



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS

# **Malaysian Investment Reporting Standard 1000 (MIRS 1000)**

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Malaysian Investment Reporting Standard  
Framework for the Investment Circular

**MALAYSIAN INVESTMENT REPORTING STANDARD 1000**  
**(“MIRS 1000”)**

**MALAYSIAN INVESTMENT REPORTING STANDARD**  
**FRAMEWORK FOR THE INVESTMENT CIRCULAR**

**Foreword**

The Council of The Malaysian Institute of Accountants has approved Malaysian Investment Reporting Standard 1000 (MIRS 1000) for issuance to members for guidance.

This MIRS is issued to provide guidance on the participation by the reporting accountants for public reporting and private reporting engagements on an investment circular issued in connection with an offer or invitation to a third party to subscribe for or purchase any securities of a corporation, a business trust or a real estate investment trust, including any excluded offer or excluded invitation as defined under Capital Market and Services Act 2007.

This standard is developed by the Malaysian Institute of Accountants.

Reporting accountants are required to comply with MIRS 1000 for reports signed after 30 June 2021. Earlier adoption is encouraged.

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<b>Series</b>	<b>Date Approved by the MIA Council</b>	<b>Effective Date</b>
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## DEFINITIONS

The definitions used in this Standard are as follows:

ACE Market	Means the alternative market of Bursa Securities.
An applicant	Any corporation or other legal person any of whose equity or debt securities are the subject of an application for listing or some of whose equity or debt securities are already listed.
By-Laws	By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.
Due Diligence Working Group	<p>The DDWG comprises, at the minimum, the Principal Adviser, senior representatives of the applicant (including at least one director of the applicant or such other person authorised by its board of directors) and such advisers or experts as are appropriate in the relevant corporate proposal.</p> <p>The DDWG is constituted to assist the applicant to meet the applicable legal requirements on the disclosure of information in the offering documents for the relevant corporate proposal and to ensure that none of the statements and information submitted, or caused to be submitted to the SC, is false or misleading or contains any material omission.</p>
Engagement quality control reviewer	<p>As defined in the International Standard on Quality Control (ISQC) 1 or the equivalent succeeding standards</p> <p>Current definition in ISQC 1: A partner, other person in the firm, suitably qualified external person, or a team made up of such individuals, none of whom is part of the engagement team, with sufficient and appropriate experience and authority to objectively evaluate the significant judgments the engagement team made and the conclusions it reached in formulating the report</p>
Equity Guidelines	Equity Guidelines as issued by SC.
Expert	Has the same meaning as given in sections 213(1) and 216(1) of the Capital Markets and Services Act 2007 (CMSA 2016).
Investment circular	A document issued by an entity relating to securities and for the information or investment decision of the holders of the entity's securities or other parties such as potential investors, including without limitation, to a listing document, a prospectus, a circular to shareholders or similar document which are regulated under CMSA 2007 and the succeeding legislation.
Main Market	Means the Main Market of Bursa Securities.

Principal adviser	The corporate finance adviser responsible for making submissions to the SC for corporate proposals and who is a person set out in the Approved List of Principal Advisers published on the SC's website
Prospectus	Any prospectus, notice, circular, brochure, advertisement, or other document offering any shares or debentures of a company to the public for subscription or purchase for cash or other consideration; or circular to invite offers by the public to subscribe for or purchase for cash or other consideration any shares or debentures of a company which is regulated under the CMSA 2007.
Prospectus Guidelines	Prospectus Guidelines as issued by SC.
Reporting accountants	A firm of public accountants that is a registered auditor with the Audit Oversight Board and whose registration has not been suspended.
Local Offering	An offering of securities to investors in Malaysia.
International Offering	An offering of securities to investors outside of Malaysia.

