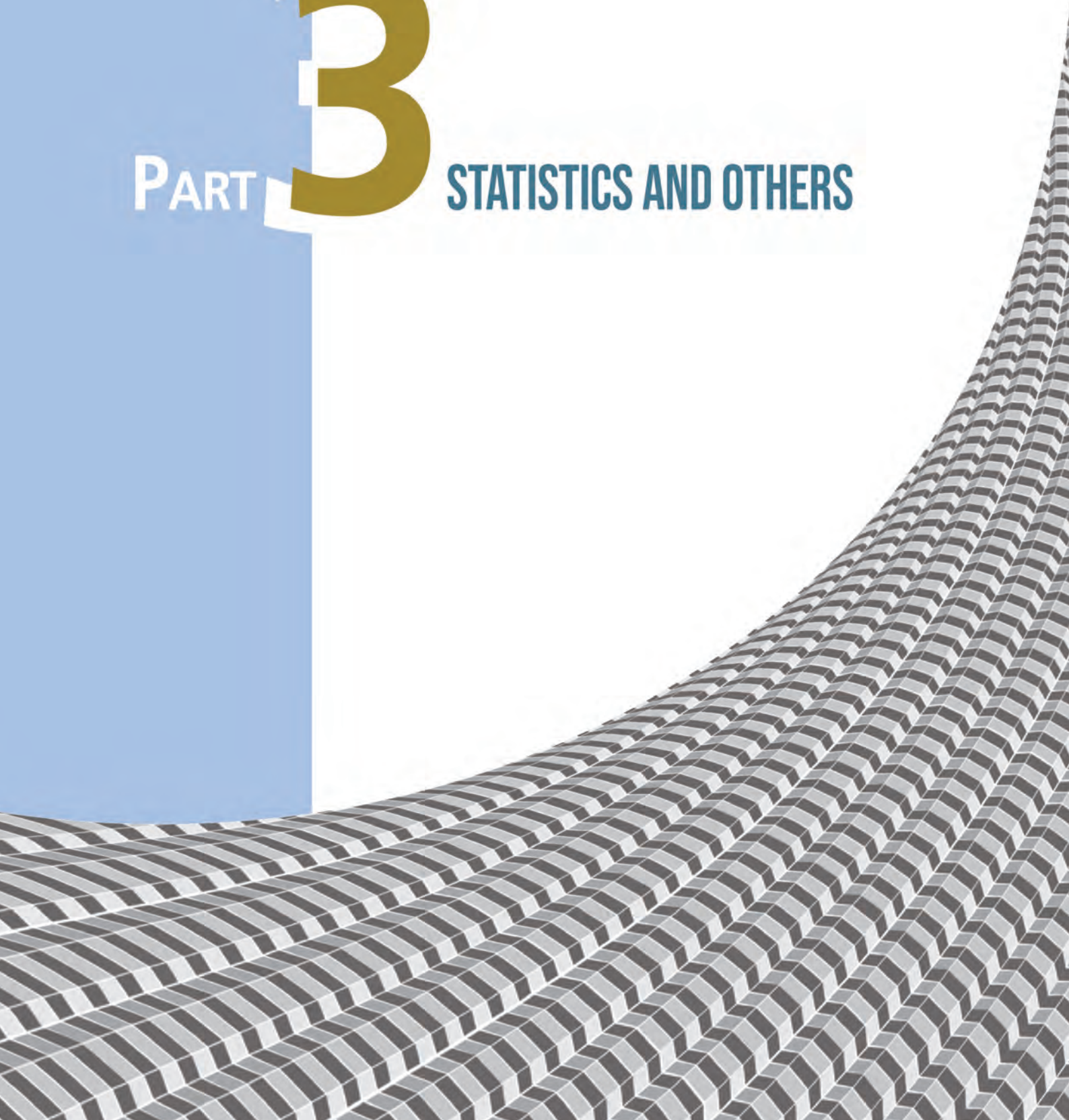


PART 3 STATISTICS AND OTHERS



REGISTRATION AND RECOGNITION OF AUDITORS IN MALAYSIA

TABLE 1

Registered and recognised auditors as at 31 December 2019

Profile of audit firms	No. of audit firms	No. of individual auditors	No. of PIE audit clients	% of total market capitalisation*	No. of schedule fund audit clients	% of total net asset value**
Registered audit firms						
Partnerships with 10 and more audit partners	8	206	899	96.94	1,064	98.52
Partnerships with 5 – 9 audit partners	16	73	192	1.78	9	0.04
Partnerships with fewer than 5 audit partners	15	46	81	1.21	27	1.44
	39	325	1,172	99.94	1,100	100.00
Recognised foreign audit firms						
	4	12	7	0.06	-	-
TOTAL	43	337	1,179	100.00	1,100	100.00

