



AUDIT · TAX · ADVISORY

JUNE 2024

**BT**INSIGHT

The **KPIs** for Talent

Getting ready for  
**E-Invoicing**

Creating a  
**#BestPlaceToWork**



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## Now, for tomorrow

Baker Tilly is ranked the 6th largest accounting and business advisory firm in Malaysia, with 70 Partners and Directors, 9 offices across Malaysia and an office in Phnom Penh, Cambodia, and a staff force of over 900 professionals.

With disruption all around us, standing still is not an option. Success happens when we push forward. We will guide you through the ever-changing business world, blending free-flowing knowledge with the power of personal relationships to help you win now and anticipate tomorrow.



Get in touch with our experts

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# Message from the Group Managing Partner

Welcome to the June 2024 issue of BTINSIGHT!

It has been a very busy and productive 6 months for us all at Baker Tilly. Our Transaction Reporting team and our Internal Audit & Risk Advisory team have journeyed with six companies to list on Bursa Malaysia - four as Reporting Accountants and two as Internal Control Reviewers - with many more to come as we enter the second half of 2024. With quite a number of companies lined up for listing submission in 2025, it is going to be another busy year for both teams.

Our tax consultants have also been busy helping our clients prepare for the e-Invoicing regime that has been scheduled to be implemented from 1 August 2024 onwards for companies with an annual revenue or turnover of more than 100 million. This is a big step as the rest of corporate Malaysia, as well as individuals with business, prepare for the transition into the e-Invoicing regime by 1 July 2025. There is quite a lot to digest in terms of understanding the Inland Revenue Board of Malaysia's E-Invoicing Regulations and the software integrations required to ensure compliance with the law.

In the midst of all this, I am glad that our Partners and Directors were still able to get away for our Baker Tilly Malaysia Network Conference in Johor Bahru for 3-days 2-nights. As always, this is an important time for our leadership team to re-focus, re-align and re-connect with each other.

On the topic of software integration, at Baker Tilly Malaysia we are continuing with our efforts to automate our processes and integrate various stand-alone legacy systems or replacing them altogether. Like many companies in Malaysia who are going through this process - and change management experts will tell you - this is a steep learning curve that requires time, resources and focus from the leadership team, and collaboration from many departments within a company. That is why, getting the right partner and people to work with is vital for the transformation process.

In this issue, Mr Andrew Choong, a Partner in our Audit & Assurance division, who is also the Talent Partner for our Audit & Assurance division, shares his KPIs for Talent. So, do turn to page 12 for his unique perspective in this area. Following this, on page 22 of this issue, we also spoke to Baker Tillians who left us and then chose to come back again. This is something that we are very proud of, and a testament to our efforts in making Baker Tilly Malaysia the #BestPlaceToWork.

On page 6 of this issue, Mr Murugan Anbanantham, our Technical Director in the Tax division shares with us an overview of where Malaysia is at in terms e-Invoicing, how things are not as straightforward as it seems and how it can get complicated very quickly.

We also feel that it is timely to once again highlight the benefits of Business Process Outsourcing as a strategic decision and approach to business growth, especially during a time when business is becoming increasingly competitive, not only within Malaysia, but within the Asia Pacific (APAC) region. So, turn to page 26 for more.

Speaking of which, I also want to take this opportunity to congratulate the Baker Tilly APAC Transfer Pricing team for the successful Transfer Pricing webinar that was conducted in April, updating the region with the latest changes in regulations around the region. It was tricky coordinating the event that brought together our Transfer Pricing experts from Australia, China, India, Singapore and Malaysia, especially with the time-zone difference, so kudos to the team.

This issue concludes with a photo dump of our Hari Raya luncheon held at Volvo Sisma's beautiful new showroom and the Baker Tilly Social Club's Treasure Hunt 2.0. Do turn to pages 32 – 35 to find out more.

As usual, the second half of the year will be even more packed with activities, so do follow us on our social media platforms for updates. ■

**Andrew Heng**  
Group Managing Partner

Now,  
for tomorrow



## Baker Tilly International global results 2023



**\$5.2bn**

2023 worldwide  
revenue (US\$)



**43,000**

People



**658**

Offices



**141**

Territories



Baker Tilly Malaysia is ranked as the **6th largest accounting firm\*** in Malaysia."

- 1 Our **audit** team completed one of the most number of IPO reporting work as Reporting Accountants within the last three years.
- 2 Our **tax** team was shortlisted for the ITR Asia Tax Awards for Malaysia Tax Firm of the Year.
- 3 Our **insolvency** team has the largest number of licensed insolvency practitioners in Malaysia.

