

IFIAR 2026 Member Profile – AOB

1. Jurisdiction	1.1 Insert the name of the jurisdiction in English: Malaysia
2. Member¹	2.1 Insert the name of the Member, both in the local language and in English: Suruhanjaya Sekuriti Malaysia, Lembaga Pemantauan Audit Securities Commission Malaysia, Audit Oversight Board (AOB)
	2.2 Include relevant contact information, including postal address, telephone number(s), a general email address (if any) and a link to the Member’s website: No 3 Persiaran Bukit Kiara Bukit Kiara, 50490, Kuala Lumpur, Malaysia General Line: +60362048900 Fax: +60362011888 General Email: aob@seccom.com.my Website : https://www.sc.com.my/aob/
	2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation: The AOB was established on 1 April 2010 by the Securities Commission Malaysia (“SC”) under Part IIIA of the Securities Commission Malaysia Act 1993 (“SCMA”) to discharge the statutory functions of the SC pursuant to section 31B of the SCMA which are – <ul style="list-style-type: none"> • To promote and develop an effective and robust audit oversight framework in Malaysia; • To promote confidence in the quality and reliability of audited financial statements in Malaysia; • To regulate auditors of public interest entities or schedule funds; and • To exercise oversight over any person who prepares a report in relation to financial information required to be submitted under the securities laws, guidelines issued by the commission or the rules of a stock exchange, of a- <ul style="list-style-type: none"> (i) public interest entity or schedule fund

¹ In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

	<p>(ii) non-public interest entity seeking approval to become a public listed company or a corporation listed on the stock exchange; or</p> <p>(iii) non-schedule fund seeking approval to become a schedule fund.</p> <p>The AOB's responsibilities as set out in section 31E of the SCMA are –</p> <ul style="list-style-type: none"> • To implement policies and programmes in ensuring an effective audit oversight system in Malaysia; • To register or recognise auditors of public interest entities or schedule funds for the purposes of SCMA; • To direct the Malaysian Institute of Accountants to establish or adopt, or by way of both, the auditing and ethical standards to be applied by auditors; • To conduct inspections and monitoring programmes on auditors to assess the degree of compliance of auditing and ethical standards; • To conduct inquiries and impose appropriate sanctions against auditors who fail to comply with auditing and ethical standards; • To cooperate with relevant authorities in formulating and implementing strategies for enhancing standards of financial disclosures of public interest entities or schedule funds; • To liaise and cooperate with oversight bodies outside Malaysia to enhance the standing of the auditing profession in Malaysia and internationally; • To carry out inspection on person specified under paragraph 31B(d); and • To perform such other duties or functions as the Audit Oversight Board determines necessary or appropriate to promote high professional standards of auditors and to improve the quality of audit services provided by auditors.
	<p>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</p> <p><input type="checkbox"/> Licensing</p> <p><input checked="" type="checkbox"/> Registration</p> <p><input checked="" type="checkbox"/> Audit and/or Ethics Standard Setting</p> <p><input type="checkbox"/> Permanent Education / Continuous Training of Auditors</p> <p><input checked="" type="checkbox"/> Inspection</p> <p><input checked="" type="checkbox"/> Enforcement</p> <p><input type="checkbox"/> Other: _____</p>

