

## 2025 Transparency Report

Deloitte Malaysia PLT (formerly known as Deloitte PLT)  
(LLP0010145-LCA) (AF0080)

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# A message<sup>1</sup> from our leadership

To our clients and stakeholders,

Delivering high-quality audit and assurance services with integrity remains and will always be our top priority. We take pride in our quality-first culture and dedication to professional excellence as we fulfil our purpose to strengthen trust and transparency in the capital markets.

Auditors' roles have become more critical in today's volatile and complex world, with an intensified focus on protecting the public interest. In response, we remain fully committed to continuously improving and transforming our business to further enhance audit quality, achieve client service excellence and provide a talent experience that enables our people to thrive.

At Deloitte, continuous improvement and the delivery of a dynamic, multi-dimensional audit are integral to our culture of quality and professional excellence. By leveraging a risk-based and data-driven approach to auditing paired with cutting-edge audit tools, we continue to be future-focused and strive to meet needs of our teams and clients. Our investment in advanced audit platforms, including Deloitte Omnia and Deloitte Levvia, reflects our commitment to delivering high-quality digital audits across engagements of varying sizes and complexity. These platforms are designed to enhance audit execution, improve risk identification, and support our professionals in applying sound judgment and professional skepticism. By incorporating advanced technologies, like Generative AI, we can accelerate the process and empower our people to focus on high value activities that drive quality.

Thank you for your interest in understanding more about our structure, governance, and our approach to delivering high-quality audit and assurance services, all supported by our robust system of quality management.

Sincerely,



**Yee Wing Peng**  
County Managing Partner  
Deloitte Malaysia



**Stanley Teo**  
Audit Leader  
Deloitte Malaysia PLT

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<sup>1</sup> Throughout this report, the terms "Deloitte, we, us, and our" refer to one or more of Deloitte Touche Tohmatsu Limited, its network of member firms, and their related entities. For more information about the Deloitte network, please see page 3 or [About the network \(deloitte.com\)](https://www.deloitte.com).

# Deloitte network

## Deloitte Malaysia PLT: legal structure and ownership

In Malaysia, services are provided by Deloitte Malaysia PLT and our affiliates (Deloitte Malaysia). Deloitte Malaysia is connected to the Deloitte network through Deloitte Southeast Asia (Deloitte SEA). This report contains information about Deloitte Malaysia PLT, relevant to its Audit & Assurance business. Information about Deloitte Malaysia PLT and our relevant affiliation and/or relationship disclosures are disclosed herein and with certain details included in Appendix A.

Deloitte Malaysia is part of the network of entities that make up Deloitte SEA (a collective term that refers to separate legal entities that facilitate and/or provide services across Southeast Asia), and this network of entities are also a part of Deloitte Asia Pacific (Deloitte AP).

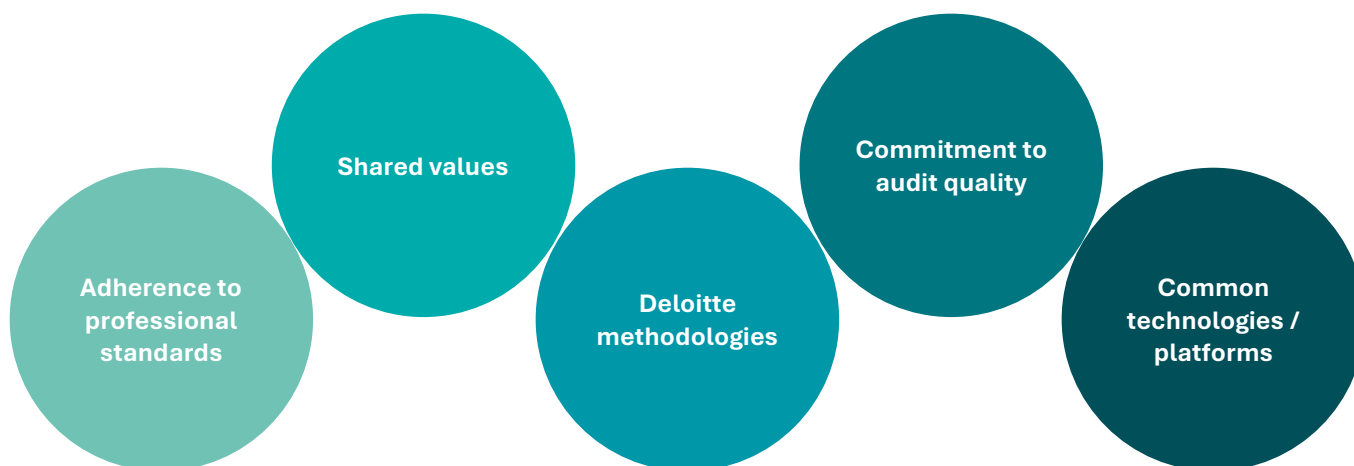
Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Please see below and the rest of this document for further information regarding DTTL, the Deloitte organisation and the Deloitte network.

## Network description

### The Deloitte network

The Deloitte network (also known as the Deloitte organisation) includes a globally connected network of DTTL member firms and their respective related entities operating in more than 150 countries and territories across the world. These separate and independent member firms operate under a common brand, connected by:



### Deloitte Touche Tohmatsu Limited (DTTL or Deloitte Global)

Deloitte Touche Tohmatsu Limited is a private company limited by guarantee incorporated in England and Wales. DTTL serves a coordinating role for its member firms and their respective related entities and establishes policies and protocols with the objective of promoting a consistently high level of quality, professional conduct, and service across the Deloitte network. DTTL does not provide services to clients and does not direct, manage, or control any member firm or any of their respective related entities.