## **ABBREVIATIONS**

List of abbreviations used in this Standard are as follows:

AOB	Audit Oversight Board
Bursa	Bursa Malaysia Securities Berhad
CMAC	Capital Market Advisory Committee of the Malaysian Institute of Accountants
CMSA	Capital Markets and Services Act 2007
DDWG	Due Diligence Working Group
ISA	International Standard on Auditing
ISQC	International Standard on Quality Control
MIRS	Malaysian Investment Reporting Standard
SC	Securities Commission Malaysia

## **1.0 PREAMBLE**

- 1.1 The Council of the Malaysian Institute of Accountants (“MIA”) has approved this MIRS for issuance to members for adoption upon the recommendation of the Capital Markets Advisory Committee (“CMAC”).
- 1.2 As stated in Paragraph R113.1(b) MY of Part A of the By-Laws, an MIRS approved and issued by the Council is considered as one of the applicable technical and professional standards to which members are expected to adhere. A breach of the By-Laws will prima facie give rise to a complaint of unprofessional conduct against the member concerned. As such, members who fail to observe proper standards of ethics and professional conduct as set out in these by-laws may be required to answer a complaint before the Investigation and the Disciplinary Committees of the MIA pursuant to the Malaysian Institute of Accountants (Disciplinary) Rules 2002 [P.U.(A) 229/2002].
- 1.3 This MIRS is issued as part of the MIA’s initiatives aimed at achieving the highest standards in reporting. It should be read in conjunction with the respective laws and regulations applicable to capital markets in Malaysia.

## **2.0 INTRODUCTION AND SCOPE**

- 2.1 This MIRS 1000 (“this Standard”) sets out the framework for the work that the reporting accountants are required to perform on investment circulars prepared for issue in connection with a capital market transaction governed wholly or in part by capital market laws and regulations of Malaysia.
- 2.2 This MIRS establishes basic principles and essential procedures for the work of reporting accountants that are common to all reporting engagements (both public and private) relating to investment circulars.
- 2.3 A public reporting engagement is defined as “an engagement in which the deliverable issued by the reporting accountants under the applicable MIRS is relied by parties making an investment decision who are not privy or an addressee to the terms of engagement of the reporting accountants.”

Examples of public reporting engagements are engagements where the reporting accountants’ reports are included in a public document such as a prospectus or a circular to shareholders. These includes the reporting accountants’ opinion on an applicant’s historical financial information included in an Accountants’ Report and the report on pro forma financial information which are included in the Prospectus in connection with a listing exercise.

- 2.4 A private reporting engagement is defined as “an engagement in which the deliverable issued by the reporting accountants under the applicable MIRS is relied by parties making an investment decision who are privy or an addressee to the terms of engagement of the reporting accountants.” In this context, the deliverable will also cover information included in a document for public circulation [“DFC”].

Examples of such private reporting engagements are report on pro forma financial information in connection with an acquisition which is not a “Very Substantial Transaction” as defined by the Bursa’s listing requirements, agreed-upon-procedures report on the statement of indebtedness and report on the working capital sufficiency statement in connection with a listing exercise or other capital market transactions and report on cash flow projections in connection with a debt offering which are addressed solely to the applicant and the principal adviser, as the case may be.

- 2.5 In this context, all private and public reporting engagements undertaken by the reporting accountants in connection with the work performed on an investment circular are subjected to the applicable MIRS as listed in Appendix 1, which are classified according to the respective subject matters for these engagements.

- 2.6 In order to provide flexibility to develop MIRSs for a wide range of possible public reporting engagements, the description of public reporting engagement includes three generic terms. Their meanings are as follows:

- (a) the “**subject matter**” of the engagement is that which is being evaluated or measured against suitable criteria. Examples of subject matter are the entity’s financial position and the directors’ expectation of the issuer’s profit for the period covered by a profit forecast;
- (b) criteria are the benchmarks used to evaluate or measure the subject matter. “**Suitable criteria**” are usually derived from laws and regulations and are required by directors to enable them to make reasonably consistent evaluations or measurements of the subject matter. With respect to public reporting engagements, the suitable criteria for specific types of engagement are described in the individual MIRS dealing with such engagements. Where the reporting accountants’ engagement requires it to consider only certain criteria, such criteria are described as “reporting accountants’ criteria”. Reporting accountants’ criteria are set out in the MIRSs. Where an MIRS has not been issued with respect to a particular type of reporting engagement, the reporting accountants uses those criteria that are specified by legislation or regulation. The evaluation or measurement of a subject matter solely on the basis of the reporting accountants’ own expectations, judgments and individual experience would not constitute suitable criteria; and

- (c) the “**outcome**” of the evaluation or measurement of a subject matter is the information that results from the directors applying the suitable criteria to the subject matter. Examples of outcomes are historical financial information and a directors’ profit forecast and related disclosures that are included in an investment circular.