<p>3. Governing Body Composition and members</p>	<p>3.1 Describe with an appropriate level of detail the current composition of the Member’s governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</p> <p>As at 6 February 2026, the AOB Board’s composition is as follows:</p> <p>Chairman (Non-executive)</p> <ol style="list-style-type: none"> 1. Dato’ Seri Ahmad Johan Mohammad Raslan <p>Executive Officer</p> <ol style="list-style-type: none"> 1. Alex Ooi Thiam Poh <p>Non-Executive Members</p> <ol style="list-style-type: none"> 1. Salmah Bee Mohd Mydin 2. Hong Chin Pheng 3. Datuk Nor Azimah Abdul Aziz 4. YM Tunku Afwida Tunku Abdul Malek 5. Seri Izriana Melani Mohtar <hr/> <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</p> <p>Referring to section 31C(2) of the SCMA, the AOB shall consist of seven members appointed by the Board of SC including a Non-Executive Chairman, an Executive Officer and five Non-Executive Members.</p> <p>Section 31C(3) of the SCMA provides that the AOB shall consist of a diverse group of individuals who must –</p> <ul style="list-style-type: none"> • Possess knowledge and experience in finance, business or in any relevant discipline; • Be individuals of integrity and reputation who have demonstrated commitment to the interests of investors; and • Understand the responsibilities for and the nature of financial disclosures as required by public interest entities or schedule funds.
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	<p>3.3 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does this include a “cooling-off” period for former auditors?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes to either of the above, please describe:</p> <p>Current auditor who joins AOB as member of the governing body, management team or staff will have to recuse himself/herself from being involved in any audit oversight functions and/or making any decisions with respect of their past firm for a period of one year.</p>
<p>4. Independence safeguards</p>	<p>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</p> <p>Pursuant to section 31C(6A) of the SCMA, no member of the AOB shall be an approved company auditor under the Companies Act 2016 or be employed on a full-time or contractual basis, in any capacity, by a firm which acts as an auditor for any public interest entity or schedule fund or prepares for or on behalf of any public interest entity or schedule fund, any report required by the Companies Act 2016 to be prepared by an approved auditor, or any of the firm’s affiliates.</p> <p>In addition, section 31C(4) states that the Non- Executive Chairman and Executive Officer of the AOB shall not:</p> <ul style="list-style-type: none"> • have share in any of the profits of an accounting or auditing firm, or any of its affiliates; and • receive any payment from any accounting or auditing firm, or from any other person as may specified by the Commission, other than fixed continuing payments under standard arrangements for retirement from an accounting or auditing firm. <p>Further, pursuant to section 31C(6) not more than three non-executive members of the AOB shall be members of the Malaysian Institute of Accountants who are registered under the Accountants Act 1967 as a chartered accountant or a licensed accountant at all times.</p> <p>Are employees of the Member covered by the same or separate set of independence requirements?</p> <p><input type="checkbox"/> Same set of requirements <input checked="" type="checkbox"/> Different set of requirements</p>

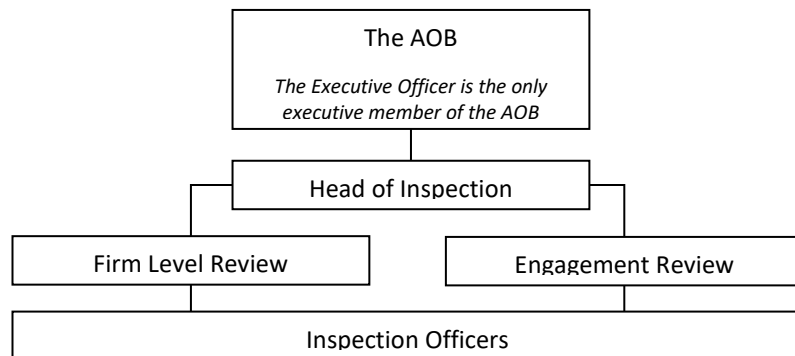
	<p>If there are separate independence requirements for employees, please describe:</p> <p>Employees of AOB are required to comply with the SC’s Code of Conduct.</p> <p>Further, the employees are also required to comply with the Code of Ethics of their respective professional accountancy bodies. For example, if the employee is a member of the Malaysian Institute of Accountants, the employee is required to comply with the MIA’s Revised By-Laws (On Professional Ethics, Conduct and Practice) which is substantially based on the Code of Ethics for Professional Accountants of the IESBA.</p> <hr/> <p>4.2 Are there any additional safeguards in place that provide for the Member’s overall independence from the audit profession? E.g. through the appointment process, specific Board actions, etc.</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe:</p> <p>The independence safeguards are described in 4.1</p>
<p>5. Funding Arrangements</p>	<p>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</p> <p>Capital expenditure and all other operational costs of AOB including the cost of inspections are funded by the Securities Commission Malaysia (SC).</p> <p>The AOB collects the following fees:</p> <ul style="list-style-type: none"> • RM8,000 of application for registration of an individual auditor as a registered auditor (new registration) • RM8,000 of existing registered individual auditor who wish to continue to be registered with AOB in the current year • RM8,000 of application for recognition of a foreign individual auditor as a recognised auditor • Late payment fee of RM100 for every day that the payment is late, subject to a maximum limit of RM3,000. <hr/> <p>5.2 Is the funding free from undue influence by the profession?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>Other than the fees collected in 5.1 above, the majority of the funding is provided by SC.</p>