\*IAB Rankings: Malaysia 2023



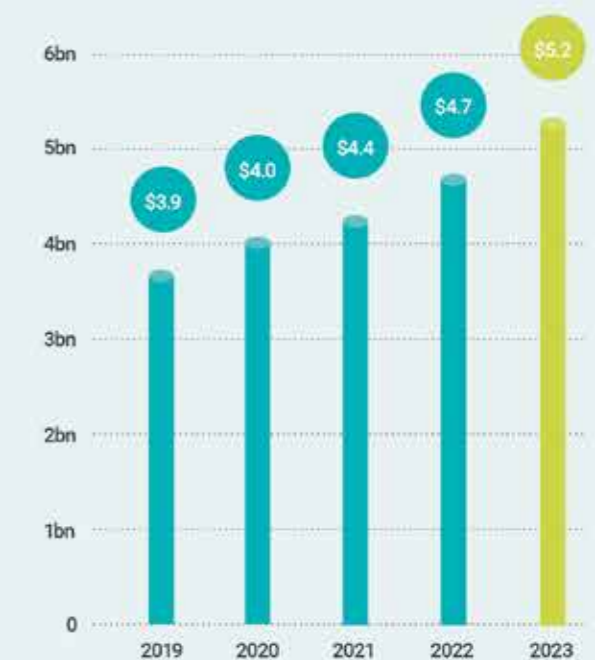
Double-digit, like-for-like revenue growth, with only a modest increase in headcount and in such a volatile market, is an incredible achievement and I am grateful for the hard work of all of our 43,000 people who made it possible."

Francesca Lagerberg  
Chief Executive Officer

### Regional growth in 2023

<b>3%</b>	<b>16%</b>	<b>16%</b>	<b>11%</b>
Asia Pacific	EMEA	Latin America	North America

### Global revenues in US\$



# Getting ready for e-Invoicing

Presently, the talk of the town in the tax world would be e-Invoicing. e-Invoicing is an initiative taken by the Government to support the growth of the digital economy in Malaysia. e-Invoicing will be mandatorily implemented in phases for all taxpayers undertaking business activities in Malaysia, with an effort to enhance the efficiency of the country's tax administration management.

However, with less than 2 months away from the implementation date of 1 August 2024 for the first batch of taxpayers with an annual turnover of more than RM100 million, the question would be 'are businesses ready for e-Invoicing?'

As tax advisors to our clients and businesses on their e-Invoicing adoption, it is apparent to us that things are not that straightforward when it comes to the implementation of e-Invoicing. Firstly, we need to look at this implementation exercise from a tax aspect. e-Invoicing is governed under the Income Tax Act 1967, which makes it mandatory and introduces a set of penalties for non-compliance. Secondly, we need

to look at the information technology ("IT") aspects, as the taxpayers need to churn out this 'new thing' called e-Invoice for validation by way of online transmission to the Inland Revenue Board of Malaysia ("IRBM")'s MyInvois Portal before sharing the validated e-Invoice with their customers.

Despite the potential challenges to be faced by the taxpayers in the implementation exercise, it is without doubt that e-Invoicing will enhance the tax reporting of businesses in Malaysia by encouraging transparency in terms of income recognition and expense claims of taxpayers. An e-Invoice will be a document used not only as proof of income but also as proof of expense. For proof of expense, businesses might be in a difficult position during tax audits in the future if they are unable to substantiate expenses claimed for tax purposes by not furnishing the related e-Invoice. As such, businesses must ensure that a proper e-Invoice generating mechanism is put in place, both at their customer's end as well as their own supplier's end.



**Murugan Anbanantham**  
Technical Director, Tax

“As tax advisors to our clients and businesses on their e-Invoicing adoption, it is apparent to us that things are not that straight-forward when it comes to the implementation of e-Invoicing.”



## Tax aspects

IRBM has issued e-Invoicing guidelines for taxpayers to understand the concepts and key aspects of e-Invoicing which includes the implementation, compliance and record-keeping. This is to ensure that the taxpayers can meet their obligations by following the approach provided for in the guidelines.

### *Proof of expense*

One of the main challenges that taxpayers would face when it comes to e-Invoicing from a tax perspective would be the requirement to also issue 'self-billed' e-Invoice for proof of expense purposes. The taxpayer needs to be clear 'why, how and when' to issue a self-billed e-Invoice. The accounts payable ("AP") team may be given the responsibility to generate the self-billed e-Invoice and transmit it to IRBM for validation. In this connection, the AP team needs to undergo training to ensure that they are familiar with the self-billed e-Invoicing process.

On another matter, taxpayers might have certain transactions whereby a validated e-Invoice is not required to be received from certain suppliers. Under such circumstances, the taxpayer would be allowed to keep the normal receipts issued by the supplier. The taxpayer needs to be aware of when a normal receipt would suffice as opposed to receiving a validated e-Invoice to justify the claim of an expense for tax purposes. These normal receipts must be kept accordingly as part of the organization's record-keeping process and presented on request during tax audits.

Staff claims are another area that needs attention when it comes to e-Invoicing implementation. The staff need to be informed of the staff claims procedure with proper supporting documents to justify the claims made. The supporting documents provided by the staff will be used by the organization as proof of expense. There are also certain concessions (with 'conditions') provided by the IRBM when it comes to these claims, and the organization needs to be aware of these concessions to ensure that expense claims can be made by employers accordingly.