### **3.0 ENGAGEMENT ACCEPTANCE AND CONTINUANCE**

- 3.1 The reporting accountants should accept (or continue where applicable) a reporting engagement only if, on the basis of a preliminary knowledge of the engagement circumstances, nothing comes to the attention of the reporting accountants to indicate that the requirements of relevant ethical standards and guidance, issued by the Malaysian Institute of Accountants and the professional bodies of which the reporting accountants are a member, will not be satisfied.
- 3.2 In carrying out reporting engagements, the reporting accountants must comply with the guidance set out in ISA 220 *Quality Control for an Audit of Financial Statements*. (see Paragraph 7.3)
- 3.3 The reporting accountants should accept (or continue where applicable) a reporting engagement only if:
- (a) the scope of the engagement is expected to be sufficient to support the required report;
  - (b) the reporting accountants expects to be able to carry out the procedures required by the MIRSs; and will not be in breach of MIA’s By-Laws; and
- those persons who are to perform the engagement collectively possess the necessary professional competencies.
- 3.4 In determining whether the scope of the engagement is expected to be sufficient to support the required report, the reporting accountants consider whether there appears to be any significant limitations on the scope of the reporting accountants’ work.
- 3.5 Reporting accountants may be requested to perform reporting engagements on a wide range of matters. Some engagements may require specialised skills and knowledge. In these circumstances, the reporting accountants shall consider using internal or external specialists having the appropriate skills.

### **4.0 AGREEING THE TERMS OF THE ENGAGEMENT**

- 4.1 The reporting accountants should agree the terms of the engagement with those from whom they accept instructions. All the terms of the engagement should be recorded in writing (together referred to as “the engagement letter”).



- 4.2 The reporting accountants must comply with the guidance set out in ISA 210 *Agreeing the Terms of Audit Engagements* or other applicable audit, review, other assurance and related services engagements standards that are issued by MIA, as the case may be.
- 4.3 The engagement letter provides evidence of the contractual relationship between the reporting accountants, the entity and, where relevant, the sponsor (for listing on the ACE Market). It sets out clearly the scope and limitations of the work to be performed by the reporting accountants. It also confirms the reporting accountants' acceptance of the engagement and includes a summary of the reporting accountants' responsibilities and those of the directors and, where relevant, the sponsor as they relate to the reporting accountants' role.
- 4.4 The engagement letter establishes a direct responsibility to the other parties from the reporting accountants. It is also the mechanism by which the scope of the reporting accountants' contribution is defined and agreed. If in the course of the engagement the terms of the engagement are changed, such changes are similarly agreed, and recorded in writing.
- 4.5 The engagement letter will usually set out the form of any reports (public or private) required (including, in each case, the nature of any opinion to be expressed by the reporting accountants). Accordingly, it is important to clarify those from whom the reporting accountants have agreed to accept instructions including, where relevant, sponsors, and determine their requirements and the scope of such reports, at an early stage.
- 4.6 The engagement letter should specify those reports that are intended for publication in the investment circular and any other reports that are required. In this regard, those reports must clearly be identified whether these are for public or private reporting engagements. Consequently, the engagement letter should specify, in respect of each report, to whom it is to be addressed.
- 4.7 The engagement letter sets out the express terms governing the reporting accountants' contractual responsibilities in connection with the transaction to those instructing them. Reporting accountants do not accept responsibility beyond the matters or entities in respect of which they are specifically instructed. They are also not expected to comment or report on matters which more properly fall within the skill and experience of other experts or advisers. They understand, however, the need to apply their own professional skill and experience in interpreting and carrying out their instructions. Reporting accountants may find information outside the defined scope of the engagement that they believe should be disclosed, because in their view, such information is material to the purpose of the investment circular or to the proposed transaction. Reporting accountants discuss such matters with the directors of the issuer and the sponsor, where relevant, and agree a course of action.

