcement MIA

“...it was exceedingly difficult to introduce changes to government — but that restructuring of ministries was an ongoing process.”

— YB Senator Datuk Paul Low Seng Kuan
Minister, Prime Minister’s Department

“...the distinguishing mark of the accountancy profession has always been to act in the public interest...”

— Claire Grayston
Policy Advisor - Audit and Assurance - Policy & Corporate Affairs, CPA Australia
How well are we running our country? Does everyone get a say? Are people getting left behind? Can accountants – the gatekeepers tasked with maintaining integrity and ensuring accountability – do better? This session moderated by Dato’ Haji Muhammad Redzuan Abdullah, Executive Director, Surveillance & Enforcement, MIA, saw input from YB Senator Datuk Paul Low Seng Kuan, Minister in the Prime Minister’s Department and Claire Grayston, Policy Advisor, Audit & Assurance, CPA Australia.

Dato’ Redzuan’s quick opening overview covered the civil service and its current design, achievements and flaws. Although generally well-maintained and tolerably efficient, the main difficulty appeared to be the sustaining of enforcement that is tied to political will. The public sector could do with less bureaucracy and reckless spending, for instance, and more discipline in reforming lackadaisical attitudes, stemming leaks and combatting corruption. Examples of areas that could be improved included the size of the Prime Minister’s Office (and the increased budget allocation thereto), the appointment of too many ‘leaders,’ allowing too much fractionalisation and increasingly frequent GLC bail-outs, and appointing ministers or politicians to GLC Boards.

Suggesting several ways to improve public sector governance, he said the following could be considered: formulating policies that met needs; stopping the politicisation of the civil service; better supervision of subordinates by senior officers/leaders; avoiding conflicts of interest in financial matters; separation of ministerial functions; improved policy design based on more consultation; implementation of more efficient asset declaration practices; independent evaluation of public projects; and sanctioning institutions and officials for not following rules or not avoiding corruption.

While these were all doable, implementing them will take time. Dato’ Redzuan said that accountants must continuously play strong governance roles as trusted partners, emphasising accountability and practising transparency and good governance especially where public funds were concerned. Accountants needed to be good governance partners and imbue the business with ethics and discipline, two factors necessary for enhancing sustainable growth in the long term. Greater accountability was required for the protection of the public. Dato’ Redzuan said, because those in power were still apt to misuse it. “A culture of integrity will create a culture of compliance,” he stressed further.

In response, Datuk Low pointed out that accountants must continuously play strong governance roles as trusted partners, emphasising accountability and practising transparency and good governance especially where public funds were concerned. Accountants needed to be good governance partners and imbue the business with ethics and discipline, two factors necessary for enhancing sustainable growth in the long term. Greater accountability was required for the protection of the public. Dato’ Redzuan said, because those in power were still apt to misuse it. “A culture of integrity will create a culture of compliance,” he stressed further.

In the case of the International Federation of Accountants (IFAC), the distinguishing mark of the accountancy profession has always been to act in the public interest, emphasised Claire Grayston, reiterating that the fundamental ethical principles in the Code of Ethics for professional accountants underpin their trusted roles in the public sector. Professional accountants through the professional accounting bodies have a lot to contribute to public policy through lobbying the government, commenting on policy drafts, drafting legislation and implementing it, Claire observed, and the Auditor-General then has an important role in evaluating the implementation of public policy and assessing accountability in the public sector through financial and performance audits. She noted that all professional accountants, including those in the public sector, have an individual responsibility to take action if they suspect or identify non-compliance with laws and regulations, however whistle-blower protection was critical for those reporting such matters.

As Malaysia prepares for the transition from cash to accruals accounting in the public sector, Claire Grayston reflected that the Australian transition 20 years ago was challenging as many agencies were unprepared. To enable a smooth transition, Claire highlighted, it will be important for the Malaysian public sector to prepare early by capturing the data needed for opening balances, establishing the necessary systems, developing staff capability through training and leveraging off the professional accountants experience of accruals accounting in the private sector.

Ultimately, “We cannot run away from politics,” stated Datuk Low. “Sometimes decisions have to be made for political dividend - but these must still have a high degree of governance.” He said the newly formed Jabatan Integriti dan Tadbir Urus Negara (JITN) is spearheading the initiatives to institutionalise the way governance is practiced in the public sector. One such initiative is the formation of a committee to review the governance practices in the more than 2,000 state-owned enterprises (SOEs) existing today, examining among others the selection criteria for board members, board independence and conflict of interest policies.

Public governance, concluded Dato’ Redzuan, started with individual ethics, then was passed on to the environment. As individuals and members of the profession, accountants play a fundamental role in preserving and upholding public governance, to create a better world.
“... although patients need to have a right to consult Dr Google for self-treatment, it is prudent to reach out to the family doctor for medical advice.”