### *Proof of income*

In 'Business-to-Consumer (B2C)' transactions, businesses are allowed to issue normal receipts to the consumers on the premise that the consumer does not require a validated e-Invoice for tax deduction purposes. Nevertheless, under such circumstances, businesses are still required to be e-Invoicing compliant by preparing a consolidated e-Invoice statement and transmitting the said statement to IRBM accordingly for validation. This is for proof of income purposes.

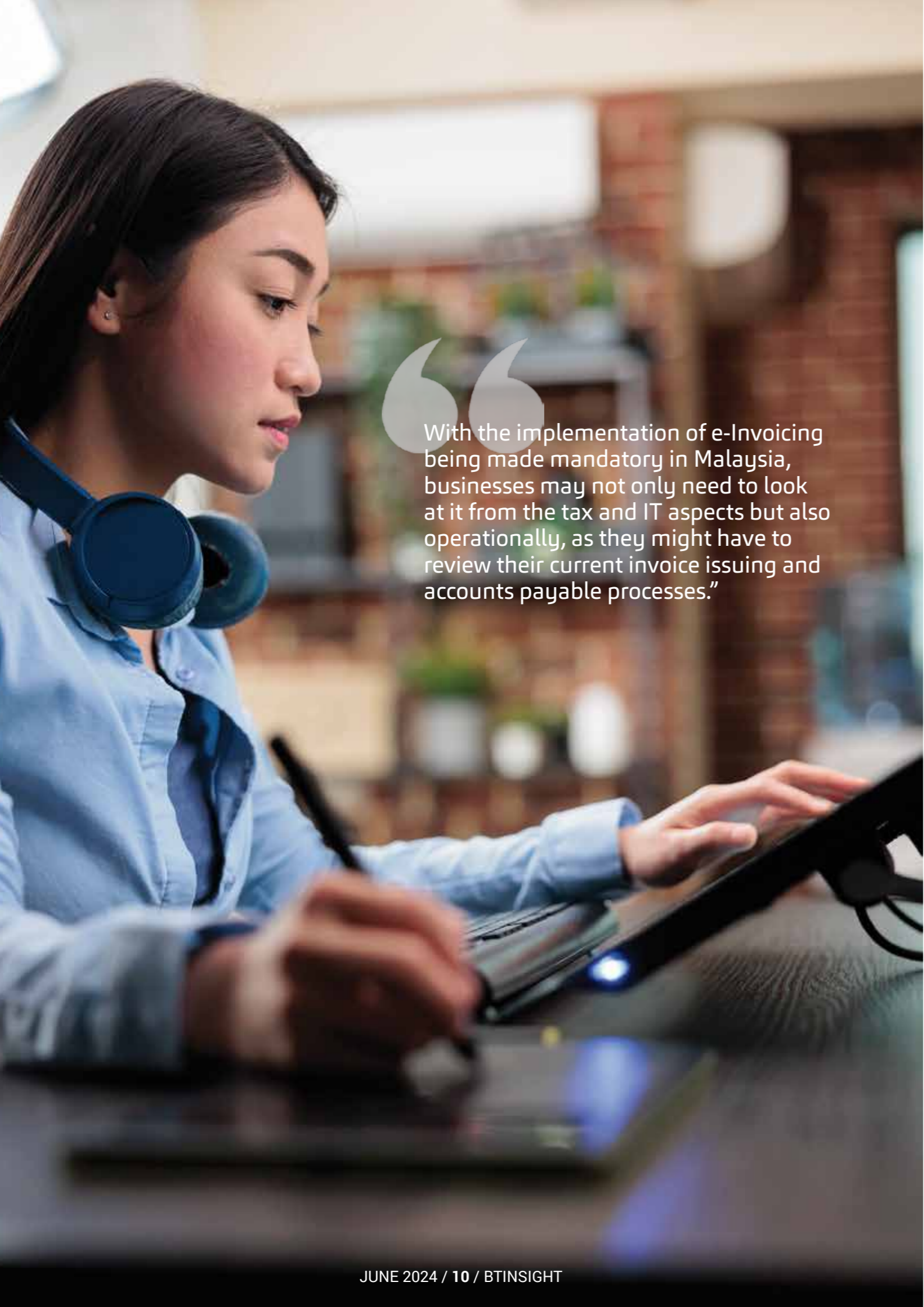
One of the definite challenges to be faced by the organization is the likelihood of the consumer requesting a validated e-Invoice subsequently for the purchase made. Under such circumstances, sellers are required to provide a validated e-Invoice to the consumer. The accounts receivable ("AR")

team of the organization might be given the task of overseeing this. A proper platform must be put in place to accommodate such requests made by the consumers and there must be a cut-off time for such requests to be made before the consolidated e-Invoice statement is submitted for validation purposes. The AR team would not want to end up double-counting by issuing a validated e-Invoice to the consumer and taking up the same income in the consolidated e-Invoice statement.

There are other tax issues as well, which are not mentioned in this article. Hence, it would be advisable for the businesses to get the tax advisors early to review, discuss and conduct training on e-Invoicing for their personnel. The e-Invoicing training or awareness session as some

call it, is an essential part of the scope of work for a tax advisor when it comes to e-Invoicing adoption exercise. This training session should not only be limited to the AP or AR teams but should also be extended to other key personnel of the organization, which may include the human resources, sales and IT teams.