## **5.0 ETHICAL REQUIREMENTS**

- 5.1 In the conduct of an engagement involving an investment circular, the reporting accountants should comply with the MIA By-Laws. The reporting accountants should also adhere to the relevant ethical guidance of the professional bodies of which the reporting accountants are members.
- 5.2 While it is not the responsibility of the reporting accountants to judge the appropriateness, or otherwise, of a proposed transaction, in respect of which they have been engaged, there may be rare circumstances where a reporting accountant considers the proposed transaction, or their proposed association with the transaction, to be so inappropriate that the reporting accountants cannot properly commence work or continue to act.

## **6.0 LEGAL AND REGULATORY REQUIREMENTS**

- 6.1 The reporting accountants should be familiar with the applicable laws and regulations governing the report which is to be given.
- 6.2 The principal legal and regulatory requirements applicable to reporting accountants in Malaysia are summarised as below:

(a) Capital Market and Services Act 2007 – An Act to consolidate the Securities Industry Act 1983 [Act 280] and Futures Industry Act 1993 [Act 499], it regulates activities and intermediaries in the capital market and provides for efficient market operations, dealing with matters consequential and incidental thereto. It encompasses, but by no mean limited to:

- Equity Guidelines issued under section 377 of the Capital Markets and Services Act 2007
- Prospectus Guidelines issued under section 377 of the Capital Markets and Services Act 2007

(b) Companies Act 2016 – An Act to provide for the registration, administration and dissolution of companies and corporations and to provide for related matters.

(c) Financial Reporting Act 1997 - An Act to establish the Financial Reporting Foundation and the Malaysian Accounting Standards Board; to provide for their functions and powers; and to provide for matters connected therewith.

(d) Financial Services Act 2013 - An Act to provide for the regulation and supervision of financial institutions, payment systems and other relevant entities and the oversight of the money market and foreign exchange market to promote financial stability and for related, consequential or incidental matters.

(e) Islamic Financial Services Act 2013 - An Act to provide for the regulation and supervision of Islamic financial institutions, payment systems and other relevant entities and the oversight of the Islamic money market and Islamic foreign exchange market to promote financial stability and compliance with Shariah and for related, consequential or incidental matters.

- (f) Listing Requirements as issued by Bursa – The principles and general requirements of Bursa which are applicable to all applicants, listed issuers, management companies, trustees, trustee-managers, their directors, officers, advisers or other persons to whom these Requirements are directed to. A listed issuer is a body corporate which is admitted to the Official List of Bursa.

## **7.0 QUALITY CONTROL**

- 7.1 The reporting accountants must comply with the applicable guidance set out in ISQC 1 *Quality control for firms that perform audits and reviews of financial statements, and other assurance and related services engagements* and ISA 220 *Quality Control for an Audit of Financial Statements*.
- 7.2 ISQC 1 provides the standards and guidance on the system of quality control that are applicable to all firms of professional accountants in respect of audits and reviews of financial statements, and other assurance and related services engagements.
- 7.3 The quality control procedures that an engagement partner applies are those set out in ISA 220. In applying ISA 220, the terms “audit” and “audit engagement” are read as “reporting accountants’ engagement” and the term “auditor’s report” is read as “reporting accountants’ report”.
- 7.4 When undertaking any engagement involving an investment circular, the engagement partner and the engagement quality control reviewer with appropriate experience should be involved in the conduct of the work.
- 7.5 Reporting accountants are frequently from a firm that is also the auditor of the entity. The audit partner, although having knowledge of the entity, may not have the necessary experience to take responsibility for all aspects of an engagement involving an investment circular. The extent of involvement of a partner with the requisite experience of dealing with investment circulars is determined, for example, by the expertise required to make the reports that the reporting accountants have agreed to provide and the experience of the audit partner.
- 7.6 In some cases, it may be appropriate for the partner with the requisite experience of dealing with investment circulars to act as a second partner. In other cases, it may be appropriate for such a partner to be the lead engagement partner.