Leon Jackson
Director,
Digital Enterprise Solutions & Innovation, Strateq Group of Companies

“Based on our studies, the primary motivators for people wanting to adopt a healthy lifestyle are their family and children”

Dr. Hariyati Shahrima Abdul Majid
Chief & Health Psychologist, Naluri Life

“To achieve health goals, you would need a holistic approach that encompasses having SMART targets, i.e. Specific, Measurable, Attainable, Realistic and Time-based targets. Going on crash diets to lose weight simply doesn’t work.”

Dr. Benjamin Cheah
Consultant Physician & Rheumatologist, Pantai Hospital Kuala Lumpur
To achieve health goals, you’d need to have a holistic approach that encompasses having SMART targets, i.e. Specific, Measurable, Attainable, Realistic and Time-based targets. Going on crash diets to lose weight simply doesn’t work. Nor do chilli wraps. There is no quick fix!’ quipped Dr. Benjamin Cheah, Consultant Physician & Rheumatologist, Pantai Hospital Kuala Lumpur.

“Nothing beats having the discipline to follow through on the actions required to achieve the targets. Having a supportive environment is equally important too. Targets set need to work for you and your lifestyle and need not adhere to someone else’s expectations of what should be achievable. Also, get your partner to buy an item of clothing that is one size smaller!’ joked Dr. Cheah when discussing weight loss, a struggle that many Malaysians face.

Before embarking on a health transformation journey, it is vital to assess and be aware of the intrinsic motivations of doing so. It isn’t as simple as being positive and pushing through the transformation.

“Based on our studies, the primary motivators for people wanting to adopt a healthy lifestyle are their family and children - being able to do the daily physical tasks of playing with their kids,” shared Dr. Hariyati Shahrima Abdul Majid, Chief & Health Psychologist, Naluri Life.

Dr. Hariyati introduced the Digital Health Program to be delivered via an app that Naluri Life plans to release for trials in early 2018 to support healthy lifestyle changes via self-belief, self-determination and self-care. Naluri Life is a new Malaysian health tech start-up co-founded by Azran Osman-Rani and Dr. Hariyati.

As part of the onboarding process to the Digital Health Program, a Health Risk Assessment is done based on self-declared input factors that affect the current lifestyle. Subsequently, the health coaches start a conversation on how healthy lifestyle changes can be initiated. A 16-week preventive health programme, comprising a 12-week phase with active coaching and guidance from professional psychologists focusing on various aspects of mental and physical well-being, followed by a 4-week period of independent self-care, is then created.

Technology such as health apps and wearables are here to stay. Smart watches or activity trackers have a behavioural impact as it allows competition with friends or virtual challenges and gives greater insight to your own body. Wearable technology is also moving towards detection – sensors to detect the elderly falling or even arrhythmia detection, although the inputs are of questionable reliability currently.

On the hot topic posed by the audience of the priority of work-life balance amongst Asian employers and its impact on mortality, Dr. Cheah commented that morbidity is a bigger concern, rather than mortality due to the sedentary nature of white collar jobs. As an example, Dr. Cheah cited increasing complaints of neck or shoulder aches attributable to prolonged use of laptops where the laptop's monitor is below eye-level forcing the user to be hunched over at an unnatural angle for the human body. He suggested the use of external monitors and keyboards to address this issue.

Dr. Hariyati urged HR professionals to undertake an ergonomics assessment of human capital to reduce the job hazards and increase productivity. Psychologists also provide training to manage stress and burnout avoidance.

The human touch still counts, even in the digital era. ‘Given the ever-increasing fake news available on social media, although patients have a right to consult Dr Google for self-treatment, it is prudent to reach out to the family doctor for medical advice,’ said Jackson in summing up. Trust is vital between the doctor and the patient and without this baseline, it is pointless to move forward with treatment as both parties will likely be at loggerheads with each other. If necessary, patients should seek a second medical opinion before embarking on a course of treatment.
“Technology is an enabler for selling, and one should not be afraid of it.”

Amnah Shaari
CEO & Founder, Global Halal Data Pool

“When you are less exposed to science and tech things, like for example how easy it is to do coding, you have the fear of going into the field, because you don’t hear about it, you don’t know how to do it.”

Sarene SK Lee
Country Manager, IBM Malaysia

“... women make up the larger portion of graduates in Malaysia, yet they represent only 29% of the science, technology, engineering and math (STEM) workforce.”

Salika Suksuwan
Human Capital Leader, PwC

“We need to ask ourselves: why the significant dip? Is it because we’re holding ourselves back from the type of work available out there?”

Christopher Tock
Founder & Chief Social Strategist, Social Grooves Solutions Sdn Bhd

“Women tend to fear taking on leadership roles. And they take tech as a fear factor. But anyone can start a digital platform and start selling online.”

