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31 OCTOBER 2018

CCM Launches Malaysian Business Reporting System

Submission of financial statements and annual returns via MBRS to be made mandatory

| by Eleena Abd Wahab and Lo Yien Peng |

On 27 September 2018, the Companies Commission of Malaysia (**CCM**) announced the launching of an online-based submission platform, the Malaysian Business Reporting System, or commonly referred to as MBRS.

In taking steps towards digitization, MBRS is an initiative formulated by the CCM to implement the concept of financial statements and annual returns reporting in the eXtensible Business Reporting Language. Reporting via the MBRS will be applicable to all Malaysian companies incorporated, and foreign companies registered, under the Companies Act 2016.

The MBRS will be gradually implemented, beginning tomorrow, **1 November 2018**. At the initial stage of implementation, submission of a company's financial statements and annual returns via the MBRS is voluntary, but it will eventually be made mandatory by the CCM. During the early stages of implementation, companies will be required to submit and file only the following through the MBRS:

- (a) Annual Returns;
- (b) Unaudited Financial Statements; and
- (c) Certificate of Exempt Private Company.

The implementation dates of the MBRS for each region of Malaysia are as follows:

State	Implementation Date
Kuala Lumpur and Selangor	November 2018
Negeri Sembilan, Melaka and Johor	December 2018
Pahang, Kelantan and Terengganu	January 2019

Perlis, Kedah, Perak and Pulau Pinang	February 2019
Sabah, Sarawak and Labuan	March 2019

The mandatory submission and filing of a company's audited financial statements via the MBRS will be announced by the CCM on a later date.

Company secretaries of companies incorporated, and agents of foreign companies registered, in Malaysia will be required to submit the aforementioned documents on the MBRS portal.

Although we foresee minimal issues with regard to the submission of a company's annual returns, we anticipate that teething problems may arise in relation to the submission of audited financial statements, as company secretaries and agents will now be tasked with having to extract and submit online the relevant information pertaining to the audited financial statements on the said portal. As such, this would require closer co-operation between the company secretaries or agents, the companies' management and auditors as such co-operation is crucial to ensure that compliance with the MBRS system will be a success.

In facilitating the shift towards digitization, the CCM strongly encourages the adoption of the MBRS by Malaysian companies before it becomes mandatory.

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If you have any queries regarding the MBRS, please contact the authors or their team partner [Ooi Bee Hong](mailto:obh@lh-ag.com) (obh@lh-ag.com).

Published by the Corporate Department

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