“Deloitte” is the brand under which approximately 460,000 dedicated professionals and practitioners in independent member firms (or their respective related entities) throughout the world collaborate to provide leading professional services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets and enable clients to transform and thrive. These member firms are members of DTTL. DTTL, these member firms and each of their respective related entities form the Deloitte organization. Each DTTL member firm and/or its related entities provides services in particular geographic areas and is subject to the laws and professional regulations of the country or countries in which it operates. Each DTTL member firm is structured in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its respective territories through related entities. Not every DTTL member firm or its related entities provides all services, and certain services may not be available to audit and assurance clients under the rules and regulations applicable to audit firms. DTTL, and each DTTL member firm and each of its related entities, are legally separate and independent, cannot obligate or bind any other, and are liable only for their own acts and omissions, and not those of any other. The Deloitte organization is a global network of independent firms and not a partnership or a single firm. DTTL does not provide services to clients.

**Deloitte Malaysia PLT: governance – leadership in action**

Deloitte Malaysia PLT (the Firm) operates as a limited liability partnership, established under Malaysian law with registration number LLP0010145-LCA, and is a registered audit firm (Audit Firm No. AF0080). We are also registered with the Malaysian Audit Oversight Board as auditors of public interest entities and schedule funds in Malaysia.

Our principal business address is Level 16, Menara LGB, Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur. As of 31 May 2025, the Firm also operates from 3 other locations nationwide including Johor Bahru, Pulau Pinang, and Wilayah Persekutuan Labuan.

**Leadership**

Deloitte Malaysia is a collective term that refers to several separate legal entities (connected to the Deloitte network as affiliates) with their own management to align with the way we conduct our business in Malaysia. Each of these entities provide professional services in areas of Audit & Assurance, Tax & Legal, Strategy, Risk & Transactions, and Technology & Transformation and are owned, directly or indirectly, by persons who actively participate in the practice. Deloitte Malaysia is led by Yee Wing Peng, Country Managing Partner, and supported by a National Executive comprising several talent and industry leaders.

Deloitte Malaysia PLT’s Executive (A&A Executive) is responsible for the management and oversight of the Audit & Assurance (A&A) practice in Malaysia. Specific responsibilities include implementing the business strategy, nominating admission of A&A partners and providing input to the financial aspects of business plans. In the A&A Executive, Yee Wing Peng is designated as Chief Executive Officer (CEO) and Stanley Teo is designated as Audit Leader. Together with other senior leaders, the A&A Executive implements the strategy for the Audit & Assurance practice, including related policies and procedures.

In all their activities, the A&A Executive are responsible for the overarching objective of audit quality, including compliance with applicable professional standards and regulatory requirements. The Firm’s strategy is developed in alignment with the overall strategic direction recommended for the Deloitte network.

**Quality and Risk**

Jimmy Lai is the Firm’s Risk Leader (AARL) and is also Deloitte Malaysia’s Country Risk Leader. He has operational responsibility for certain aspects of our system of quality management, risk and brand protection management and is a member of the National Executive. Jimmy is also the Malaysian Conduct & Ethics Leader.

The A&A quality and accounting technical functions are led by Edwin Tan, our National Professional Practice Director (NPPD). The NPPD is responsible for all decisions relating to the interpretation of accounting and auditing matters and is a key member of the A&A Executive. Edwin is also responsible for remediation matters arising from internal monitoring reviews and external inspections.

The A&A Quality and Risk team is responsible for implementing the quality agenda, establishing function-specific policies and procedures, audit and assurance technical and risk training, monitoring and risk mitigation, and supporting engagement teams on audit technical and risk matters. Other members of the A&A Executive are:

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Joshua Yan, Assurance Leader

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Eric Teoh, Talent

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Siti Hajar Osman, Growth

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Joe Wong

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Alvin Chang

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For purposes of International Standard of Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (ISQM 1), the Firm has designated Yee Wing Peng as the Ultimate Responsible Party (URP) and Stanley Teo & Edwin Tan as joint Operational Responsible Parties (ORP).

### External and Deloitte Network Contribution

The following are partners & principals who contribute to external/professional groups during the year:

Partners & Principals	
Yee Wing Peng	<ul style="list-style-type: none"> <li>• EXCO and Council Member, Malaysian Institute of Certified Public Accountants (“MICPA”)</li> <li>• Member, Education &amp; Training Committee, MICPA</li> <li>• Member, Membership Affairs Committee, MICPA</li> <li>• Member, Investigation Committee, MICPA</li> <li>• Alternate Chairman, Tax Practice Committee, MICPA</li> <li>• Member, ACCA Malaysia Advisory Committee</li> <li>• Honorary Advisor, Master Builders Association Malaysia (MBAM)</li> <li>• Member, Advisory Committee on Sustainability Reporting (ACSR) Implementation Working Group, Securities Commission Malaysia (SCM)</li> </ul>
Stanley Teo	<ul style="list-style-type: none"> <li>• Council Member, MICPA (to 26 May 2025)</li> <li>• Chairperson, Disciplinary Committee, MICPA (to 26 May 2025)</li> <li>• Member, Financial Statement Review Committee, MICPA (to 26 May 2025)</li> <li>• Member, Accounting and Auditing Technical Committee, MICPA (to 26 May 2025)</li> <li>• Member, MASB MFRS Application and Implementation Committee</li> </ul>
Edwin Tan	<ul style="list-style-type: none"> <li>• Council Member, Malaysian Institute of Accountants (MIA)</li> <li>• Chairperson, Examination Committee, MIA</li> <li>• Member, Audit &amp; Risk Management Committee, MIA</li> <li>• Member, Audit &amp; Assurance Standards Board (AASB), MIA</li> <li>• Member, MASB Interpretations Committee</li> <li>• Member, MASB Working Groups</li> <li>• Member, ACSR Sustainability Advisory Working Group, SCM</li> </ul>
YBhg Datuk Peter Lim	<ul style="list-style-type: none"> <li>• Committee Member, ICAEW Members Society, Malaysian Chapter</li> <li>• Member, MASB Working Group</li> <li>• Advisor, Sunway Academic Industrial Advisory Board</li> </ul>
Mak Wai Kit	<ul style="list-style-type: none"> <li>• Member, Division Council, CPA Australia Malaysia</li> <li>• Member, Digital Transformation Committee, CPA Australia Malaysia</li> <li>• Member, MASB MFRS-9 Emerging Issues Task Force</li> <li>• Member, MASB Working Group</li> </ul>
Tan Hwee Sin	<ul style="list-style-type: none"> <li>• Chairperson, Emerging Leaders Network Committee, CPA Australia Malaysia</li> </ul>
Wong Kar Choon	<ul style="list-style-type: none"> <li>• Council Member, Overseas Regional Council, Chartered Accountants Australia &amp; New Zealand (CAANZ)</li> <li>• Member, MIA Capital Markets Advisory Committee</li> </ul>
Jimmy Lai	<ul style="list-style-type: none"> <li>• Member, Public Practice Committee, CPA Australia Malaysia</li> </ul>
Lim Keng Peo Farukh Khan Sudhanya Sahoo	<ul style="list-style-type: none"> <li>• Member, MASB Working Groups</li> </ul>

## Purpose-led and values driven: instilling trust and confidence

At Deloitte Malaysia, our purpose is to make an impact that matters by helping to protect the public interest and building trust and confidence in business and capital markets. For Audit & Assurance, this means constantly evolving audit and assurance processes, leveraging leading-edge technology, applying a diversity of skillsets, knowledge, and experience to deliver high-quality services. We are committed to relentlessly raising the standards of quality and always acting with integrity, independence, and transparency. We are continuously building our capabilities to support the delivery of high-quality audit and assurance engagements and making leading contributions to shaping the future of the profession.

To learn more about how we make an impact that matters, please visit [Deloitte Global purpose](#)





# Deloitte Audit & Assurance:

## Our commitment to serving the public interest

### A focus on quality

Deloitte's commitment to quality permeates everything we do. The independent audit is a central element of the corporate reporting ecosystem, in place to enhance the confidence and trust of investors and other stakeholders, as well as to promote the effective functioning of the capital markets. Deloitte is keenly aware of our obligation to deliver audit and assurance services that meet the challenges and complexities of the current environment while complying with professional and regulatory standards. For the corporate reporting ecosystem to function as intended, it is vital that the auditor's role be executed effectively.

Deloitte is committed to doing more than simply meeting regulatory requirements and conforming to expectations. Deloitte aims to set the standard of excellence for the profession. In keeping with that objective, our commitment to quality is unequivocal.

### Deloitte Global leadership

The Deloitte Global Audit & Assurance Executive, which includes the Audit & Assurance Business Leaders from the member firms, is led by Jean-Marc Mickeler, the Deloitte Global Audit & Assurance Business Leader. His responsibilities include working with the member firms to define and drive the Audit & Assurance

strategy. Key strategy areas of focus include:

- Building on Deloitte A&A's strengths in embedding quality excellence and technology-led transformation, to effectively deliver on the evolving needs of stakeholders relating to corporate reporting and the audit.
- Investing in the future, including enhancing the experience of Deloitte A&A's people and increasing collaboration across the organisation to deliver on key focus areas such as GenAI, finance transformation, and sustainability.

### The company we keep

As part of Deloitte's Audit & Assurance commitment to supporting the capital markets, we are focused on engaging with entities where it serves the public interest and where we have the capabilities to perform quality work objectively and in compliance with applicable professional standards and laws and regulations, including those relating to ethics and independence.

The company we keep is a critical foundational aspect of our Audit & Assurance strategy and global shared values that guide our behaviour to lead the way, serve with integrity, take care of each other, foster inclusion, and collaborate for measurable impact. Our Audit & Assurance portfolio

risk appetite statement can be used as a tool to promote robust discussion of risk, and as a basis upon which acceptance and continuance decisions can be debated and challenged effectively and credibly. The statement sets the tone for our risk culture and aims to drive global consistency in the engagement acceptance and continuance decision making process.

The Firm has detailed policies and procedures in place for the acceptance of prospective clients, the continuance of existing engagements, and the assessment of engagement risk. These policies and procedures are designed with the objective that the Firm will only accept or continue with engagements where it:

- Is able to perform the engagement and has the capabilities, including time and resources, to do so.
- Can comply with all relevant professional standards and laws and regulations, including those relating to ethics, independence, and conflicts of interest assessments and considerations.
- Considers the client's management team to act with integrity and in alignment with our shared values.