Sumitra Nair
VP - Talent & Digital Entrepreneurship, MDEC
In preparation for TN50, the Government is focusing strongly on STEM, setting aside RM250 million to set up a STEM Centre in Budget 2018. But while this policy shift is welcome, there also needs to be a mental shift in how girls and young women are encouraged to pursue STEM. Challenging stereotypes starts with families and society, and mothers play a driving role in advocating change. Sarene Lee, Country Manager, IBM Cloud, IBM Malaysia said that we have to change the conversation. “Dads talk cars and science with their sons. Mothers share fashion, cooking and how to take care of the family with the daughters. So when they go out with their friends, these are what boys and girls talk about amongst themselves because it’s what they’re exposed to. When you are less exposed to science and tech things, like for example how easy it is to do coding, you have the fear of going into the field, because you don’t hear about it, you don’t know how to do it.”

Sumitra Nair, Vice President of Talent & Digital Entrepreneurship at Malaysian Digital Economy Corporation (MDEC), noted that while women’s participation in STEM subjects at university level is high, with women accounting for more than half of the graduates and undergraduate enrollment, numbers dip significantly upon graduation and joining the workforce. “We need to ask ourselves why the significant dip? Is it because we’re holding ourselves back from the type of work available out there?” she asked.

The good news is there are a lot of opportunities now for women. At MDEC, tech programmes are gender-neutral and are made to be digitally inclusive, explained Nair. Women comprise more than half of the participants in programmes such as e-usahawan that trains micro-entrepreneurs on how to do online business, and e-rezeki, an online freelancing job site where you can bid for jobs collectively.

In preparation for TN50, the Government is focusing strongly on STEM, setting aside RM250 million to set up a STEM Centre in Budget 2018. But while this policy shift is welcome, there also needs to be a mental shift in how girls and young women are encouraged to pursue STEM. Challenging stereotypes starts with families and society, and mothers play a driving role in advocating change. Sarene Lee, Country Manager, IBM Cloud, IBM Malaysia said that we have to change the conversation. “Dads talk cars and science with their sons. Mothers share fashion, cooking and how to take care of the family with the daughters. So when they go out with their friends, these are what boys and girls talk about amongst themselves because it’s what they’re exposed to. When you are less exposed to science and tech things, like for example how easy it is to do coding, you have the fear of going into the field, because you don’t hear about it, you don’t know how to do it.”

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Clearly, the opportunities for women to thrive in tech are available, but women themselves need to build confidence. Christopher Tock, Founder & Chief Social Strategist, SocialGrooves.com said, “Women tend to fear taking on leadership roles. And they take tech as a fear factor. But anyone can start a digital platform and start selling online.”

Amnah Shaari, CEO & Founder Global Halal Data Pool, urged women to think of tech as an enabler. “I don’t even have a degree in tech. When I started my business with Omni Channel, words like ‘meta tagging’ and ‘semantic web’ were so alien to me, and I was so afraid of being called stupid when I’m supposed to be the businesswoman. And you know what? That’s exactly it – this is business. Technology is an enabler for selling, and one should not be afraid of it.” Today, 70% of the SMEs on her platform are women from villages who aspire to a better life. They have the spirit, so how do you help them? With technology.”

Sumitra concurred. “Technologies are breaking down barriers, democratising a lot of roles that are previously male dominated. To make it mainstream, all hands need to be onboard, like policies – ensure there’s diversity and that it’s all encompassing. On the homefront – even if we can’t change our husbands, we can change our sons – to make them understand that there’s no difference between girls and boys.” She praised the recent budget - such as mandating childcare facilities in all new buildings and providing 90 days maternity leave - as women-friendly. “There is lots more to do, but if it comes together, then the barriers will disappear, making it easier for women to not only participate but to excel in technology careers.”
"... the importance of fully understanding the scope of the standard to eliminate those contracts that are not applicable under MFRS 15."

"With approximately 12 million customers and numerous customised plans, the streamlining of product features and the design of the packages are essential."

"MFRS 15 has made clear distinction between the standard warranty and the extended warranty ..."

"Misidentification of a contract will lead to misidentification of the performance obligation."

Which specific industries might be most impacted by MFRS 15? “The consensus worldwide indicates that the telecommunication industry will be the most affected by this standard..."
In September 2014, the Malaysian Accounting Standards Board issued MFRS 15 *Revenue from Contracts with Customers*, which is effective for the financial period beginning on or after 1 January 2018. Moderator Rasmimi Ramli, Head, Financial Reporting & Assurance Department, MIA opened the discussion by outlining the 5-step model prescribed in the standard. She also emphasised the importance of fully understanding the scope of the standard to eliminate those contracts that are not applicable under MFRS 15.

Which specific industries might be most impacted by MFRS 15? "The consensus worldwide indicates that the telecommunication industry will be the most affected by this standard, but in Malaysia there are other key industries that are also affected such as property development, OEM manufacturers and utility providers. In general, the impact cuts across all industries," commented Thong Foo Vung, Partner, KPMG Malaysia.