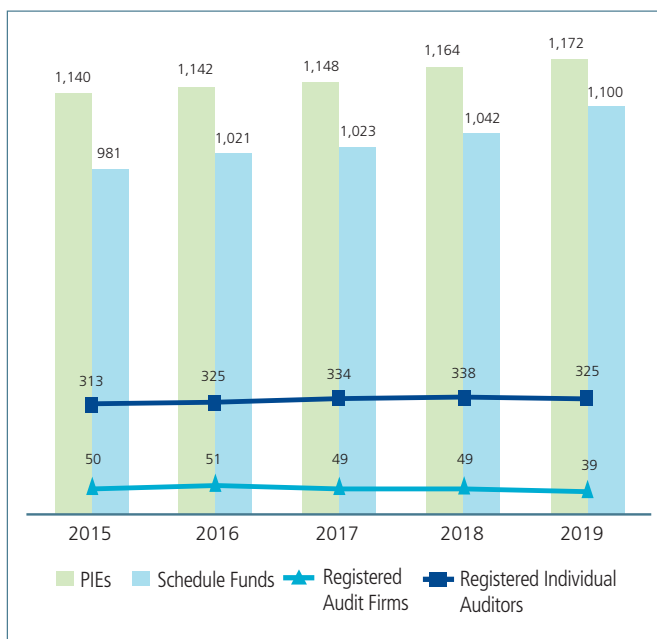
Source: AOB

*The total market capitalisation as at 31 December 2019 was RM1.66 trillion.

**The total net asset value as at 31 December 2019 was RM636.1 billion.

CHART 1

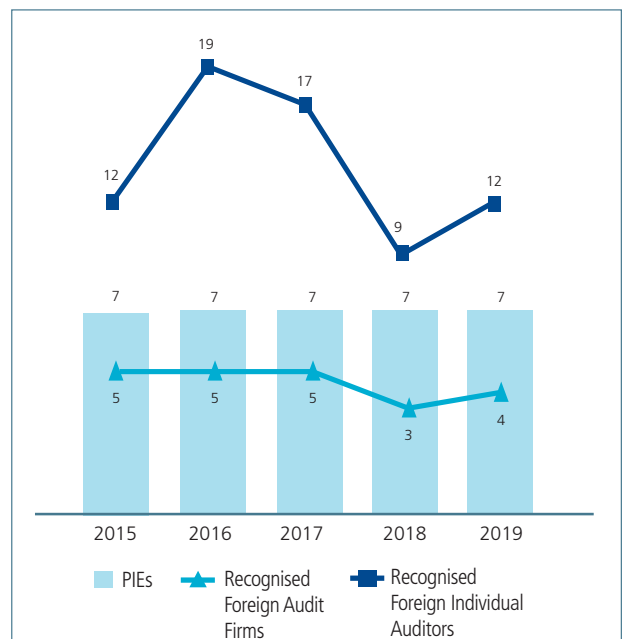
5-year registration statistics



Source: AOB

CHART 2

5-year recognition statistics



Source: AOB

ENFORCEMENT ACTIONS

No.	Auditors	Actions taken
Actions Against Firms		
1.	UHY (AF 1411) (Firm)	<ol style="list-style-type: none"> 1. Other than the Firm's existing PIE clients, the Firm is prohibited from accepting any PIE or schedule fund as its clients or prepare reports in relation to financial information as may be required under the securities laws or guidelines issued by the SC for 12 months. 2. Provide a written undertaking to the AOB on the following: <ol style="list-style-type: none"> a) Assess and implement measures to ensure that the Firm's system of quality control is relevant, adequate and operating effectively to monitor and address compliance with audit partner rotation requirements, including: <ol style="list-style-type: none"> i. Assessment of the capacity required by the Firm to comply with the audit partner rotation requirement; and ii. Building capacity within the Firm. b) Report to the AOB within 9 months on the result of the above assessment and implementation of the measures identified. 3. Penalty of RM298,000.00.
2.	Chengco PLT (AF 0886)	<ol style="list-style-type: none"> 1. Prohibited from accepting as clients and auditing the financial statements of a PIE or schedule fund for 12 months. 2. Penalty of RM175,000.00.