### Fewer, stronger member firms

Within the Deloitte member firm structure, the Firm is part of the Asia Pacific member firm through our Southeast Asia network. As a locally registered and regulated audit firm in Malaysia, we have decision-making authority regarding regulatory matters and professional obligations and maintain ultimate responsibility for the execution of audit and assurance services in accordance with professional standards and local laws and regulations. The Firm is responsible for maintaining and operating an effective system of quality management to support the performance of high-quality audit and assurance engagements. As a member of a combined firm within the Deloitte network, we work in close cooperation with the other geographies in Southeast Asia, and the wider Asia Pacific member firm and benefit from additional oversight of quality, risk management, and monitoring activities. This structure fosters shared investment in innovation and resources as well as the sharing of leading practices across geographies, driving standardization and consistency across the audit and assurance business and contributing to our collective aspirations of continuous improvement in quality.



### Multidisciplinary model (MDM)

Deloitte's MDM brings the breadth and depth of services across Deloitte's businesses, connecting many different disciplines to provide expertise and broad perspective. The MDM is a core strength of Deloitte and will remain the foundation of our strategy.

The span of change and complexity in the current external environment around the world highlight the value of Deloitte's MDM and is pivotal to delivering high-quality A&A work. The growth in Deloitte's non-A&A business lines results in higher quality resources available to the A&A practice, enabling transformation to drive enhancements in audit quality.

Specifically, the scope of corporate reporting is transforming with the emerging voluntary and mandatory disclosure requirements around ESG, cyber, AI, data privacy, and more. Deloitte prides itself on having a deep bench of independent specialists who can be deployed around the world on audit and assurance engagements to provide subject matter expertise and new, insightful perspectives.

Other strengths of the MDM include:

- The possibility to develop industry or thematic insights (e.g., climate, governance, corporate strategy, etc.) through multiple lenses, which enhances auditors' understanding of business risks relevant to conducting audit and assurance services.
- The breadth of the MDM creates richer career paths and mobility for our people making the business attractive to candidates who may not want to limit their career options to providing audit and assurance services only.
- The global scale of the MDM brings greater resilience to each Deloitte business line, including audit and assurance, allowing continued investment in technology, methodology, and process to support delivery of high-quality, cross-border services.

Deloitte leadership recognises that each Deloitte business line is important to the organisation's ability to deliver on its public interest responsibilities. Management's attention and investment allocation are not limited to the business lines with the highest growth rates.

Deloitte acknowledges the possibility and perception of conflicts of interest and therefore has robust conflicts and independence policies and systems to help ensure that Deloitte's strategy is executed in alignment with regulatory and professional requirements.

While we are always evaluating ways to improve Deloitte's ability to deliver on our public interest mandate, we remain confident that Deloitte's MDM and our shared purpose and values make us well-positioned to navigate future challenges while continuing to lead with quality.

Last year, we made an intentional decision to modernise and simplify Deloitte's storefront and go-to-market strategy. For Audit & Assurance, the modernised storefront will allow us to continue to align core skillsets and capabilities, and provide vibrant, engaging career opportunities for our people.

Our people’s commitment to integrity, to serve the public interest, and to deliver high-quality assurance over the areas that matter most to our stakeholders is at the core of everything we do.

Our unwavering dedication to quality drives our sustained quality leadership position. We remain focused on excellence across people, process, and technology. Each of these core components helps us to deliver our vision for a better future.

What does this look like? A constantly evolving audit and assurance practice, leveraging bright minds, effective processes, and world-class technologies from across our global organisation while drawing on our years of experience. We deliver high-quality services in an efficient and effective way that upholds integrity, builds confidence, and drives value by focusing on what really matters.

The Audit & Assurance transformation and change strategy is focused on the following outcomes:

Transform and technology-enable A&A execution to harness the power of innovation	Continuously evolve Deloitte’s A&A solutions to respond to future stakeholder needs
Transform the talent experience including the use of extended delivery models	Support our people through transformation and change consistently across the globe

## Delivering excellence through process, people, and technology transformation.<sup>2</sup>

Deloitte A&A’s ongoing investment in technology and transformation supports delivering high-quality audits, underpinned by our market-leading platforms, Deloitte Omnia and Deloitte Levvia. Deloitte Omnia is our cloud-based, end-to-end delivery platform for large and complex engagements, while Deloitte Levvia delivers a streamlined, right-sized digital experience for low-risk, less-complex entities.

Our technology and transformation capability also positions us to respond rapidly to new developments, such as GenAI and sustainability, while continuing to drive high-quality outcomes. We have established a mature and highly effective technology development and delivery capability, which will remain a critical enabler of transforming the way we plan and execute high-quality engagements. This, coupled with our global methodology and processes is the foundation for modernised delivery.

Our technology investments, help enable practitioners to execute engagements in a consistent and standardised manner, driven through digitised workpapers and methodology embedded into the platforms. Our technology platforms enhance supervision of an engagement with transparent oversight and real-time progress monitoring, providing access to the latest data and flagging areas for attention on a timely basis throughout the audit.

<sup>2</sup> For more information about Deloitte A&A audit innovation, please refer to the [Audit innovation](#) page on Deloitte.com.

### Deloitte A&A's AI and GenAI strategy

Deloitte A&A is continuing to invest in artificial intelligence innovation, including Generative AI (GenAI), and we have already made significant progress on transforming the delivery of our work with our innovative technologies, Deloitte Omnia and Deloitte Levvia. These solutions, combined with our exceptional people and digitised processes, position Deloitte practitioners to apply these innovations in meaningful ways to a financial statement audit.