Byran Khoo, Asia Pacific Deputy IFRS Leader, EY elaborated that telcos that offer free phones with the service fees currently do not recognise any revenue on the phone. However, under the new standard, the phone is considered as a separate performance obligation; therefore, the contract's transaction price has to be allocated to the phone which will result in higher revenue recognition upfront.

Another issue facing the telcos involves the customised contracts with their corporate clients; in order to comply with MFRS 15, the telcos need to analyse the revenue arrangement within each contract carefully. "With approximately 12 million customers and numerous customised plans, the streamlining of product features and the design of the packages are essential," clarified Jennifer Wong Chui Fen, CFO, Celcom Malaysia Bhd.

In implementing MFRS 15, Wong stressed that the journey embarked on by Celcom involved multi-function participation as the requirements under the new standard go beyond the accounting function and trigger changes across the business. By starting the MFRS 15 implementation early, the team, especially the lines of business, have ample time to understand the impact of the products on the revenue and eventually their KPIs. She further added that the implementation programme is a continuous process as over time, changes in customers' behaviour and requirements will lead to demand for new products that need to be designed in line with the requirements of MFRS 15.

On the subject of identifying the performance obligation, Independent Accountancy Education & Training Consultant, Michael Wells cited provision of warranty as one of the examples. MFRS 15 has made clear distinction between the standard warranty and the extended warranty, whereby the extended warranty or any warranty that is paid separately is accounted for as a separate performance obligation. With regards to a distinct performance obligation, Wells clarified that the first criterion is to determine whether the customer can benefit from the contract individually on a stand-alone basis. The second criterion, which is much more challenging, is whether the promise to transfer the good or service is separately identifiable from other promises in the contract. In terms of identifying the performance obligation in a contract, Khoo commented that the complexity sometimes arose because of the misunderstanding of step one which is identifying the contract. "Misidentification of a contract will lead to misidentification of the performance obligation," concluded Khoo.

Some industry-specific issues on MFRS 15 are also being deliberated and addressed by the MIA Financial Reporting Standards Implementation Committee (FRSIC). Thong, who chairs the FRSIC working group on property development, highlighted that consensus has been reached for the continued use of percentage of completion or over time as the method of revenue recognition for residential properties. FRSIC also concluded that the method used in calculating the percentage of completion under the old FRS 201, which excludes the land cost, can still be used under the new standard. One of the major issues which FRSIC is still deliberating concerns common infrastructure such as connecting roads, schools etc. that are promised by the developers. The main debate is whether these promises are construed as a contractual obligation to the customers, hence it is regarded as a separate performance obligation and therefore can delay revenue recognition.

In conclusion, the panellists offered some parting tips. One, understanding the full scope of MFRS 15 is key in the successful implementation of MFRS 15. Two, avoid being too generic since each contract is unique, and each item in the contract will affect the resulting accounting treatment. Three, seek advice from experts including lawyers, especially on contract-related matters. Four, consider the systems’ changes that are required in implementing the standard. Last but not least, engagement across the organisation is crucial, especially with the lines of business, since the responsibility of implementing MFRS 15 does not rest with finance alone, and the obligations promised in the contracts will have significant bearing on the revenue recorded.
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“Companies understood that they had to say more, and this leads to greater trust and transparency in the capital markets.”

“For auditors, this is a significant opportunity to display their understanding of the entity and the tremendous amount of work that goes into the audit.”

“While investors’ feedback shows they want heightened disclosure, audit committees must balance between telling too much and being transparent enough for the sake of governance.”

“... audit documentation is very important to show their thought processes and how they arrive at the KAMs.”

“The quality of the KAMs in terms of their clarity and informative value is equally, if not more, important.”

Simon Tay Pit Eu
Executive Director, Professional Practices & Technical, MIA

Lee Tuck Heng
Chairman, Auditing and Assurance Standards Board, MIA

Claire Grayston
Policy Advisor - Audit Assurance, CPA Australia

Datuk Mohd Nasir Ahmad
Audit Committee Chairman, CIMB Group Holding Berhad

Alex Ooi
Director, Audit Oversight Board, Securities Commission Malaysia

Chiew Chun Wee
Head of Policy, Asia Pacific, ACCA
The Enhanced Auditors’ Report (EAR) took effect on the audits of financial statements for financial periods ending on or after 15 December 2016, and this session sought to review the progress of its implementation in Malaysia to date and to chart the way forward.

Session moderator Simon Tay, Executive Director, Professional Practices and Technical, MIA set the tone by presenting findings from the recent study conducted by MIA, Audit Oversight Board (AOB), and Association of Chartered Certified Accountants (ACCA) - entitled First Year Review of EAR in Malaysia. The study examined 190 annual reports of companies with December 2016 year-end, polled close to 170 survey respondents and included highlights from focus group discussions with almost 20 audit committee members and investors.

