



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS

# **Skills Set to Perform Business Valuation Activities in Malaysia 2019**

## **1.0 Introduction**

- 1.1 The Council of the Malaysian Institute of Accountants (“MIA”) has approved this Skills Set to Perform Business Valuation Activities in Malaysia 2019 (“Skills Set”) upon the recommendation of the Valuation Committee (“VC”) of the MIA to be used as a reference by MIA members. Reference to MIA members include reference to MIA member firms if it is consistent with the context it is used.
- 1.2 The MIA would like to extend its appreciation to the International Valuation Standards Council (“IVSC”) for granting permission to the MIA to use “A Competency Framework for Professional Valuers, September 2012” in the preparation of the Skills Set.
- 1.3 This Skills Set is an aspirational benchmark for MIA members in the performance of business valuation in Malaysia and is currently not a mandatory requirement. Business valuation is the provision of valuation opinion or uses valuation methodologies but excludes the provision of real estate valuation. It does not preclude any individual (or firm) currently practising from referring to themselves as a business valuer and neither does it endorse any individual or firm that chooses to do so.
- 1.4 This Skills Set aspires to enhance the understanding of the necessary attributes of MIA members performing business valuations in Malaysia and to assist members and organisations in the development of appropriate education and training curricula. It should be of interest to a wide range of stakeholders including:
  - business valuers and prospective business valuers who undertake their own learning and development;
  - Valuation Professional Organisations (“VPO”);
  - regulators with responsibility for the oversight of the work of business valuers;
  - universities, employers, and any other who design, deliver, or assess education programmes for business valuers; and
  - those who commission or rely on business valuations.

## **2.0 Business Valuation Activities in Malaysia**

- 2.1 Business valuation activities in Malaysia may be carried out by MIA members who possess the necessary qualification and experience in an objective, unbiased and competent manner consistent with the provisions of the MIA’s Revised By-Laws (On Professional Ethics, Conduct and Practice).

## **3.0 Professional Competence**

- 3.1 An MIA member who carries out business valuation activities in Malaysia should be able to demonstrate:
  - (a) professional knowledge;
  - (b) professional skills; and
  - (c) professional values, ethics and behaviour.

In this context, reference to an MIA Member will be to the person who acts as the valuer and sign off the valuation opinion as an individual member or on behalf of the MIA member firm.

- 3.2 It is expected that an MIA member who carries out business valuation activities in Malaysia should have the necessary education and experience to enable them to provide the services and also undertake CPE on a regular basis.

3.3 The skills set identified in this paper are aspirational and presented as a framework designed to identify broad principles. The detailed knowledge and skills required of an MIA member who carries out business valuation activities in Malaysia will change over time due to the evolution of the markets and disciplines in which they operate and will vary as they progress in their career.

#### 4.0 Business Valuation Skills Set

4.1 MIA members are required to obtain the necessary and essential professional knowledge and professional skills to carry out business valuation activities in Malaysia, which shall include both the Initial Professional Development (“IPD”) and Continuing Professional Education (“CPE”).

4.2 As part of their IPD, it is expected that the individual would have undertaken a formal education that would have led to a university degree or equivalent, which would have included the following subjects:

- Accounting;
- Taxation;
- Corporate Finance;
- Economics; and
- Financial Management.

4.3 Every MIA member who carries out business valuation activities should be able to apply the Best Practice Guide issued by MIA in performing their duties.

4.4 An MIA member who performs business valuation activities must supervise its team members that carry out business valuation activities in Malaysia. This person must have already met the IPD and CPE requirements and have been involved in at least 6 business valuation or equivalent engagements. The reference to equivalent engagement is to an engagement which need not necessarily be purely business valuation, but which requires the application of business valuation skills. Examples of such engagements are Independent Advice on Related Party Transactions and Take Over situations wherein there is a component of business valuation. Other engagements include Fairness Opinion and Purchase Price Allocation all of which should utilise business valuation skills in undertaking the engagements.

4.5 Team members that have yet to obtain involvement in 6 business valuation or equivalent engagements over a period of 3 years must be supervised by an MIA member. The supervision should be able to assist them to gather relevant business valuation experience and to demonstrate their accomplishments and providing them feedback.

4.6 **CPE:** An MIA member who carries out business valuation activities in Malaysia should be able to demonstrate a commitment to a programme of CPE throughout their period of practice as a valuer which is relevant to their chosen area of practice consistent with the MIA’s Revised By-Laws (On Professional Ethics, Conduct and Practice).

## **5.0 Professional Values, Ethics and Behaviour**

MIA members who carries out business valuation activities in Malaysia will conduct themselves in accordance with the ethical standards as identified in the MIA By-Laws (on Professional Ethics, Conduct and Practice).

## **ACKNOWLEDGEMENTS**

The Skills Set to Perform Business Valuation Activities in Malaysia 2019 was prepared by the MIA Technical team under the supervision and review by the Valuation committee.

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