We are focused on ethical and responsible use of AI for both clients and our people:

- Within the entities Deloitte audits, we are evaluating the impact of AI and GenAI implementation on financial reporting and other disclosures, as well as the entity's assessment and response to AI-related risks (including related internal controls). As companies begin to adopt and incorporate AI into their business processes, we remain ready to consider relevant implications to the financial reporting processes.
- We are continuing to embed AI and GenAI in audits, consistent with applicable laws and professional standards, harnessing the power of cognitive technologies within the Deloitte Omnia and Deloitte Levvia platforms. We have several AI and GenAI-enabled solutions in use today such as Research Assistant, Smart Review, and Document AI. Going forward, these innovative capabilities will further support Deloitte auditors in delivering high quality audits including further risk-sensing, identification of potential issues, and automation of certain processes. However, professional skepticism and the skill set that we rely on as auditors today will continue to be critical to responsible use and evaluation of AI and GenAI.
- Finally, Deloitte is investing in learning and development for Deloitte A&A practitioners and professionals, training them on the impact of GenAI, its risks, limitations, and expectations about how to use GenAI effectively and responsibly on their engagements.

### Sustainability reporting

Sustainability matters continue to present risks and opportunities for businesses across sectors and geographies, giving rise to stakeholder demand for transparent disclosure and reporting. From a financial reporting perspective, Deloitte's audit approach is designed to promote consistent and appropriate consideration of sustainability-related risks and opportunities, which enables a deeper understanding of potential impacts on the financial statements and well-documented conclusions. We reinforce this with our people through learning, guidance, and various resources.

In the evolution from traditional financial reporting to broader corporate reporting, significant standard-setting activity has resulted in new or enhanced disclosure requirements. The IFRS Sustainability Disclosure Standards published by the International Sustainability Standards Board (ISSB) created a global baseline for sustainability reporting that is in various stages of adoption in jurisdictions across the globe. In Europe, we have seen the first wave of entities in scope of the Corporate Sustainability Reporting Directive (CSRD) publish comprehensive sustainability reporting in accordance with European Sustainability Reporting Standards (ESRS), and we are monitoring ongoing simplification efforts.

With the support of the Ministry of Finance, the Advisory Committee on Sustainability Reporting (ACSR) - chaired by Securities Commission Malaysia (SC) and comprising the Audit Oversight Board (AOB), Bank Negara Malaysia (BNM), the Companies Commission of Malaysia (SSM), Bursa Malaysia Berhad, and the Financial Reporting Foundation (FRF) - launched the National Sustainability Reporting Framework (NSRF) on 24 September 2024. This framework incorporates the IFRS Sustainability Disclosure Standards, specifically IFRS S1 and S2 (collectively known as the ISSB Standards), by adopting a [phased and developmental approach](#).

Deloitte is a strong advocate for decision-useful sustainability reporting, and we continue to monitor regulatory developments in this space, recognising the important role we play in active stakeholder engagement.

## Sustainability assurance

Assurance over sustainability reporting is increasingly becoming mandatory in jurisdictions across the globe, with voluntary assurance also recognised as a valuable tool to instil trust in corporate sustainability reporting.

Further to the announcement of the NSRF in September 2024, a consultation paper was published on 25 June 2025 seeking [public feedback](#) on the proposed framework for sustainability assurance in Malaysia. In summary, the public consultation sought feedback on:

- Adopting ISSA-500 *General Requirements for Sustainability Assurance Engagements* and ISQM-1 as the only assurance standard and quality management standard respectively.
- Proposing the AOB as sole oversight regulator/registrant for sustainability assurance providers.
- Determining competency requirements for sustainability assurance engagement leaders including practical experience and attendance of an approved certification programme.
- Proposing the timeframe for and levels of external assurance i.e. reasonable or limited for Greenhouse Gas (GHG) Scope 1 and 2 emissions reporting. Feedback was also sought on the introduction of assurance requirements for IFRS-S1 disclosures and GHG Scope 3 emissions reporting.

The demand for sustainability assurance highlights the importance of professional standards that enable consistent, high-quality execution globally.

Deloitte is well positioned to deliver high quality assurance on sustainability information. As auditors, we uphold the core tenets of integrity, credibility, and objectivity and abide by professional requirements regarding competence, independence, and systems of quality management. Our audit and assurance work and related systems are subject to oversight and inspection as well as professional liability mechanisms to ensure that credible assurance is delivered to the market.

Below are specific actions that Deloitte is undertaking to support execution of high-quality assurance services that appropriately address both voluntary sustainability reporting and mandatory reporting requirements:

- Developing and enhancing Deloitte's global sustainability assurance methodology, which includes supplemental guidance and resources for specific sustainability reporting standards and frameworks.
- Building capacity through global and localised learning focused on sustainability reporting and assurance topics.
- Developing and deploying technology-enabled solutions, such as sustainability disclosure checklists.
- Leveraging our global network and MDM to share subject matter knowledge and experience.
- Engaging to shape the capital market infrastructure for sustainability reporting tied to enterprise value through collaboration on standard setting, reporting, and assurance initiatives, such as the IFRS Foundation, the IAASB, and the International Ethics Standards Board for Accountants (IESBA).

Deloitte supports the continued collaboration of all participants in the corporate reporting ecosystem, working together to develop and implement common standards upon which to measure, disclose, and ultimately assure sustainability information.



## Professional development and performance management

Deloitte's culture of excellence and the design of learning programs place people at the forefront<sup>3</sup>. Deloitte practitioners are technically proficient with high levels of ethics, integrity, professional skepticism, and objectivity, applying their judgment and experience with passion and commitment. We are continuously enhancing our skillsets, knowledge, and experience to deliver meaningful impact.

Deloitte is committed to delivering an unrivalled talent experience, developing practitioners, and furthering their careers by creating a life-long learning environment—advancing education, skillsets, and flexible career options that appeal to auditors of today and tomorrow.