Tay noted that Malaysia reported an average of 2.09 key audit matters (KAMs) per company based on the 190 auditors’ reports. The “usual suspects” that appeared as KAMs were areas involving significant management judgement – impairment of goodwill topped the list along with impairment of receivables and valuation of inventories, significant risk areas most susceptible to misstatements, particularly revenue recognition, and significant events or transactions during the year. Highest KAMs were reported in finance, construction, properties and technology sectors.

The study also measured expectations and responses. Notably, 78% of audit committees and 73% of investors agreed that EAR is an improvement over the previous audit report. A total of 86% of audit committees and 67% of investors reported deeper insights into financial reporting risks. In general, said Tay, audit committees are overwhelmingly more in favour of EAR and believed it contributed to audit quality. While investors’ responses were encouraging, they asked for more insights into management’s view, and 81% of investors wanted audit committees to articulate and share their views on KAMs to “hear two sides of the story.”

The panellists unanimously agreed that EAR is a tremendous change in the landscape of auditing, and that they expect key behavioural changes and benefits going forward. Lee Tuck Heng, Chairman, Auditing and Assurance Standards Board, MIA, said that the EAR enhances communicative value and leads to clearer and more prolonged discussions with management and those charged with governance and enhanced disclosures in financial statements. “Companies understood that they had to say more, and this leads to greater trust and transparency in the capital markets.”

Claire Grayston, Policy Advisor, Audit & Assurance, CPA Australia lauded the change from boilerplate to a more informative audit report. “For auditors, this is a significant opportunity to display their understanding of the entity and the tremendous amount of work that goes into the audit. This reinforces the value of audit.”

Speaking from the perspective of the audit regulator, Alex Ooi, Director, Audit Oversight Board, Securities Commission Malaysia, remarked that auditors have become more cognizant of their risk assessment process, including how auditors identify risks which are then funnelled down to KAMs. He advised auditors that audit documentation is very important to show their thought processes and how they arrive at the KAMs.

Chiew Chun Wee, Head of Policy, Asia Pacific, ACCA, pointed out that it is important that the number of KAMs reflects a complete list of matters that were of the most significance in the current period’s audit and is not artificially reduced. The quality of the KAMs in terms of their clarity and informative value is equally, if not more, important. He suggested that KAMs are a valuable tool for engagement; investors should be encouraged to use them to start a dialogue with the companies and their auditors.

Going forward into the second year of EAR, Datuk Mohd Nasir Ahmad, Audit Committee Chairman, CIMB Group Holdings Berhad said that there is still uncertainty and this is a learning process. One issue concerns the extent of disclosure. While investors’ feedback shows they want heightened disclosure, audit committees must balance between telling too much and being transparent enough for the sake of governance. He recommended that audit committees make more reference to the KAMs in their audit committee reports to ensure alignment, and that preparers must improve to ensure that they meet the required standard of competency.

In the interests of driving audit quality upwards, auditors must avoid boilerplate audit reports, reiterated Ooi. He advised audit partners to be more involved in the KAM identification and drafting process, as their industry experience is key to understanding the clients’ business. Furthermore, Ooi called upon audit committees to play key roles in driving improvements in companies’ finance and accounting functions and preventing boilerplate disclosures. For the same reasons, investors were also urged to ask more pertinent questions relating to KAMs during Annual General Meetings (AGMs) to the directors and management. All parties involved in EAR must play their part to heighten audit quality and ultimately, confidence and trust in the market. The panellists also noted that they would be looking for the resolution and outcomes in the following year in respect of to the KAMs and issues that had been raised.
“A standard operating procedure (SOP) should be put in place to safeguard the directors, officers and managers’ interest, given that there is a provision for recovery of distribution in CA 2016 ...”

Samantha Tai
CEO,
Boardroom Corporate Services (KL) Sdn Bhd

“The philosophy of the legislator has been moving since the beginning of regulatory landscape from a ‘Thou shalt not’ mindset to a ‘Thou shalt’ one, which is more burdensome.”

Philip Koh Tong Ngee
Senior Partner,
Mah-Kamariyah & Philip Koh

“The time frame for the solvency to be in effect differs from 6 months for share buybacks to 12 months for dividend payouts, redemption of preference shares, reduction of share capital and financial assistance,”

Jimmy Ng
Former Partner & Head of Restructuring,
KPMG Jakarta
Some of the key changes discussed were: introduction of the no-par-value-regime; being able to undertake a capital reduction without a court order; introduction of flexible financial assistance; introduction of solvency statements by directors; and redeemable preference shares redemption from capital. Tai noted that the primary challenges faced thus far during the transition period were: one, difference in views on CA 2016 interpretation; two, disclosure of beneficial owners in private companies; three, applicable legislation for audited financial statement; and four, solvency test and solvency statement requirements.