## **8.0 PLANNING AND PERFORMING THE ENGAGEMENT**

- 8.1 The reporting accountants should develop and document a plan for the work so as to perform the engagement in an effective manner.

- 8.2 The reporting accountants should comply with the guidance set out in ISA 300 *Planning an Audit of Financial Statements* or other applicable audit, review, other assurance and related services engagements standards that are issued by MIA, as the case may be.
- 8.3 Planning is an essential component of all reporting accountants' engagements. Examples of the main matters to be considered include:
- The terms of the engagement.
  - Ethical considerations.
  - Whether the timetable is realistic.
  - The reporting accountants' understanding of the entity and its environment.
  - Identifying potential problems that could impact the performance of the engagement.
  - The need for the involvement of specialists.
- 8.4 Planning is not a discrete phase, but rather an iterative process throughout the engagement. As a result of unexpected events, changes in conditions or the evidence obtained from the results of evidence-gathering procedures, the reporting accountants may need to revise the overall strategy and engagement plan, and thereby the resulting planned nature, timing and extent of further procedures.
- 8.5 A preliminary review of the available information may provide an indication of potential issues that might need to be addressed in carrying out the engagement. If the preliminary review indicates that there are factors which may give rise to a qualification or other modification of any report, then such factors are reported immediately to the board of directors of the applicant and, where relevant, the principal adviser.
- 8.6 Changes in circumstances, or unexpected results of work carried out, may require the plan to be amended as work progresses. Any such amendments are documented. Where the changes affect the work set out in the engagement letter, the engagement letter is also amended as necessary following agreement with the directors, and where relevant, the principal adviser.
- 8.7 The reporting accountants should consider materiality in planning its work in accordance with its instructions and in determining the effect of its findings on the report to be issued in accordance with ISA 320 *Materiality in Planning and Performing an Audit* or other applicable audit, review, other assurance and related services engagements standards that are issued by MIA, as the case may be.
- 8.8 Matters are material if their omission or misstatement could, individually or collectively, influence the economic decisions of users of the outcome. Materiality depends on the size and nature of the omission or misstatement judged in light of the surrounding circumstances. The size or nature of the matter, or a combination of both, could be the determining factor.

- 8.9 The reporting accountants should obtain sufficient appropriate evidence on which to base the report provided in accordance with ISA 500 *Audit Evidence* or other applicable audit, review, other assurance and related services engagements standards that are issued by MIA, as the case may be.
- 8.10 The reporting accountants, either directly or indirectly, will seek to obtain evidence derived from one or more of the following procedures: inspection, observation, enquiry, confirmation, computation and analytical procedures. The choice of which of these, or which combination, is appropriate will depend on the circumstances of each engagement and on the form of opinion (if any) to be given. Guidance on considerations applicable in particular circumstances is given in other MIRS which address the particular issues and requirements arising on specific engagements.
- 8.11 The evidence gathered in support of an individual report takes account of the information gathered and conclusions drawn in support of other reporting engagements in connection with the transaction.
- 8.12 If the reporting accountants becomes aware of any withholding, concealment or misrepresentation of information, it should take steps, as soon as practicable, to consider its obligation to report such findings and, if necessary, take legal advice to determine the appropriate response.
- 8.13 In preparing any report, the reporting accountants rely on information supplied to it by the directors, employees or agents of the entity that is the subject of the reporting accountants' enquiries. The engagement letter may limit the extent of the reporting accountants' responsibility where information which is material to the report has been withheld from, concealed from or misrepresented to the reporting accountants. Notwithstanding any such limitation, the reporting accountants does not accept such information without further inquiry where, applying its professional skill and experience to the engagement, the information provided, prima facie, gives rise to doubts about its validity.
- 8.14 The reporting accountants normally informs the directors of the applicant and the principal adviser, where relevant, as soon as practicable, of any withholding, concealment or misrepresentation of information. The reporting accountants' duty of confidentiality would ordinarily preclude reporting to a third party. However, in certain circumstances, that duty of confidentiality is overridden by law, for example, in the case of suspected money laundering it may be appropriate to report the matter directly to the appropriate authority. The reporting accountants may need to seek legal advice in such circumstances, giving due consideration to any public interest considerations.
- 8.15 The reporting accountants should obtain appropriate written confirmation of representations from the directors of the applicant.