As tax advisors, we have made recommendations to our clients to form an e-Invoicing adoption steering or working committee comprising of key personnel with a top-down approach from the organization's leadership team. This multi-stakeholder approach is important for successful implementation of the enterprise-wide initiative.



“With the implementation of e-Invoicing being made mandatory in Malaysia, businesses may not only need to look at it from the tax and IT aspects but also operationally, as they might have to review their current invoice issuing and accounts payable processes.”

## IT aspects

One of the main issues when it comes to the implementation of e-Invoicing from an IT aspect, would obviously be the 'costs'. Depending on the complexities of the organization's accounting system and the e-Invoicing IT solution sourced, organizations need to be financially prepared to incur costs to integrate their ERP with IRBM's MyInvois System.

The introduction of e-Invoicing in Malaysia has opened doors for IT solutions providers, including foreign players who have e-Invoicing experience obtained from the implementation of e-Invoicing elsewhere in the world. They bring with them their 'e-Invoicing IT tools' of varying degrees of sophistication. Several local players have also joined the race to offer e-Invoice IT solutions.

In essence, the e-Invoice generated by a business must be transmitted to IRBM for validation via the following transmission mechanism available –

1. through the MyInvois Portal hosted by IRBM;
2. via the Application Programming Interface (API) which include –
  - a. direct integration of taxpayers' ERP system with MyInvois System
  - b. through 'Peppol' service providers
  - c. through non-Peppol technology providers (middleware solutions)

The e-Invoicing IT solutions through the Peppol or middleware solutions, normally comes with a one-off as well as annual recurring license fees. Depending on the IT solution provider selected by the organization, the annual license fees can be based on the number of users, add-ons incorporated into the solutions, etc.

Direct integration mechanism appears to be more affordable as it might be a one-off fee, but one of the selling points of the middleware solution providers is their comment on 'what if IRBM were to issue an update' (which is unavoidable at most times), 'who is going to absorb the cost for the organization to make changes to their IT system due to these updates?'. Certain middleware solution providers have informed their prospective clients that there will not be any additional fee charged for the costs of making changes due to these potential updates.

All businesses have to implement e-Invoicing, whether in 2024 or 2025 depending on their financial year 2022 turnover thresholds; and will need to look at the pros and cons as well as the associated costs of the available IT solutions in coming up with the most suitable e-Invoicing transmission mechanism for their business.

With the implementation of e-Invoicing being made mandatory in Malaysia, businesses may not only need to look at it from the tax and IT aspects but also operationally, as they might have to review their current invoice issuing and accounts payable processes. Certain businesses may even need to hire additional staff or reorganize staff functions and responsibilities due to the additional responsibilities and obligations involved.

Obviously, taking the potential challenges that might be faced by the taxpayers in implementing e-Invoicing for their businesses, the Government had announced in the 2024 Budget certain tax initiatives which includes a shorter period in claiming capital allowances for qualifying expenditure incurred on information and communication technology (ICT) equipment and computer software, etc. for businesses; and a tax deduction of up to RM50,000 (as part of Environment, Social and Governance (ESG) related expenditure) for each year of assessment ("YA") for the consultation fees for implementing e-Invoicing incurred by MSMEs with effect from YAs 2024 to 2027. Besides the tax initiatives, MSME entrepreneurs can also benefit from the digitalization grants of up to RM5,000 subject to conditions being fulfilled and application being approved.

In conclusion, though e-Invoicing is a very good initiative as it creates good tax governance and more efficient tax administration for the tax authorities, it does come with financial and organizational challenges for taxpayers at a time when businesses may already be finding things hard to sustain profitability and productivity amidst rising costs and administrative burdens. Still, the implementation of e-Invoicing remains a mandatory legal requirement, and taxpayers have no choice but to gear up accordingly. ■





# The KPIs for Talent

**Andrew Choong**  
Partner, Audit & Assurance

*Andrew Choong is our Partner at Baker Tilly looking at the overall talent needs of the audit division. Andrew is a dynamic speaker and is regularly invited to speak at Universities and Tertiary Institutions, sharing his experience as an auditor. We caught up with Andrew recently to share his thoughts on leading people at the workplace today.*

As international borders “disappear” and as accountants become increasingly mobile with the advancement in technology, the accounting industry is facing unprecedented challenges in attracting and retaining the right talents. The competition is stiff!

Organisations are looking for more innovative ways of securing talents to ensure stability and growth. At Baker Tilly Malaysia, our audit arm is not spared from this either.

It is not easy to fight against the tide, especially when the versatility of a chartered accountant or an experienced auditor means that they can easily transition to their next adventure, whatever the reason; To earn more by moving across the border to capitalise on the strength of the foreign

exchange, to join a Multi-National Company or the commercial sector locally in order to have the perceived better work-life balance. Some even leave to join a completely different industry (We have a colleague who became a full-time professional pet-groomer!). With the odds stacked against us, how then do we attract and retain talents for the audit industry?

The simple answer is – we must evolve. The hard question to answer is – how?