The CA 2016 introduces three sections for solvency test, solvency statement and liabilities in the event the company is not solvent, namely Sections 112, 113 and 114 respectively. In a nutshell, the solvency statement indicates that the company can pay its debt as and when it falls due for a predefined number of months in the future. “For redemption of preference shares, reduction of share capital and financial assistance, these new sections in CA 2016 have gone beyond the cash flow solvency test and into the balance sheet solvency test where the assets must be greater than liabilities including contingent liabilities. The time frame for the solvency to be in effect differs from 6 months for share buybacks to 12 months for dividend payouts, redemption of preference shares, reduction of share capital and financial assistance,” shared Jimmy Ng, Former Partner & Head of Restructuring, KPMG Jakarta.

However, for these recent inclusions, the CA 2016 is silent on the need of the directors to adduce evidence at the point of making the solvency declaration. “A standard operating procedure (SOP) should be put in place to safeguard the directors, officers and managers’ interest, given that there is a provision for recovery of distribution in CA 2016 and the downside of a penalty including imprisonment of up to 5 years and/or fine of up to RM500,000. As an example, perhaps an email should be put in written record to be issued to all directors prior to the dividend payout to indicate that solvency is not affected before the payment,” suggested Tai.

Commenting on the onus of proof that directors now have with the CA 2016, Philip Koh Tong Ngee, Senior Partner, Mah-Kamariyah & Philip Koh said, “The philosophy of the legislator has been moving since the beginning of regulatory landscape from a ‘Thou shalt not’ mindset to a ‘Thou shalt’ one, which is more burdensome. Traditionally, professionals such as lawyers and accountants are tasked with being gatekeepers, with the job of assisting corporate owners and directors. However, with the CA 2016, the definition of a director now includes the CEO, CFO, COO and any other person primarily responsible for the management of the company. With this, an internal financial officer is now caught in this whole gamut of regulatory constraints. This is troubling to both conscience and conduct.”

Directors cannot delegate their accountability and responsibility to those providing expertise. In taking any actions against a company, CCM will look at other mitigating circumstances that may have affected the director’s decisions at that point of time. Hence, with the changes, there is a big market for Directors and Officers (D&O) Liability insurance now, to provide indemnity. However, such insurance should not enable reckless behaviour but is meant to commensurate with the risks being taken on by directors in the case of omissions or mistakes. Directors also have the right to inquire for independent legal or financial advice.
“All the tax amendments that have happened around the world revolved around value creation.”

Sathya Kumar
CEO & Founder,
Tycoon + Advisor

“To keep abreast of digital, tax practitioners need to revamp their way of doing business, with the help of technology...”

Dr. Veerinderjeet Singh
Group Executive Chairman,
Axcelasia Inc

“The fast-paced changes in technology present companies with the flexibility to structure their businesses and change their operations which leaves tax administrators further behind.”

David Lyford-Smith
Technical Manager IT & The Profession, ICAEW

“Data management is dynamic. Although the information is initially only available to the authorities through legislation, technology advancement has made this information available to the public.”

Mahmood Daud
Deputy Chief Executive Officer (Tax Operation), Inland Revenue Board of Malaysia

“In line with business realities, tax authorities will need to focus on determining what are the core income-generating functions of a business and where such functions are performed.”

Sivakumar Saravan
Executive Director,
Crowe Horwath First Trust Tax Pte Ltd
How do we identify and tax value in the digital economy? Setting the scene, moderator M Sathya Kumar, CEO & Founder of Tycoon + Advisors, India, noted that all the tax amendments that have happened around the world revolved around value creation; the challenge in the evolving digital economy is to identify the value creation and tax the businesses accordingly.

Today, the main tax challenge in the digital economy is the legal uncertainty for taxpayers and tax administrators, which could lead to BEPS (base erosion profit shifting), compounded by the lack of a ‘nexus’ for tax purposes in determining the jurisdiction for tax. Identification and treatment of intellectual property and the use of data analytics as well as the characterisation of payments such as cloud computing also pose challenges in the digital economy.

To keep abreast of digital, tax practitioners need to revamp their way of doing business, with the help of technology, either in dealing with the clients or the tax authorities, recommended Dr Veerinderjeet Singh, Group Executive Chairman, Axcelasia Inc. Tax practitioners should also keep up with BEPS, because the digital economy is within the scope of the OECD BEPS project; the OECD has issued a draft Action 1 that addresses the tax challenges of the digital economy. The final report, to be issued in April 2018, will shape the direction that tax authorities will adopt, based on the recommendations outlined in the report.

David Lyford-Smith, Technical Manager IT and The Profession, ICAEW, noted that the existing tax rules and laws are built for 19th- or 20th-century companies, and not 21st-century companies, compounding tax challenges. The fast-paced changes in technology present companies with the flexibility to structure their businesses and change their operations which leaves tax administrators further behind.

For tax authorities, the challenge is in applying the traditional Permanent Establishment (‘PE’) concept to the digital economy, said Sivakumar Saravan, Executive Director, Crowe Howarth First Trust Tax Pte Ltd. This is because, in the digital economy, it is possible for a business to avoid having a fixed place of business in the countries from which it derives income. Therefore, in line with business realities, tax authorities will need to focus on determining what are the core income-generating functions of a business and where such functions are performed. This in itself will pose challenges as digital businesses can be highly decentralised and fragmented.