<p>6. Audit Market</p>	<p>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member’s oversight or mandate.</p> <p>As of 31 Dec 2025, there are 36 audit firms and 381 individual auditors registered with the AOB and 5 foreign audit firms and 16 foreign individual auditors recognised with the AOB. All the registered audit firms and individual auditors are subjected to AOB’s inspection on a risk based basis within a pre-determined cycle.</p> <p>Pursuant to the Part I of Schedule 1 of the SCMA, the public interest entities are defined as –</p> <ul style="list-style-type: none"> (a) a public listed company or a corporation listed on the stock exchange; (b) a bank licensed under the Financial Services Act 2013; (c) an insurer licensed under the Financial Services Act 2013; (d) a takaful operator licensed under the Islamic Financial Services Act 2013; (e) an Islamic bank licensed under the Islamic Financial Services Act 2013; (f) a person prescribed as a prescribed financial institution under section 212 of the Financial Services Act 2013 or a person prescribed as a prescribed Islamic financial institution prescribed under section 223 of the Islamic Financial Services Act 2013; (g) a development financial institution prescribed under the Development Financial Institutions Act 2002; (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 organization recognized 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 Gazette. <p>Part 2 of Schedule 1 of the SCMA describes the schedule funds as follows:</p> <ul style="list-style-type: none"> (a) a private retirement scheme approved by the SC under the Capital Markets and Services Act 2007; (b) a unit trust scheme approved, authorized or recognized by the SC under the Capital Markets and Services Act 2007;
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	<p>(c) any other capital market funds as may be specified by the SC.</p> <p>There are 1,348 public interest entities and 1,363 schedule funds as at 31 December 2025.</p> <hr/> <p>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest audit firms in the Member’s jurisdiction.</p> <p>The size of each of the nine largest audit firm networks in Malaysia by percentage of market capitalisation of public listed company clients (as at 31 Dec 2025) is estimated as follows:</p> <p>PricewaterhouseCoopers PLT (30.21%) Ernst & Young PLT (25.24%) KPMG PLT (18.31%) BDO PLT (8.45%) Crowe Malaysia PLT (5.35%) Deloitte PLT (2.73%) Grant Thornton Malaysia PLT (1.85%) Baker Tilly Monteiro Heng PLT (1.71%) UHY Malaysia PLT (1.15%)</p>
<p>7. Inspection System</p>	<p>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <hr/> <p>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 12 Enforcement, please reference that section for details on such measures).</p> <p>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight by the Member:</p> <p>Section 31V of the SCMA provides that the AOB shall, from time to time, conduct inspections to assess—</p> <p>(a) the degree of compliance with the auditing and ethical standards by an auditor; and</p>

(b) the sufficiency and appropriateness of the audit evidence obtained in relation to the audit report prepared by an auditor relating to the audited financial statements of public interest entities or schedule funds.

The inspections shall be carried out by any officers of the AOB or any person authorised by the AOB who is referred to as an “Inspection Officer” in this Division.



