

**SUMMARY OF AMENDMENTS**  
**REVISED AUDIT OVERSIGHT BOARD (AOB) HANDBOOK FOR RECOGNITION OF FOREIGN AUDITORS**  
**(Date of Issuance: 13 June 2024)**

The following table provides a summary of key amendments to the revised *AOB Handbook for Recognition of Foreign Auditors* (Handbook) issued on 13 June 2024:

| <b>A. Overview</b>  |  |  |  |
|---|--|--|--|
| <ol style="list-style-type: none"><li>1. Pursuant to a holistic review, the Handbook was revised with the aim to provide greater clarity and consistency in the requirements. The key amendments include, among others, enhancements to the criteria and conditions of recognition.</li><li>2. Housekeeping amendments throughout the Handbook, including stylistic or formatting changes and necessary changes of an editorial nature such as renumbering and rephrasing of certain requirements and contents, standardisation of terminology, updating of information and alphabetical order.</li></ol> |  |  |  |

| <b>B. Amendment Highlights</b> |                              |   |  |
|--------------------------------|------------------------------|---|--|
| <b>No.</b>                     | <b>Prior to 13 June 2024</b> | <b>Revised Version Dated<br/>13 June 2024</b> | <b>Comments</b>  |
| <b>Chapter 1: Introduction</b> |                              |   |  |
| 1.                             | Notes in Chapter 1           | Paragraph 1.01                                | Repositioned the notes to this new paragraph to provide emphasis that the Handbook is issued under Section 158 of <i>Securities Commission Malaysia Act 1993</i> (SCMA) and has the effect of a guideline. |
| 2.                             | Paragraphs 1.01 – 1.02       | Paragraphs 1.02 – 1.03                        | Amended for better clarity and consistent with the provision in the SCMA.  |
| 3.                             | Paragraph 1.03               | -   | Repositioned to Chapter 3.   |

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| 4.                             | Paragraph 1.04               | Paragraph 1.04                                | Amended to provide greater clarity that the Handbook provides the framework for the recognition of the auditor of a foreign listed entity.   |
| 5.                             | Paragraph 1.05               | -   | Deleted as this paragraph is no longer relevant.   |
| 6.                             | -                            | Paragraphs 1.05 – 1.06                        | Inserted new paragraphs for consistency with other guidelines.   |
| <b>Chapter 2: Definitions</b>  |                              |   |  |
| 7.                             | Paragraph 1.06               | Paragraph 2.01                                | <p>Repositioned to Chapter 2 on Definitions.</p> <p>Inserted the following new definitions of—</p> <ul style="list-style-type: none"> <li>• 'applicable quality standards' to provide greater clarity;</li> <li>• 'foreign listed entity' to refer to a corporation incorporated outside Malaysia and listed on the Malaysian stock exchange; and</li> <li>• 'foreign individual auditor' to provide clarity on references made to the same.</li> </ul> <p>Amended the definitions of 'engagement quality reviewer', 'foreign audit firm' and 'monitoring partner' to provide greater clarity.</p> <p>Deleted definition of 'International Standard on Quality Control 1 (ISQC 1)' as the term is no longer being used in this Handbook.</p> |

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|  |                              |   | Deleted definitions of 'recognised auditor', 'public interest entity' and 'relevant foreign authority' as the terms have been defined in the SCMA.   |
| <b>Chapter 3: Recognition under the SCMA</b> |                              |   |  |
| 8.   | Paragraph 1.03               | Paragraphs 3.01 – 3.02                        | Repositioned and amended to provide better clarity on the recognition requirement under the SCMA.  |
| 9.   | Paragraph 2.03               | Paragraph 3.03                                | Repositioned and amended to provide greater clarity.   |
| 10.  | Paragraph 2.03A              | Paragraph 3.04                                | Repositioned and amended to provide greater clarity.   |
| 11.  | -                            | Paragraph 3.05                                | Inserted new paragraph to provide greater clarity on the requirement for the recognised auditors who wish to continue auditing a foreign listed entity upon expiry of the validity period of 12 months from the effective date of recognition. |
| <b>Chapter 4: Recognition Criteria</b>       |                              |   |  |
| 12.  | Paragraphs 2.01 – 2.11       | Paragraphs 4.01 – 4.02                        | Repositioned and amended to enhance the recognition criteria applicable to the foreign audit firm as well as simplifying the criteria for clarity.   |