Further, there is a need to amend the way PE is defined in the tax treaties. As such, countries are considering alternative methods, such as the equalisation levy that has been implemented in India, to impose tax on digital services provided by non-residents.

On laws governing the sharing of information, Dr Veerinderjeet highlighted that Country-by-Country Reporting (‘CbCR’) and Exchange of Information (‘EOI’) are essentially the same, except that CbCR applies to large corporations which meet the threshold and EOI to certain taxpayers. Whether the information will be made public depends on the respective country’s legislation. On the subject of secret comparables (a term used in the transfer pricing context to denote a comparable whose data is not disclosed to the public or the taxpayer but known only to the tax authority which is making the transfer pricing adjustment), Mahmood Daud, Deputy CEO (Tax Operation), IRB Malaysia commented that “data management is dynamic. Although the information is initially only available to the authorities through legislation, technology advancement has made this information available to the public.”

Moving forward, Sivakumar believes that tax planning will only become obsolete if there is a single unified taxation system that is acceptable to tax jurisdictions worldwide. However, given the competing interests amongst the countries and their respective economic objectives, in reality this is not possible. Hence, “there will still be opportunities in tax planning, but at the regional or global scale as companies move into digitisation and operate at the regional or global level.” The message to tax practitioners would be to move up the value chain and look into consultancy, concluded Sivakumar.
“It isn’t a question of if an organisation is going to be impacted by cyber crime, but rather a question of when.”

Alain Boey  
Chief Transformation Officer  
Media Prima Berhad

“Evaluating and prioritising the critical asset that needs to be protected is crucial to optimise the spend.”

Dani Michaux  
ASEAN and ASPAC Cyber Security Lead, KPMG Malaysia

“Cyber security spend could range between 10% to 20% of the IT expenditure. There also needs to be tone from the top.”

Alan See  
Co-founder and Chief Executive Officer, Firmus Sdn Bhd

“As trivial as it sounds, staff need to be reminded time and again to follow safe practices when browsing the web...”

Sharifah Roziah Mohd Kassim  
Specialist, CyberSecurity Malaysia
“Cybercrime is typically run as a professional, albeit unethical business with profit as the primary motivator,” shared Dani Michaux, ASEAN and ASPAC, Cyber Security Lead, KPMG Malaysia. Cybercrime cost the global economy a whopping US$450 billion in 2016 and as such, cyber risk needs to be taken as seriously as any other risk a business faces today, such as investment or operational risk.

“Organisational resiliency and continuity planning are not just technical matters for the IT Head. Various other functions need to be involved – from the corporate communications team which is a key stakeholder of a multi-functional incident response team, to the risk management team which needs to determine the quantum of cyber insurance the business pays to limit the downside,” continued Michaux.

Responding to Boey’s question of the appropriate quantum of spend on cyber security, Dani noted that evaluating and prioritising the critical asset that needs to be protected is crucial to optimise the spend.

As an arguably subjective guideline, Alan See, Co-founder and Chief Executive Officer, Firmus Sdn Bhd suggested that the cyber security spend could range between 10% to 20% of the IT expenditure. There also needs to be tone from the top. “The Securities Commission guidelines released in October 2016 put the onus of oversight and prioritisation of cyber risk management on the board of directors, rather than the CIO or the IT head. This helps organisations understand the criticality of this spend”.

There are three vital areas of focus within the cybersecurity framework. First is the technology spend on hardware or software to support detection and prevention of cyber threats such as firewall, anti-virus and intrusion prevention systems. Second is up-to-date processes and security policy. Examples shared included ensuring updates to End of Life software and operating systems, and having regular anti-virus software updates to also include anti-ransomware and periodical testing of backups stored either offline or offsite. Lastly, given that people are the weakest link, because they own the end-points that are typically ground zero of most attacks, awareness creation via education is critical.

“As trivial as it sounds, staff need to be reminded time and again to follow safe practices when browsing the web, to exercise caution when opening mail attachments and not to follow unsolicited web links in emails from unknown senders,” advised Sharifah Roziah Mohd Kassim, Specialist, CyberSecurity Malaysia. She further shared that in the first three quarters of 2017, over 70% of the reported cyber incidents in Malaysia were due to fraud and intrusion.

Sharifah urged incidents to be reported to the Cyber999 Help Centre. Contact details can be obtained on http://www.mycert.org.my. “Although CyberSecurity Malaysia cannot solve the specific cyber crime, however we are able to provide education on how to clean up after such an incident and support (victims) with preventive measures,” said Sharifah. CyberSecurity Malaysia also conducts hands-on training and technical presentations on computer security-related topics.