Actions Against Individual Auditor

3.	Loh Chye Teik of UHY, engagement partner in the audit of a PLC for the financial years ended 31 December 2016 and 31 December 2017.	1. Registration revoked by the AOB.
4.	Chan Jee Peng of UHY, engagement partner in the audit of a PLC for the financial period ended 31 March 2015.	1. Penalty of RM44,000.
5.	Hong Thuan Boon of Chengco PLT, engagement partner in the audit of a PLC for the financial period ended 31 December 2017.	1. Prohibited from accepting as clients and auditing the financial statements of a PIE or schedule fund for 12 months. 2. Penalty of RM57,000.00.
6.	Liew Kwai Choy of Chengco PLT, EQCR partner in the audit of a PLC for the financial period ended 31 December 2017.	1. Prohibited from accepting as clients and auditing the financial statements of a PIE or schedule fund for 12 months.
7.	Yap Peng Boon of Chengco PLT, engagement partner in the audit of a PLC for the financial year ended 31 December 2014.	1. Penalty of RM44,000.00.
8.	Huang Khean Yeong of Deloitte PLT, engagement partner in the audit of a PLC for the financial year ended 31 December 2016.	1. Penalty of RM63,000.00.

Source: AOB

Note: The AOB's enforcement actions in respect of 1 audit firm and 4 individual auditors are pending legal proceedings and therefore are not disclosed.

ACRONYMS AND ABBREVIATIONS

AARG	ASEAN Audit Regulators Group
ACCA	Association of Chartered Certified Accountants
AOB	Audit Oversight Board
AQI	Audit Quality Indicators
EQCR	Engagement Quality Control Review
ICAEW	Institute of Chartered Accountants in England and Wales
IFIAR	International Forum of Independent Audit Regulators
ISA	<i>International Standards on Auditing</i>
ISQC	<i>International Standards on Quality Control</i>
MASB	Malaysian Accounting Standards Board
MFRS	<i>Malaysian Financial Reporting Standards</i>
MIA	Malaysian Institute of Accountants
MICPA	The Malaysian Institute of Certified Public Accountants
PIE	Public-interest entity
PLC	Public-listed company
SC	Securities Commission Malaysia
SCMA	<i>Securities Commission Malaysia Act 1993</i>

DEFINITIONS

Auditor	An individual auditor or audit firm who is registered or recognised under section 310 of the SCMA as a registered auditor or recognised auditor of a PIE or schedule fund.
Big-Four Audit Firms	Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers.
Major Audit Firms	Audit firms with more than 10 partners and audit more than 50 PIEs clients with a total market capitalisation of above RM30 billion.
Other Audit Firms	Audit firms other than Major Audit Firms.
Public-interest entity	Entity specified in Part 1 of Schedule 1 of the SCMA: <ul style="list-style-type: none"> (a) a PLC or a corporation listed on the stock exchange; (b) a bank licensed under the <i>Financial Services Act 2013</i>; (c) an insurer licensed under the <i>Financial Services Act 2013</i>; (d) a takaful operator licensed under the <i>Islamic Financial Services Act 2013</i>; (e) an Islamic bank licensed under the <i>Islamic Financial Services Act 2013</i>; (f) a person prescribed as a prescribed financial institution under section 212 of the <i>Financial Services Act 2013</i> or a person prescribed as a prescribed Islamic financial institution under section 223 of the <i>Islamic Financial Services Act 2013</i>; (g) a developmental financial institution prescribed under the <i>Development Financial Institutions Act 2002</i>; (h) a holder of the Capital Markets Services Licence for the carrying on of the regulated activities of dealing in securities, dealing in derivatives or fund management; (i) an exchange holding company approved under the securities laws; (j) an exchange approved under the securities laws; (k) a central depository approved under the securities laws; (l) a clearing house approved under the securities laws; (m) a self-regulatory organisation recognised under the securities laws; (n) a private retirement scheme administrator approved under the securities laws; (o) a trade repository approved under the securities laws; (p) the Capital Market Compensation Fund Corporation; (q) any other person as the Minister may prescribe by order published in the <i>Gazette</i>.
Schedule fund	Fund specified in Part 2 of Schedule 1 of the SCMA: <ul style="list-style-type: none"> (a) a private retirement scheme approved by the SC under the <i>Capital Market and Services Act 2007</i> (CMSA); (b) a unit trust scheme approved, authorised or recognised by the SC under the CMSA; (c) any other capital market funds as may be specified by the SC.