- 8.16 Written confirmation of representations made by the directors on matters material to the reporting accountants' report is ordinarily obtained. These representations also encompass statements or opinions attributed to directors, management, employees or agents of an entity, which are relied upon by the reporting accountants. This may be achieved by the directors confirming that they have read a final draft of the report and that to the best of their knowledge and belief:
- (a) they have made available to the reporting accountants all significant information, relevant to the report, of which they have knowledge;
  - (b) the report is factually accurate; no material facts have been omitted and the report is not otherwise misleading; and
  - (c) the report accurately reflects any opinion or statements attributed therein to the directors, management, employees or agents of the entity.
- 8.17 Representations by the directors of the applicant cannot replace the evidence that the reporting accountants could reasonably expect to be available to support any opinion given, if any. An inability to obtain sufficient appropriate evidence regarding a matter could represent a limitation of scope even if a representation has been received on the matter.

## **9.0 DOCUMENTATION**

- 9.1 The reporting accountants must document matters that are significant in providing evidence that supports the report provided and in providing evidence that the engagement was performed in accordance with MIRSs.
- 9.2 The reporting accountants must comply with the guidance set out in ISA 230 *Audit Documentation* or other applicable audit, review, other assurance and related service engagement standards that are issued by MIA, as the case may be.
- 9.3 The reporting accountants must record in the working papers (or, if applicable, the report) the reporting accountants' reasoning on all significant matters that require the exercise of judgment, and related conclusions.
- 9.4 The information to be recorded in working papers is a matter of professional judgment since it is neither necessary nor practical to document every matter considered by the reporting accountants. When applying professional judgment in assessing the extent of documentation to be prepared and retained, the reporting accountants may consider what is necessary to provide an understanding of the work performed and the basis of the principal decisions taken by another person, such as a reporting accountant, who has no previous experience with the engagement. That other person may, however, only be able to obtain an understanding of detailed aspects of the engagement by discussing them with the reporting accountants who prepared the documentation.

- 9.5 The form and content of working papers are affected by matters such as:
- The nature and scope of the engagement.
  - The form of the report and the opinion, if any, to be given.
  - The nature and complexity of the entity's business.
  - The nature and condition of the entity's accounting and internal control systems.
  - The needs in the particular circumstances for direction, supervision and review of the work of members of the reporting accountants' team.
  - The specific methodology and technology that the reporting accountants use.

## **10.0 REPORTING**

- 10.1 In all reports, the reporting accountants should:
- (a) address reports only to those parties who are party to the engagement letter and on the basis agreed in the engagement letter;
  - (b) identify the matters to which the report relates;
  - (c) address all matters that are required by the engagement letter;
  - (d) explain the basis of the reporting accountants' work;
  - (e) give, where applicable, a clear expression of opinion;
  - (f) include the reporting accountants' manuscript or printed signature;
  - (g) include the reporting accountants' address; and
  - (h) date the report.
- 10.2 In all public reporting engagements, the reporting accountants should explain the basis of the reporting accountants' opinion by including in its report:
- (a) a statement as to the reporting accountants' compliance, or otherwise, with the applicable MIRS; and
  - (b) a summary description of the work performed by the reporting accountants.
- 10.3 In private reporting engagements, the reporting accountants would include in its report:
- (a) a statement as to the reporting accountants' compliance, or otherwise, with the applicable MIRS; and
  - (b) either a summary description of the work performed or a cross reference to the scope of work performed as set out in the engagement letter.
- 10.4 In some private reporting engagements, those engaging the reporting accountants agree with the reporting accountants the specified procedures to be performed. These are referred to as "agreed-upon procedures engagements". In such cases, the reporting accountants must comply with the guidance set out in ISRE 4400 – *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. In this context, the work to be undertaken by the reporting accountants must strictly be confined to the financial information of the applicant.