Deloitte practitioners bring diverse backgrounds, knowledge, and skills that enhance capabilities as an organisation in delivering the highest quality. We support and empower all our people to achieve their full potential by fostering an inclusive culture that helps them thrive.

Deloitte recognises and rewards its Audit & Assurance practitioners and professionals and makes meaningful investments in their futures.



<sup>3</sup> For more information about Deloitte's commitment to its people, please refer to [Our People](#) on Deloitte.com.

### Learning and development initiatives

Deloitte's transformed approach to delivery is changing the experience for practitioners. Teams are empowered by advanced tools and technologies and extensive use of data and analytics within a guided workflow to execute the end-to-end audit. For Deloitte practitioners, this means focusing on how the engagement is planned, executed, and managed consistently across the globe using our innovative techniques and capabilities. It also offers opportunities to enhance their technical and professional skillsets and competencies. The following skills remain as important as ever—enhanced data analytics, project management, critical thinking, communication, professional judgment, and the application of accounting and auditing principles to work effectively and deliver high-quality engagements. As capabilities and skillsets are enhanced, we build greater confidence and become ever-better evaluators of risk.

Deloitte has made substantial investments in talent and learning strategies and transformed the technical curriculum to build the refreshed skillsets and proficiency required by level:

- At the core, Deloitte has a single, global mandatory audit technical learning curriculum, tailored for learners by level, using a dynamic blend of live instructor-led, digital on-demand courses, and on-the-job activities.
- All client service Audit practitioners are required to follow the firm's learning requirements for their roles and complete sufficient continuing professional education (CPE) of at least 20 hours each year and at least 120 hours over a cyclical three-year period to ensure both compliance with regulatory standards and Deloitte internal policies. This is achieved through structured, formal learning programs, such as internal or external courses, seminars, or e-learning covering all areas of the competency model (e.g., shared competencies, function-specific technical competencies, and competencies in areas of specialisation).
- All client service practitioners have clearly defined role expectations and global Talent Standards which outline the capabilities that are required of practitioners at each level.

Aligned to Deloitte A&A's efforts to deliver a more skills-focused career experience, we are prioritising learning modernisation by providing experiences that are skills-based, tailored, and relevant for practitioners and professionals in their specific roles.

Deloitte has also established specific learning opportunities for specialists working on engagements to support their knowledge and understanding. In addition, our Assurance learning offering is being expanded to respond to emerging business needs.

The objective of Firm's professional development program is to help partners and practitioners maintain and enhance their professional competence and ensure consistency of execution. To supplement on-the-job development, the Firm provides formal continuing professional development programs in relevant subject areas consistent with the Deloitte Global Audit & Assurance Curriculum.

The Learning team monitors learning and development requirements by:

- Communicating annual learning plans for all levels of our practitioners.
- Placing self-responsibilities for online certification by all practitioners to confirm completeness of their annual learning plans. Our online learning platform allows practitioners to obtain a summary of their CPD hours and monitor their professional obligations.
- Reminding absentees to complete their mandatory courses and rearranging for alternative sessions.

The Firm ensures sufficient time for professionals to prioritise the completion of learning requirements through amongst others:

- Creating space for our practitioners to learn by ensuring facilitator-led training is "booked" in their resource management schedules during "off-peak" season; and
- Digital learning syllabus are to be completed progressively during the year in a wave approach.

As part of their annual evaluation ratings, all levels of A&A staff and partners are required to certify their completion of annual learning plans. Non-compliance with learning requirements will result in monetary penalties and require remediation.



### Audit & Assurance Leadership appointments

Critical Audit & Assurance leadership roles are clearly defined. A role profile and key performance indicator framework provide a basis for consistent leadership appointments and evaluations across the Deloitte Audit & Assurance network, enabling alignment of member firm and Deloitte Global Audit & Assurance strategic objectives. Deloitte maintains globally consistent standards for member firm Audit & Assurance leaders, including Audit & Assurance Business Leaders, Audit & Assurance Quality Leaders, and Audit & Assurance Risk Leaders through clearly defined roles, responsibilities, and expected success outcomes. These inform objective setting and evaluation processes and reinforce Deloitte's culture of quality and excellence. Robust monitoring of succession planning helps ensure Deloitte is developing and appointing the appropriate individuals with the capabilities to achieve these consistent standards.

### Remuneration

Execution of high-quality services is expected from all practitioners and is embedded across the Deloitte network. This is recognised through reward and recognition programs and is built into performance standards at every level, against which practitioners' overall evaluations are measured.

Deloitte Malaysia PLT has implemented a Risk & Quality Evaluation framework that ensures our A&A partners continue to adhere and contribute to the overall quality standards of the firm. Further, a Client Leader Evaluation program was established to reward partners with market leadership and management responsibilities.

In accordance with global policies, our A&A partners are evaluated annually, and depending on the outcome of the evaluation, the remuneration of partners may increase or decrease. Specifically, partner evaluations take the following factors into account:

- **Quality Leadership** - Demonstrating strict adherence to regulatory and risk compliance as well as consistent uncompromised delivery of audit quality in client service. Quality and risk are fundamental for our A&A partners and directly impacts their overall performance ratings. Quality remains the key performance area for partners in the quality and risk functions.