In an industry that relies on its talents, I posit that it is necessary to transform working cultures and help talents develop using a set of KPIs. No, not Key Performance Indicators in terms of revenue and profitability, but one that is centred on our talents.

## 1. Keep People Informed

The world we live in now is flooded with information that is easily accessible. Unlike the Baby Boomer generation, talents today are no longer just working to put food on the table. Flushed with information from the internet and influence from social media that have shaped their perspective on life and work, our talents today want to know what is going on around them and be involved in the decisions made at the workplace every day.

At Baker Tilly, we are acutely aware of the importance of keeping people informed. Decision made at the top is cascaded down structurally through Townhalls, Conferences and our staff intranet to ensure that talents at all levels are aware of the bigger picture in terms of where we are now and where we want to head to.

At the more micro level within my audit group, we hold monthly Managers meeting to deliberate on our audit group related matters. Engagement portfolios for each manager and resource allocation are planned and discussed together. No longer is it instructions from the top with a set of orders to be executed. Decisions are made together so that everyone understands the basis for each decision and thought process. This reduces miscommunication among the team and allows for open dialogue throughout, ultimately making people feel part of the process and a sense of belonging.

Hence, the first KPI that one should practice, regardless of your position in the Firm, is to **Keep People Informed**.



## 2. Keep People Interested

The next KPI is to keep our Talents keen on what they are doing.

Leaders are finding it more challenging to keep their Talents "interested". We are living in a world where people are constantly browsing and scrolling through their social media feeds. Research has found that the attention span of Generation Z is approximately 8 seconds. Personally, sometimes I feel that my own attention span is less than half of that.

Thankfully, in audit, although the crux of the work may be monotonous, every engagement is different. Every client is also different, be it the nature of business, the location of their offices or simply the people that you have to deal with. Even if you are dealing with the same client on a yearly basis, their business may change from year to year, the people you have to deal with will also mature – and progressively, you will be dealing with more senior people in the organisation. Things can be very interesting depending on how we look at it.

Essentially, as leaders, we need to be ready to step up to create a holistic environment for our team of Talents so that they can remain interested and invested in what they are doing. This can be done through a variety of ways, one of which is activities at the workplace that promote work-life integration and work-life balance.

At Baker Tilly, this includes initiatives such as our Baker Tilly Pause, our Baker Tilly Social Club events such as the recent Treasure Hunt, as well as the establishment of our Baker Tilly Purpose Hub.

We also organised various get-together sessions like celebrating festivities and pit-stop appreciation parties. Respective divisions will also have their own Group trips, appreciation dinners and social activities. All these activities allow our talents to interact across divisions, meet new people, and keeps the workplace an interesting one.

However, are all these efforts enough euphoria to keep our Talent interested? The famous quote by Theodor Roosevelt, "People don't care how much you know until they know how much you care." highlights the importance of empathy, emotional intelligence and interpersonal skills in addition to knowledge and expertise.

While the Firm provides us with an environment that is conducive for our personal growth, it is important to note that these are just enablers.

The environment and culture of the firm are not just solely about events and activities. Only we ourselves can truly make a difference. As leaders in our own big or small ways, we can play our part to make the difference to keep people motivated, to keep people engaged, and ultimately to keep people interested.

A simple "Good morning" or "Hello, how are you?" to people you meet in the lift, or just giving a big smile to someone when there is eye contact speaks volumes. So, you don't have to strive to change the world. Start by changing yourself and how you respond to those around you, and you will see how it will positively affect the people around you.

Thus, each of us must do our part to **Keep People Interested**.



### 3. Keep People Inspired

Keeping people inspired is easier said than done. Talents have different backgrounds and they are each going through different stages in their life. I am not advocating that we personally inspire every Talent within the firm. This is certainly not possible for a firm our size. But what I am hoping for is a cascading rippling effect. When we inspire the right Talents, these Talents will then go on to inspire people within their team or circle.

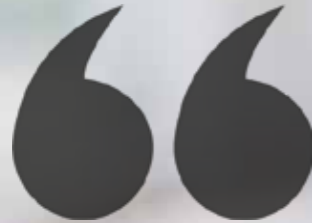
The terms that the younger generation often use these days are “Influencers” or “KOL – Key Opinion Leaders”. At the workplace, we also have “Influencers” and “KOL”. These are usually those with natural leadership skills that others look up to. Inspire these workplace “Influencers” or “KOL”, and they will inspire others. Again, it is easier said than done.

To inspire, we need to be inspiring leaders, which in turn requires constant engagement and a high level of empathy towards our Talents. It starts with our leaders, it starts from the top.

At Baker Tilly, we have established structured measures for our engagement efforts through our Employee Engagement Survey. Annual upward feedback review is also compiled by our Human Resource department, known internally as our Talent, Interaction & Memories Department.

On a personal level, I am still a work in progress. Talents that I meet are also always changing and evolving. So, I personally need to evolve. Perhaps we can all strive to do the same and continue to **Keep People Inspired**.