Finally, be on guard. It isn’t a question of if an organisation is going to be impacted by cyber crime, but rather a question of when. It is also very possible that breaches could have happened without our knowledge but symptoms just have not surfaced yet, as clearly illustrated by the recent publicised Malaysian national data breach estimated to have occurred as far back as 2012. As such, organisations need to undertake an overall review of their cyber defence programmes with a sense of urgency.
“MIA would not bring to you the solution because it is your prerogative to decide, we will bring you to the world of digital ecosystems through awareness and training programmes.”

Dr. Nurmazilah Dato’ Mahzan
CEO, MIA

“tech is helping humans, for human betterment.”

Toh Beng Siew
Chief Financial Officer, IBM Malaysia

“All of this technology is going to come; the machine and the AI. But it’s not about the technology; it’s about me and my relationship with my client.”

Anthony Staltari
Xero’s Partner Consulting Director For Asia

“machines would benefit humans by ‘freeing up time’ and enabling people to be more creative and productive.”

Marc Palker
Principal, MPP Associates, Inc

“How quickly can we use and adopt these technologies to enhance competency and capabilities?”

Timothy Ho
SEA Finance Transformation Leader, Deloitte Southeast Asia
Managing Digital Innovation: Way Forward for Accountancy Profession

How will technology and digital innovation transform the profession and how should accountants respond?

Industrial Revolution 4.0 – encompassing developments such as cyber security, augmented reality, big data, autonomous robots, additive manufacturing, simulation, systems integration, cloud, and internet of things – will impact all segments of the profession, said session moderator Dr. Nurmazilah Dato’ Mahzan, MIA CEO. She touched on the results of the MIA Technology Survey 2017, which identified key barriers to technology adoption and the top 5 technology trends affecting members: cyber security, big data and analytics, automation, online services, and payment systems and mobile. Finally, she played a video featuring Sam, the automated bricklayer costing half a million dollars, to a hushed audience.

Although Sam stirred primal fears of human obsolescence, the panelists were unanimous that machines will complement humans rather than substitute for them. Toh Beng Siew, Chief Financial Officer, IBM Malaysia, assured delegates that “tech is helping humans, for human betterment.” For example, IBM’s flagship WATSON uses analytics to detect areas of risk and for routine processes i.e. to process expense claims and red flag errors and potential fraud. Humans will always be needed because humans are training these machines, Toh emphasised.

Marc Palker, Principal, MPP Associates Inc, likewise felt that machines would benefit humans by ‘freeing up time’ and enabling people to be more creative and productive. Anthony Staltari, Xero’s Partner Consulting, Director for Asia endorsed that accountants leverage tech and innovation to enhance relationships with clients, and to move from yearly engagements to monthly engagements. “All of this technology is going to come; the machine learning and the AI. But it’s not about the technology; it’s about me and my relationship with my client. No-one else has got that and if I can help enhance their business, that’s what we need to learn.”

When it comes to barriers to adoption, Timothy Ho, SEA Finance Transformation Leader, Deloitte Southeast Asia shared that overwhelming technology choices are a top challenge. Previously, businesses usually opted for an ERP (enterprise resource planning) system from a finite number of providers. Now, businesses must be able to ask vendors these questions: “How does this better support the business? How quickly can we use and adopt these technologies to enhance competency and capabilities?”

Meanwhile, Staltari said that more connectivity is needed in order to leverage technologies such as blockchain, AI and machine learning. “If we look at where we are today, a lot of the systems are silos. The first step is actually getting connected and moving into the cloud.” Connectivity is also essential given the wide choice of vendors out there that are innovating at a frenzied pace. “Because businesses are innovating so quickly, we need to be able to start for those systems to connect. That’s where you really need to get to: what system am I going to be using and how can I make them talk to each other to eliminate processes?”

To overcome financing challenges, Toh recommended seeking opportunities to “turn capex into opex.” She said that CFOs prefer vendors who combine tech and financing expertise to come up with the right structure to maximise opex and corporate structures.

Although costs are often cited as a barrier, Ho pointed out that systemic, hardware and software costs have dropped significantly, so much so that businesses should be agile and “try out what you think works best.”

Since the profession is synonymous with assurance, Toh urged accountants to explore block chain, an immutable distributed ledger that records transactions to “help build trust.” IBM’s global financing unit has embarked on blockchain and this has improved the business dispute resolution time along with providing the business an overview of all transactions from invoice to the delivery. “In the process, visibility along the chain is enhanced with lesser risks of information tampering and improved trust among peers. Going forward, we will continue to leverage block chain for inter-company transactions and documentation, with the aim of building a transparent hyper ledger”.

In concluding, Dr. Nurmazilah assured members that while “MIA would not bring to you the solution because it is your prerogative to decide, we will bring you to the world of digital ecosystems through awareness and training programmes”. The upcoming MIA Digital Economy Blueprint is similarly not a solution, but a guide so members can figure out the best solutions for their circumstances. In their wrap-up comments, panelists urged delegates to get on board with digital, map out their next steps, and network extensively to access communal resources and guidance.
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