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**(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)**



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# Turning Malaysia into a global accountancy hub

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Accountancy has been one of the most popular courses our young talents have signed up for with many Malaysian institutions of higher learning which have a long history of offering world class accountancy degrees and professional qualifications.

In recent years, a very high number of Malaysian accountancy students have won world prizes – I have personally interacted and worked with some of them and find them of exceptional quality.

Currently, there are more than 35,000 qualified accountants in Malaysia; the target is to grow the number to 60,000.

Indeed, Malaysia holds the highest number of Asean CPA among the Asean countries, 698 out of 2,724 as of March 31.

Out of about 600 Multimedia Super Corridor (MSC) companies that are undertaking global shared services in Malaysia, nearly 30% are involved in business services within which accounting is a major service offering, generating numerous high-paying jobs.

Many Multinational Corps (MNCs) have chosen Malaysia to house its finance and accountancy hub for good reasons, key success factors for the country include ample supply of quality resource with multi-language skillsets, decent infrastructure especially IT, lower operating cost, conducive operating environment including stable government, diversified and inclusive society, business friendly government offering tax incentive and flexible immigration policy.

Although Malaysia has done reasonably well in this space, some countries in this region like India, China and Philippines seem to be leading the pack, hence the need for Malaysia to relook at its competitive edge and find ways to strengthen it arises.

What has worked well for us?

We have a very established ecosystem consisting local and foreign higher learning institutions that offer world class accountancy courses, young talents that are passionate with accountancy, a supportive government that provides funding to develop accountancy talents, a business-friendly government policy that offers tax incentives to attract MNCs to set up their operations in Malaysia, creating job demand for young and experienced accountants.

Citing an example, MICPA as a local professional body has played a pivotal role in producing high quality accountants through its joint MICPA-CAANZ programme, offers accreditation with dual qualifications awarded by Malaysia, Australia and New Zealand.

A clear example of government funding to spur the accountancy profession is the allocation of RM17.5mil over the next five years to Malaysia Professional Accountancy Centre (MyPAC) to produce 600 qualified bumiputra accountants towards meeting the goal of 3,000 bumiputra accountants in the near future.

What else need to be done?

The continuous collaboration among the stakeholders including the professional bodies, the government, regulators, academicians and industry on the development of relevant syllabus and industry training are vital in preparing future-ready professionals that possess the relevant skillsets.

Key competencies for the future of work that may be expected of an accountant include robotic process automation, data analytics, cyber security, IT audit, forensic, valuation, and finance transformation.

There is a need to conduct a holistic review of the Malaysian accountancy development programme both at the pre and post graduate stages, aiming at positioning Malaysian accountants ahead of the curve.

The advent of technology and the embarkation on Industry 4.0 globally disrupt many conventional responsibilities of an accountant, potentially rendering massive job redundancy.

An impact study of Industry 4.0 on the accountants and how the entire Malaysian accountancy profession should embrace the rapidly changing landscape has to be initiated.

We need to create more high-paying jobs to retain our talents. We are discouraged to see our well-developed talents leave the country due to inability to find a suitably qualified job.

In this regard, the government plays a key role in attracting more MNCs to set up their global or regional hubs here.

The MSC tax incentive has been effective and should continue. Loss of revenue would be insignificant given that the shared service hub, being a cost centre, usually operate under a cost-plus model.

The government should remain open with the immigration policy to allow foreign talents with the right skillsets to work in Malaysia.

A global or regional hub has to have a truly diversified and inclusive work environment in order to serve clients in multiple jurisdictions.

I have seen local talents, having worked hand in hand with foreign talents, show accelerated progress in knowledge acquisition and thereafter assigned with regional leadership roles.

Frequent business travellers often lament about the speed of our Internet. We need to create a world class business environment to host the MNCs - in this respect, massive investment to upgrade our IT infrastructure can be justified.

To enhance the competitiveness of Malaysian accountants, a holistic digital transformation programme including cloud computing, audit software, data analytic tools etc for accounting firms, which is an integral component of the broader accountancy profession, is imperative.

Funding from the government will be impactful for smaller and mid-size accounting firms to adopt new technology, and automate data processing such that human intervention can be focused on higher value-add activities.

Our accounting and consultancy firms should sharpen their competitive edge, broaden and deepen their service offerings to capture opportunities that arise domestically and internationally.

To do that, ample resource in terms of human and financial capitals are critical.

Therefore smaller firms should be encouraged to merge to create bigger and stronger firms.

Tax incentives for mergers of accounting firms such as stamp duty exemption, deduction of related cost would be useful.

#### Conclusion

Whilst we have done reasonably well in building a robust ecosystem for our accountancy profession to thrive and gain recognition in the international business arena, stiff competition is emerging globally.

Industry 4.0 is infiltrating every walk of life, the accountancy profession included. We have to keep up with the changing trends and all stakeholders in the ecosystem play an imperative role collectively to continually produce young accountants and re-skill the existing accountants that are of world class quality that can meet the future of work required of an accountant.

A special call-out is to create sufficient number of high-paying jobs to keep our best talents in the country, contributing towards attaining our Shared Prosperity Vision 2030.

This article is contributed by Yee Wing Peng, a Council member of The Malaysian Institute of Certified Public Accountants (MICPA). The views expressed is entirely his and does not necessarily represent that of MICPA.

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