Well, this is just my two cents and my definition of KPIs that I try to meet. I hope it helps you in setting yours. ■



To inspire, we need to be inspiring leaders, which in turn requires constant engagement and a high level of empathy towards our Talents. It starts with our leaders, it starts from the top.”





# Baker Tilly Malaysia

## Network Conference 2024

This year, for our Baker Tilly Malaysia Network Conference, our Partners, Directors and Heads of Departments from the different business units, operational functions and geographical locations spent 3 days and 2 nights at St. Giles Hotel, Johor Bahru. It was a fruitful time for our leaders to connect with each other and pick up new leadership skillsets. We are never too senior and never too old to learn and renew our mindsets.

Our Network Conference is also an important time for our Leadership Team to realign, reconnect and re-envision our future as one big Baker Tilly family together.

Our Network Conference is never complete without our networking dinners, food hunting escapades and group wefies! Almost feels like a challenge to see how many Baker Tillians we can fit in a wefie.

Yes, we are all quite varied in personalities, backgrounds and passion, but we are one big Baker Tilly family and it is wonderful to be able to operate so well together in an environment that is supportive and inclusive, wanting the best for each other and the firm. This is how we grow together now, for tomorrow. So tune in for greater things ahead! ■



# Creating a #BestPlaceToWork

At Baker Tilly, we firmly believe that our success is inherently tied to the success of our people. This core belief drives our passion for developing and maintaining our #BestPlaceToWork programs and initiatives. These initiatives are meticulously designed to support and empower our employees, enabling them to thrive both personally and professionally.

Our #BestPlaceToWork framework is deeply integrated with our talent strategies, focusing on creating a great work environment, offering robust career growth opportunities, harmonizing work and personal life, and providing competitive perks and benefits. By concentrating on these critical elements, we aim to foster a holistic and engaging experience for our employees.

Creating a supportive, growth-oriented, and balanced workplace is essential for attracting top talent and fostering long-term employee satisfaction and loyalty. As we look to the future, we remain steadfast in our commitment to evolving and enhancing our #BestPlaceToWork framework, ensuring it remains relevant and appealing to the best and brightest in the industry. This commitment not only supports our people's growth and well-being but also reinforces our standing as an employer of choice.

**Carmen Chua**  
*Director, Talent, Interaction & Memories*



Over the years, many have joined and left Baker Tilly to pursue other opportunities, and many have returned to join us again. Here are some of their stories.



I first joined Baker Tilly as an audit associate. It was my first office job. After a few years, I left to join another big accounting firm for the exposure and also to experience a new environment.

After some time, I decided to return to Baker Tilly. I missed the camaraderie and the teamwork among Baker Tillians. Baker Tilly has a very unique culture and I really do feel like I am part of a family, working alongside people who want to see you succeed. The challenges and exposure of the job is the same, but culture really makes a difference. It is a very supportive environment and I feel that I can grow here.

**Chan Kwok Tgin**  
*Executive Senior, Audit & Assurance*



I first joined Baker Tilly as an audit associate. After a few years, I left Baker Tilly to focus on my personal development and self-improvement, taking time to re-evaluate my career goals and aspirations. I wanted to just take a breather before joining the workforce again.

After my short hiatus, I decided to return to Baker Tilly. I have always felt that I resonated with Baker Tilly's culture and values, and I wanted to return to an environment that is supportive and inclusive, and where I can thrive both personally and professionally.

Returning to Baker Tilly felt like a homecoming of sorts and I could hit the ground running. I could quickly and seamlessly integrate into my role again. Needless to say, I am glad to be back.

**Terry Ang**  
*Audit Associate, Transaction Reporting*



I first joined Baker Tilly as an intern in the Insolvency department. After completing my studies, I returned to Baker Tilly as an associate consultant. After a few years, I left to join a big accounting firm in Singapore. The offer was very attractive and an experience in a different country was enticing. However, I did not like that culture at my new workplace and returned to Baker Tilly in Malaysia.

Here, I have a manager who is supportive and motivates me to improve and grow as a person and in my career. Here, I have a clear picture of my career path and I know how I can succeed.

**Wong Jing Wen**  
*Assistant Manager, Insolvency & Advisory*



I first joined Baker Tilly as audit associate. I left to pursue new challenges and broaden my professional horizons. Despite exploring other opportunities, I found myself drawn back to Baker Tilly due to the unique culture and dynamic environment.

Reuniting with familiar faces and diving back into the company's collaborative culture has been incredibly fulfilling. The support and encouragement from my colleagues have been invaluable as I reintegrate into my role at Baker Tilly again.

**Foo Kai Xin**  
*Senior, Audit & Assurance*

I started my career with Baker Tilly as an associate consultant in the Insolvency division. The working culture and environment at Baker Tilly are what I have always envisioned. However, I wanted to broaden my perspective and explore other areas of advisory work. Therefore, I made the decision to leave the firm to gain diverse experience.

After acquiring the desired expertise, I chose to return to Baker Tilly, recognizing its unparalleled working culture and environment. Since my return, I have found even greater satisfaction in my work here.