- **Business Leadership through Profitable Growth** - Successful growth of firm revenues and enhancing profitability.
- **Client Leadership** - Retaining, strengthening, and expanding strategic client relationships and consistently delivery of high-quality client work.
- **Talent Leadership** - Demonstrating exemplary commitment and contribution to the attraction, development, and retention of talent.
- **As One** – Supports and leads the firm's strategies and initiatives, contributes as a leader in the firm, and demonstrates cross-business and cross-border behaviour in Deloitte.
- **Brand & Eminence** - Demonstrates strong contribution to firm reputation and eminence building.

Metrics related to the sale of non-Audit & Assurance services are excluded when evaluating or compensating A&A partners.

Our A&A partner performance and remuneration framework creates a strong link between audit quality and partner remuneration. This includes granular feedback regarding indicators like internal engagement reviews and external inspection findings and compliance with firm policies including independence, audit quality indicators to name a few. These quality and risk ratings are assessed independently by the NPPD and AARL.

Partners are rewarded for going above and beyond expected risk protection, quality and ethical behaviours and for promoting such behaviours to their fellow partner and/or teams. As part of their annual evaluation, the NPPD and AARL consider A&A partners who have evidenced significant positive contributions to the quality and risk agenda as well as exceptional quality and risk leadership. Such partners are the beacon of audit quality to their fellow partners and/or teams. Positive behaviour is rewarded through a variety of options including monetary awards or an increase in overall evaluation ratings (which can result in increase of annual adjustment, increase in base remuneration or both).

Findings resulting from annual regulatory inspections are important input, amongst other quality measures, into an A&A partner's quality and risk rating. In considering regulatory inspection findings, we also consider the nature and severity of the finding and whether the finding requires significant improvement.

We further consider whether the inspection findings are indicative of an issue which requires a broad audit firm response or whether they are unique to the engagement or partner circumstances.

There are financial consequences for partners in relation to poor quality and risk ratings. Financial penalties include monetary fines to decreasing annual evaluation ratings (which can result in either loss/reduction of annual adjustment, reduction in base remuneration or both). Financial penalties aside, the said A&A partner would be supported by the firm leadership through reduced audit portfolio, removal from/reduced audits of public interest entities and other firm-wide responsibilities to enable the partner to focus on his/her remediation process.

Following the implementation of ISQM 1 and ISQM 2, the firm has also enhanced the above evaluation framework by including positive and negative outcomes on A&A partners arising from their role in monitoring ISQM 1 and as Engagement Quality Reviewers (“EQR”) respectively.

### Attraction and retention

The current environment for talent is extremely competitive and attraction and retention of our people is a strategic priority for Deloitte. We are focused on transforming the Audit & Assurance talent experience, including reimagining the ways of working to improve retention and further advance our inclusive culture and the well-being of all Deloitte people. We are continuously looking at opportunities to collectively enhance the talent experience. This focus on our people and retention of top talent Deloitte’s ability to deliver high-quality.

The Firm continues to offer competitive and comparable remuneration, providing flexible work arrangements and enhancements to other employee benefits and monitoring of workload hours for partners and personnel including a consistent and common resource allocation framework.

Monetary benefits aside, the firm continues to embrace, embed and elevate employee well-being to sustain their excellence through mental health. Our well-being strategy includes the following focus:

- **Building awareness and capabilities:** We implemented a mental health baseline since 2022 by empowering our people to embrace and embed well-being as part of their ways of working. This was achieved through leadership education and awareness, Employee Assistance Programme (EAP) for staff and family members, on-going

communications to remove stigma and a firm-wide implementation of Mental Health First Aids Programme.

- **Creating support infrastructure and building a safe workplace:** The Firm provides medical benefits to include mental health coverage for employees and enhanced its structured counselling and peer support.
- **Work redesign and work practices:** We continue to leverage virtual mobility and resource management tool to build resilient resource base and resolve short-term resource challenges, while offering development opportunities to our people.

In July 2025, Deloitte Malaysia officially opened “The Lounge” – a vibrant, two-level space in our Kuala Lumpur office, thoughtfully designed for our talent to rest, recharge and reconnect. It offers a comfortable and inviting atmosphere for grabbing a bite or catching up with teammates.



Deloitte continues to receive recognition and awards across the globe for its commitment to delivering an unrivalled talent experience for its people [Awards and recognition | Deloitte Global](#).

## Deloitte's priority focus on quality

Deloitte's commitment to quality is central to everything we do. We consistently deliver on this commitment by instilling a culture of quality, integrity, and excellence across the network, establishing business and financial priorities, and developing effective processes, tools, and technologies applied in the execution of engagements. Deloitte's brand is defined by the high-quality audit and assurance services delivered and by the unwavering commitment to continuous improvement of our systems of quality management. Keeping pace with emerging economic, business, and regulatory conditions, as well as technological advances, is critical to the continual enhancement of Deloitte's role in protecting the public interest and supporting the effective functioning of the corporate reporting ecosystem.



### Leadership commitment and tone at the top

Deloitte's culture of quality, integrity, and excellence begins with a strong tone from the top—from senior leadership through to the leaders in all our offices and audit and assurance engagements. This commitment is demonstrated through the direct involvement of leaders in initiatives emphasising that quality and professional behaviour is the highest priority for audit and assurance practitioners at all levels and consistent messaging that reinforces the importance placed on executing high-quality engagements. Deloitte sets high ethical standards for the conduct of all its professionals and embeds integrity expectations into the Deloitte Global Principles of Business Conduct.

Deloitte's relentless pursuit of quality defines not just what we do, but who we are.

### System of quality management (SQM)

Deloitte believes an effective SQM is crucial for the consistent performance of high-quality engagements, and we continue to make significant investments in our people, processes, and technologies that underlie Deloitte's quality management processes.