7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:

The AOB may inspect an audit firm of public interest entity or schedule fund either under regular inspection or special inspection -

- Regular inspection refers to an inspection that is conducted on a routine basis to ensure all audit firms of public interest entities or schedule funds are at least reviewed within a pre-determined cycle. The pre-determined cycle is set and updated according to the AOB’s strategic plan.
- Special inspection which is sometimes referred as “ad-hoc inspection” refers to an inspection on which could be driven by specific concerns relating to industry (thematic inspection) or event-driven.

7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.

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| <input checked="" type="checkbox"/> Employees of the Member | <input type="checkbox"/> Professional body |
| <input type="checkbox"/> Third Parties | <input type="checkbox"/> Other |

Please explain below:

	<p>As of 31 December 2025, there are 13 Inspection Officers who carry out inspection activities of the AOB. They are full-time employees of the AOB and all of them are members of professional bodies.</p>
8. Licensing	<p>8.1 If the Member has the responsibility for <u>Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organization?</p> <p><input type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition. Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p> <p style="text-align: center;">N/A</p>
9. Registration	<p>9.1 If the Member has the responsibility for <u>Registration</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p> <p>The AOB is empowered by Division 4 in Part IIIA of the SCMA to register audit firms and individual auditors of public interest entities or schedule funds. The Board also recognises foreign auditors who audit foreign corporations listed on Bursa Malaysia (Stock Exchange).</p>
10. Audits and/or Ethics Standard Setting	<p>10.1 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</p> <p><input type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the</p>

	<p>audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>Pursuant to Division 5 in Part IIIA of the SCMA, AOB has responsibility for setting auditing and ethical standards. AOB is empowered by section 31U of the SCMA to adopt the auditing and ethical standards to be complied by an auditor. Currently, the AOB directs the Malaysian Institute of Accountants (national professional accountancy body) to establish or adopt the auditing and ethical standards to be applied by auditors.</p>
11. Permanent Education / Continuous Training of Auditors	<p>11.1 If the Member has the responsibility for <u>Permanent Education / Continuous Training of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organization?</p> <p><input type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p style="text-align: center;">N/A</p>
12. Enforcement	<p>12.1 If the Member has the responsibility for <u>Enforcement</u>, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Referral</p> <p>If directly, please describe the responsibility and procedures applied (including investigations, disciplinary actions or sanctions), as well as the reporting process for disciplinary action.</p> <p>If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>If there is a breach of any provisions of Part IIIA of the SCMA or any condition, written notice or guidelines, the AOB is empowered by Section 31Z of the SCMA to take action against such person in breach. The sanctions that can be imposed by the AOB are proportionate to the severity of the breach.</p>

	<p>The range of sanctions available are as follows:</p> <ul style="list-style-type: none"> (a) Directing the person concerned to comply with the provisions of Part IIIA of the SCMA or any condition, written notice or guidelines; (b) Reprimand the person concerned; (c) Requiring the person in breach to remedy the breach as directed by the Board; (d) Requiring professional education to be undertaken by the person concerned; (e) Assigning a reviewer to oversee an audit that is undertaken by the person concerned; (f) Prohibiting the person concerned from accepting any public interest entity or schedule fund as its client or preparing reports in relation to financial information of any public interest entity or schedule fund, as may be required under the securities laws or guidelines issued by SC, for a period not exceeding twelve months; (g) Prohibiting the person concerned from auditing financial statements or preparing reports in relation to financial information of a public interest entity or schedule fund, as may be required under the securities laws or guidelines issued by SC, for a period not exceeding twelve months or permanently; and (h) Imposition a penalty not exceeding RM500,000 on the person concerned. <p>AOB is also empowered by section 31Q of the SCMA to revoke or suspend the registration; or withdraw or suspend the recognition of an auditor for failure to remain fit and proper to audit public interest entities or scheduled funds, breach of any registration or recognition conditions imposed or failure to pay any fee or charges as specified under Part IIIA of the SCMA.</p>
13. Other Responsibilities in Audit Oversight or Audit Regulation	<p>13.1 If the Member has the responsibility for <u>other tasks within the area of Audit Oversight or Audit Regulation</u>, please describe with an appropriate level of detail:</p> <p style="text-align: center;">N/A</p>
14. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight or Audit Regulation	<p>14.1 Please describe with an appropriate level of detail, the responsibility of the Member for <u>tasks outside the area of audit oversight or audit regulation</u> such as supervision of financial reporting or securities regulation:</p> <p style="text-align: center;">N/A</p>