**Tan Po How**  
*Senior Consultant, Corporate Advisory*



I first joined Baker Tilly as an audit associate with one year's experience from a small audit firm. After four years at Baker Tilly, I left to join another big accounting firm. I wanted to experience in auditing multi-national companies and I wanted to learn how other big accounting firms approach audit issues.

After a while, I started to miss the working environment at Baker Tilly. Partners and managers at Baker Tilly are very approachable, literally a skip and a hop away. This is really valuable especially in the face of challenges.

Even though I joined a different audit group when I returned to Baker Tilly, the culture is still the same, further demonstrating that this is an integral part of who we are at Baker Tilly. We are a big family and whether or not we are part of the same audit engagement team, Baker Tillians are always ready to give each other a hand when needed. No, it's not only about work. There are so many non-work topics that we chat about as well. I am so glad to have such a strong bond with my fellow Baker Tillians.

**Teresa Chin**  
*Senior Manager, Audit & Assurance*



I first joined Baker Tilly as an audit associate. I left to join a commercial entity as I wanted to try something different and explore other possibilities. I have always been curious by nature.

After a while, the work at the commercial entity became very mundane and repetitive. I didn't feel that I was enhancing my skillsets and abilities. So, I decided to return to Baker Tilly.

Since I have been back, the experience has been great as it has always been! Work is meaningful as I am always learning something new and I have the opportunity to explore and be exposed to clients from various industries.

**Tan Yao Hong**  
*Audit Associate, Audit & Assurance*



# Business Process Outsourcing

## A strategic decision



**Cheryl Kew**  
Director, Global Business Solution

### Savings: Cost effective

Businesses especially MNCs are gradually streamlining their manpower needs by outsourcing certain business functions, to focus its internal resources on core business activities, while enjoying a lean and mean staff force, resulting in less energy spent on human resource management and a lesser need for floor space (and rental, utility, perks, insurance, etc). Overall, this results in an improvement in profitability.

Furthermore, outsourcing also saves recruitment cost, training and retraining cost, retention cost (e.g. annual increment, promotion and bonuses) and the pain of finding the right replacement when capable staff leave, not to mention the downtime when this happens.

Outsourcing also allows companies to enjoy incremental costs when their business expands and more manpower is required, as opposed to hiring internally. Basically, outsourcing allows you to scale up rapidly without the need to increase your headcount.

The inverse is also true. If operations need to be scaled down, this can be done without the need to worry about excess staff or redundancy issues.

Therefore, while the outsourcing service is not necessarily "cheaper", it does lead to cost saving in the long run.

Top on the minds of business owners, especially during these times of uncertainty, are business sustainability and growth, and with that, the need for efficient cost management. There is always that risk and return that business owners have to balance.

The windows of opportunity are much smaller today than they were yesterday. To survive, business owners must adapt to the rising global challenges and competition brought about by the advancement in technology and borderless business platforms. On top of this, the complexity of businesses today has also led to equally complex regulatory requirements.

These challenges are accentuated by the challenges to recruit and retain talents, which come at a cost, from the hiring process to the implementation of retention strategies. Attrition sometimes leads to uncertainty and the company takes on and trains new staff.

So, to be ahead of the game, businesses today are faced with the need to be cost efficient (savings), the need for stability and the need for speed.



It is no surprise that the outsourcing of certain operational functions has become increasingly popular. Many have found that competent and effective outsourcing service providers are able to deliver long term value to the business.

Business Process Solutions and Outsourcing helps to iron out some of these challenges, freeing up precious time for business owners to focus on strategy and growing the business.

The most common outsourcing functions are in the area of accounting & finance, human resource & payroll and information technology. Becoming increasingly popular is the outsourcing of the Chief Financial Officer role.

Having stated the above, this also means trusting a service provider with your day-to-day operation and confidential information.



## Stability: Certainty and access to wide talent pool

Arguably, for the same price, outsourcing provides companies with the opportunity to access a wide high-quality talent pool, who are equipped with a wide spectrum of experience obtained from servicing a wide variety of clients, thereby enabling them to provide faster solutions for different challenges.

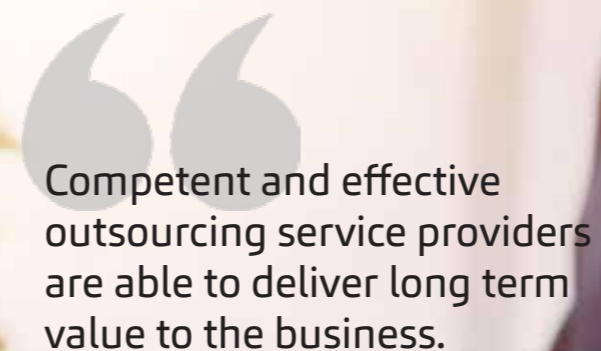
Having certain functions outsourced also provides stability, certainty and continuity. The manpower attrition risk is transferred to the service provider, who must ensure delivery of their contractual obligation, regardless of that service provider's staff turnover.

Again, this allows the business owners to concentrate on the business proper.

## Speed: The need for speed

We all know the phrase, "Time and tide wait for no man".