- 10.5 Before signing the report, the reporting accountants must consider whether it is appropriate to issue the required report, having regard to the scope of the work performed and the evidence obtained.
- 10.6 The date of a report is the date on which the reporting accountants sign the report as being suitable for release. However, the reporting accountants must not sign the report (whether modified or not) unless sufficient appropriate evidence has been obtained and all relevant procedures have been finalised. Such procedures include the review procedures of both the engagement partner and the engagement quality control reviewer.

## **11.0 OPINION**

- 11.1 The reporting accountants must comply with the guidance set out in ISA 700 *Forming an Opinion and Reporting on Financial Statements* and 800 (revised) *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* or other applicable audit, review, other assurance and related services engagements standards that are issued by MIA, as the case may be.
- 11.2 The reporting accountants should not express an unmodified opinion when the following circumstances exist and, in the reporting accountants' judgment, the effect of the matter is or may be material:
- (a) there is a limitation on the scope of the reporting accountants' work, that is, circumstances prevent, or there are restrictions imposed that prevent, the reporting accountants from obtaining evidence required to reduce engagement risk to the appropriate level; or
  - (b) the outcome is materially misstated.

## **12.0 USAGE OF THE TERM 'REPORTING ACCOUNTANTS'**

- 12.1 Reporting accountants shall only be named in an investment circular if any of their reports are included in the investment circular. Typically, inclusion of reports is driven by the relevant regulatory requirements as issued by Securities Commission Malaysia and the Regulation Functional Group of Bursa Malaysia Securities Berhad. Therefore, this excludes situations where the investment circular includes the previously issued auditors' report on the historical statutory financial statements of the issuer.
- 12.2 Reporting accountants should therefore not be named in an investment circular if they are involved solely in private engagements in connection with a capital market transaction.
- 12.3 Accordingly, reporting accountants should not be a member of any DDWG if their reports or deliverables are not included in an investment circular as their scope of work would not be reviewed by the said members of the DDWG.



### **13.0 CONSENT FOR INCLUSION OF REPORTS**

- 13.1 Where the reporting accountants are required to give consent to the inclusion of their public report, or references to their name, in an investment circular, the reporting accountants should, before doing so, consider its public report in the form and context in which it appears, or is referred to, in the investment circular as a whole by:
- (a) comparing its public report together with the information being reported on to the other information in the rest of the investment circular and assessing whether the reporting accountants have any cause to believe that such other information is inconsistent with the information being reported on; and
  - (b) assessing whether the reporting accountants have any cause to believe that any information in the investment circular is misleading.
- 13.2 When the reporting accountants believe information in the investment circular is either inconsistent with its public report, together with the information being reported on, or misleading, the reporting accountants should withhold its consent until the reporting accountants are satisfied that their concerns are unwarranted or until the investment circular has been appropriately amended.
- 13.3 The reporting accountants should give consent to the inclusion of any report under its scope of work in an investment circular only when the reports have been finalised and signed.

**Appendix 1**

List of MIRSs in connection with the work performed by the reporting accountants in an investment circular

No.	MIRS	Effective Date	Series	Serial Number
1.	MIRS 2000 – The 2000 series encapsulates MIRS for all engagements conducted by the reporting accountants on historical financial information.	In progress		
2.	MIRS 3000 – The 3000 series encapsulates MIRS for all engagements conducted by the Reporting Accountants on pro forma financial information.			
3.	MIRS 4000 – The 4000 series encapsulates MIRS for all private reporting engagements conducted by the reporting accountants on prospective financial information.			
4.	MIRS 5000 – The 5000 series encapsulates MIRS for all reporting engagements conducted by the reporting accountants on other financial information which are not covered by the other series			