<p>15. Member Update for public information (if any)</p>	<p>15.1 Are there any major news, activities, events or updates (on audit matters, the Member’s organization, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year’s Member Profile?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please describe these changes with an appropriate level of detail:</p> <p><u>Major activities and events in 2025</u></p> <p>Publication on AOB’s oversight activities, observations and audit related matters</p> <p>a) 20 March 2025: The AOB released its Annual Report 2024 – the Annual Report highlights the AOB’s key efforts and activities in 2024.</p> <p>b) 21 Aug 2025: The AOB issued its Annual Inspection Report 2024 – The report provides key insights into its supervisory role over audit firms and individual auditors registered with the AOB. The report also features insights into Audit Quality Indicators (AQIs) of its registered audit firms, which include compiled statistics used by the AOB to assess audit firms’ performance.</p> <p>c) AOB Alerts to Auditors and Audit Committees on the following areas:</p> <ul style="list-style-type: none"> a. Role of Audit Committees in strengthening audit quality b. Audits of group financial statements c. Roles of Audit Committees and auditors in connecting sustainability-related financial disclosures to financial statements d. Technology Risk Management for Auditors <p>Collaboration with international standard setters</p> <p>a) 28 April 2025: The AOB facilitated the International Ethics Standards Board for Accountants’ (IESBA) Roundtable on Firm Culture and Governance as part of IESBA’s public consultation process for the project on firm culture and governance. This project aims to develop a framework that fosters, upholds, and reinforces strong ethical standards among the accounting and audit firms’ leadership, partners, and staff across all service areas.</p> <p>b) 13 Oct 2025: The AOB together with the Association of Chartered Certified Accountants hosted International Auditing and Assurance Standards Board (IAASB) Roundtable on Technology Quality Management. The Roundtable focuses on how firms apply quality</p>
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management standards to emerging technologies like AI and data analytics.

Capacity Building Initiatives for the AOB’s Registered Audit Firms and Individual Auditors

- a) **22 Sep 2025:** - AOB collaborated with the Malaysian Institute of Certified Public Accountants (MICPA) to conduct a workshop titled ‘Practical Insights into Root Cause Analysis’. The objective of the workshop was to address inspection findings by identifying and remediating the underlying root causes of the issue to prevent recurrence of the findings.
- b) **27 Oct 2025:** AOB’s Conversation with Audit Firms - AOB shared key findings and observations of firm and engagement reviews during its annual inspection of audit firms and auditors. In addition, there were also updates on the AOB’s initiatives which included introduction of governance principles for audit firms, enhancements to annual transparency reporting and proposal for inclusion of the requirement for audit tendering under the *Malaysian Code of Corporate Governance*.

Assisting the Audit Committees with the oversight responsibilities over the auditors and auditor process

- a) **23 Oct 2025:** Audit Committee Dialogue – The AOB participated in a session organised by the Institute of Corporate Directors Malaysia for Audit Committees and board members. The session included information on the AOB’s oversight functions, inspection programme and inspection observations. There was discussion on the role the ACs play in overseeing the effectiveness of internal controls, monitoring the independence and performance of external auditors.
- b) **25 Nov 2025:** **AOB’s Conversation with Audit Committees** – The session centred on practical insights into the implementation of the *National Sustainability Reporting Framework (NSRF)*. Speakers shared perspectives on the structure of sustainability reports, critical factors for successful adoption of the IFRS Sustainability Disclosure Standards and common challenges faced by public listed companies with sustainability reporting. The AOB remains committed to continuing conversations with ACs to ensure they are equipped with relevant information and insights as they carry out their responsibilities in enhancing audit quality and strengthening investor confidence.