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| 13.   | Paragraphs 3.01 – 3.08       | Paragraphs 4.03 – 4.04                        | Repositioned and amended to enhance the recognition criteria applicable to foreign individual auditors as well as simplifying the criteria for clarity.   |
| <b>Chapter 5: Conditions of Recognition</b> |                              |   |   |
| 14.   | Paragraphs 4.01 – 4.03       | Paragraphs 5.02 and 5.04                      | Amended to provide greater clarity.   |
| 15.   | -                            | Paragraph 5.03                                | Inserted new paragraph to require compliance by a recognised auditor of any condition imposed by the AOB at all times.  |
| 15.   | Paragraph 4.04               | Paragraph 5.05                                | Amended to— <ul style="list-style-type: none"> <li>• provide greater clarity on certain conditions;</li> <li>• impose new conditions by requiring recognised foreign audit firm to provide immediate notification to the AOB if it is aware that any of its recognised auditor is no longer fulfilling the recognition criteria and ensure that the foreign individual auditors comply with the conditions imposed by the AOB; and</li> <li>• impose new condition by requiring foreign audit firm to have minimum of three foreign individual auditors.</li> </ul> |
| 16.   | -                            | Paragraph 5.06                                | Inserted new paragraph to stipulate the time frame to fill the vacancy of individual auditors recognised by the AOB if the number of individual auditors falls below the minimum requirement.   |

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| 17.                                     | Paragraph 4.05               | Paragraph 5.07                                | Repositioned and amended to provide greater clarity on certain conditions.  |
| <b>Chapter 6: Submission Procedures</b> |                              |   |   |
| 18                                      | -                            | Paragraph 6.02                                | Inserted new paragraph to clarify on the submission of the recognition application together with relevant supporting documents must be submitted via email at the specific email address.   |
| 19.                                     | -                            | Paragraph 6.03                                | Inserted new paragraph to clarify that the processing of the application will only begin once the submission is complete, i.e. the application has been submitted via email and the payment of the recognition fee has been made. |
| 20.                                     | -                            | Paragraph 6.04                                | Inserted new paragraph to clarify the responsibility of the applicant to ensure the completeness and accuracy of the information provided in the relevant forms.  |
| 21.                                     | -                            | Paragraph 6.05                                | Inserted new paragraph to clarify that the AOB may return any incomplete application or application which does not comply with the requirements of the Handbook.  |
| 22.                                     | Paragraphs 5.04 – 5.05       | Paragraphs 6.06 – 6.07                        | Amended to provide greater clarity.   |
| 23.                                     | Paragraph 5.07               | Paragraph 6.08                                | Repositioned and amended to provide greater clarity on the timing and mode of the payment of recognition fee.   |

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| 24.  | Paragraph 5.06               | Paragraph 6.09                                | Repositioned and amended to make reference to <i>the Securities Commission Malaysia (Audit Oversight Board) (Fees) Regulations</i> in respect of the recognition fees of a foreign individual auditor.                            |
| 25.  | Paragraph 4.04(i)            | Paragraph 6.10                                | Repositioned and amended to provide clarity on the submission of inspection report issued by relevant foreign authority.  |
| 26.  | -                            | Paragraphs 6.11 – 6.12                        | Inserted new paragraphs to provide greater clarity on matters that require notification to the AOB.   |
| 28.  | Paragraphs 5.08 – 5.11       | Paragraphs 6.13 – 6.21                        | Amended to combine and streamline the requirements on the withdrawal of recognition for foreign audit firms and foreign individual auditors.  |
| 29.  | -                            | Paragraph 6.22                                | Inserted new paragraph to clarify that the application for extension of time to comply with condition of recognition must be submitted within the stipulated timeframe, accompanied with justifications and supporting documents. |
| <b>Appendix 1: List of supporting documents to be submitted with application for recognition</b> |                              |   |   |
| 30.  | -                            | -   | Amended to provide clarity on the additional supporting documents needed for purpose of recognition of foreign audit firm and foreign individual auditor.   |