Managing a business today is very different from 20 years ago. With technology, social media and a global marketing platform, your first-mover advantage can be easily eroded. Businesses need to be able to focus their energy on staying ahead of the competition. With certain operational functions outsourced and managed well, this frees up their time to do just that.



Competent and effective outsourcing service providers are able to deliver long term value to the business.

## Conclusion

Naturally, as companies outsource their accounting and human resource functions, there is a concern for the security and confidentiality of the information. It is therefore important to engage the services of a reputable business process outsourcing provider that has a track record of being trustworthy and professional, with top-notch security.

It is also critical to procure a business process outsourcing service provider with extensive experience in various types of industries and business processes, backed by an in-house team of technical experts.

Contact our Baker Tilly experts for more information at [info@bakertilly.my](mailto:info@bakertilly.my) ■



**Yohan Francis**  
*Executive Director, Transfer Pricing*

## Asia Pacific Regional Transfer Pricing Updates

Transfer Pricing is the area of taxation that deals with the pricing of transactions between organisations under common ownership or control - associated parties. It remains one of the most interesting topics in the tax sphere. However, laws and regulations that are constantly evolving make it very challenging for one to keep abreast with the local developments in each jurisdiction and continues to garner interest across the region.

In recent years, Malaysia has also seen the introduction of new Rules and Guidelines from the Inland Revenue Board of Malaysia. Companies are making effort to ensure that they comply with these new requirements which come with substantial penalties for non-compliance.

In April this year, our Baker Tilly Transfer Pricing experts from Australia, India, China, Singapore and Malaysia came together to share updates on Transfer Pricing regulations around the Asia Pacific region.

A huge appreciation goes to my colleagues, Aileen O'Carroll, Ashwath S Pai, Bill Liu and Molvin Yiu for taking time out from their busy schedules for this regional event.

Do keep a lookout for more APAC Regional Transfer Pricing events to come or contact our Transfer Pricing experts for more information. ■

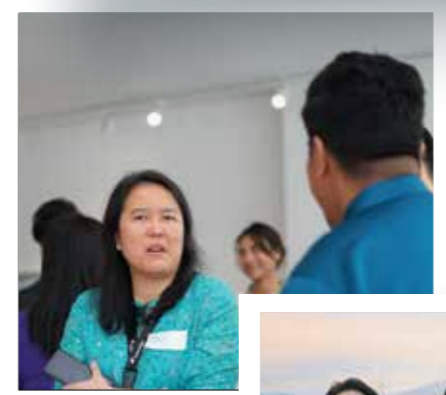


# Baker Tilly Hari Raya Luncheon

Hari Raya is a very busy time for Malaysians, with invitations to Raya Open Houses for lunch and dinner during the whole month of Syawal.

This year, we were very happy to have been able to host our Raya luncheon, for our clients, bankers and lawyers who celebrate Hari Raya, at Volvo Sisma's beautiful new showroom.

After a sumptuous meal, our guests also had the opportunity to test drive the Volvo cars at the premises. ■



Cahaya Ramadan berlalu pergi,  
Menyambut tiba Aidilfitri,  
Ampun dan maaf segala peri,  
Semoga ikatan kekal di hati.

BAKER TILLY

# s@cialclub Treasure Hunt 2.0!



## What an Amazing Race!

It was an amazing day for our Baker Tillians as they went on a treasure hunt around Brickfields and Bukit Bintang by foot, the MRT and public transport one beautiful (but hot) Saturday morning. If you were in town, you would likely have spotted our people in our Baker Tilly attire figuring out all the clues for our treasure hunt day.

Although it was a fairly hot day, the heat did not dampen our Baker Tillians' spirits! The thrill of the game kept our people going and some of the answers our people came up with were downright hilarious! All-in-all it was great fun!

Thank you again to the Social Club organising committee! And of course, CONGRATULATIONS to the WINNERS! ■



# Congratulations!

## Successful listing on Bursa Malaysia!

We are very proud to have journeyed with six companies this year who successfully listed on Bursa Malaysia. Congratulations KTJS Group Berhad, Farm Price Holdings Berhad, Feytech Holdings Berhad, Smart Asia Chemical Berhad, Kawan Renergy Berhad and KTI Landmark Berhad! ■



**KTJS Group Berhad**  
Listed on the ACE Market of Bursa Malaysia



**Farm Price Holdings Berhad**  
Listed on the ACE Market of Bursa Malaysia



**Feytech Holdings Berhad**  
Listed on the Main Market of Bursa Malaysia



**Smart Asia Chemical Berhad**  
Listed on the ACE Market of Bursa Malaysia



**Kawan Renergy Berhad**  
Listed on the ACE Market of Bursa Malaysia








**KTI Landmark Berhad**  
Listed on the ACE Market of Bursa Malaysia

# Looking for accounting & payroll services?

Get the right business process outsourcing solutions with us!



Contact our experts

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-  BTMalaysia
-  @bakertillymy
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## Our Global Business Solutions Services



Outsourcing of finance, accounting, and operation functions



Support services for start-up and small medium enterprise (SME)



Human Resource Administrative services



Provision of on-site finance, accounting and operation functions



Payroll management services

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