Regulators and standard setters in Malaysia and globally are also focused on the effectiveness and continued improvements in firms' SQMs. Deloitte Malaysia PLT complies with ISQM 1 which requires annual evaluation of the SQM.

ISQM 1 introduces a risk-based approach to the SQM that require firms to respond to quality objectives and risks to our ability to execute high-quality audits in the following areas:

- The firm's risk assessment process;
- Governance and leadership;
- Relevant ethical requirements;
- Acceptance and continuance of client relationships and specific engagements;
- Engagement performance;
- Resources;
- Information and communication; and
- The monitoring and remediation process.

The effective implementation of ISQM 1 has been and remains a key element of Deloitte's global audit and assurance quality strategy.

As part of the implementation of ISQM 1, quality objectives, quality risks and responses were formalised and brought together in a globally consistent technology platform to facilitate the design and maintenance of the system, as well as the operation through tri-annual self-assessments by business process owners and reporting capabilities to support the required annual evaluation.

The Firm continues to work with leaders across the firm, as well as the broader network, to further enhance our proactive approach to managing the quality of engagements performed—identifying and addressing risks to quality and driving continued advancements in quality management processes serves us well into the future as the environment within which we operate continues to evolve and become increasingly complex.

Consistent with Deloitte's culture of continuous improvement and innovation, the Firm's efforts relating to ISQM 1 and our SQM provide us the opportunity to continually challenge ourselves—examining those areas where we can further enhance and transform our SQM. Quality is always front and center, and robust quality monitoring processes play an integral role in our ability to continually improve.

ISQM 1 requires an annual evaluation of the SQM. Deloitte Malaysia PLT performed its annual evaluation of its SQM as of 31 May 2025.

The Firm is preparing for the upcoming Public Company Accounting Oversight Board's standard on a firm's System of Quality Control (QC 1000) and believes this continues to strengthen the Firm's SQM

### **Conclusion on the effectiveness of the SQM**

Deloitte Malaysia PLT is responsible for designing, implementing, and operating a SQM for audits or reviews of financial statements, or other assurance or related services engagements performed by the firm, that provides the firm with reasonable assurance that the objectives of the SQM are being achieved. The objectives are:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Deloitte Malaysia PLT conducted its evaluation in accordance with the ISQM 1.

Deloitte Malaysia PLT concluded that the SQM provides the firm with reasonable assurance that objectives of the SQM are being achieved as of 31 May 2025.

Reasonable assurance is obtained when the SQM reduces to an acceptably low level the risk that the objectives of the SQM are not achieved. Reasonable assurance is not an absolute level of assurance, because there are inherent limitations of a system of quality management.

### **Independence, objectivity, and professional skepticism**

The execution of high-quality audit and assurance engagements requires independence, objectivity, and professional skepticism. This means a continuous and tangible focus on Deloitte's critical role in serving the public interest, including creating a culture of quality where doing the right thing is of paramount importance. Deloitte consistently reinforces the important role of auditors as independent evaluators who must maintain a mindset of professional skepticism throughout the conduct of our work. This approach is reflected in Deloitte policies, methods, procedures, and learning, and is reinforced through quality management and accountability measures.

### **Audit & Assurance approach**

Deloitte's approach to performing a high-quality engagement involves the use of audit and standards-based assurance methodologies, common across the Deloitte network, supplemented by tools for use by our practitioners to plan, perform, supervise, review, document, conclude, and communicate the results of each engagement. Deloitte's approach is underpinned by professional standards, as well as the requirements of applicable laws and regulations.

Deloitte's audit methodology is risk-based, focusing on the financial statement account balances, disclosures, and underlying assertions that have a reasonable possibility of being materially misstated. Our methodologies are also dynamic—it evolves continuously to keep pace with the changing demands of investors, companies, and other stakeholders. It recognises that advances in the availability and management of large data sets, in statistical science as well as GenAI are relevant to continuing to enhance the quality of Deloitte engagements.

### **Resources to support Deloitte practitioners in the execution of high-quality engagements**

The resources applied by Deloitte practitioners in the performance of their work include the proprietary tools, guidance, materials, and practice aids used in conducting engagements, which are available to all our practitioners in the Deloitte Global Research Portal, an extensive online library, and in our audit execution platforms (such as EMS, Deloitte Omnia and Deloitte Levvia). These resources drive greater standardisation and consistency across Deloitte firms. Deloitte regularly issues guidance to our practitioners and communicates developments that should be factored into audit risk assessments and responses in order to maintain and drive quality execution.



## Consultation

Quality and risk management considerations are integral to Deloitte's audit and assurance business and to the performance of engagements. That is why Deloitte views consultation as an essential, collaborative process—one that involves robust challenge and helps determine the most appropriate answers to complex questions. Deloitte has identified circumstances where consultation outside of the engagement team is required in order to demonstrate an appropriate level of professional judgment and the exercise of professional skepticism. Deloitte consultation policies require that conclusions are documented, understood, and implemented. Foundational to the effectiveness of the consultation process is Deloitte's investment in consultation resources who have the appropriate skills and expertise. In addition to formal consultations, whenever engagement partners and teams need additional information or perspectives, they are encouraged to seek assistance from internal specialists (tax, valuation, IT, fraud etc.), members of the Professional Practice Department (PPD), or others in the organisation with specialised knowledge.

Deloitte partners and personnel are reminded frequently - *When in doubt - consult, consult, consult!*



# External and internal quality monitoring

## Monitoring of quality

A continued focus on quality is of paramount importance to the Deloitte brand. It is critical that a Deloitte engagement is consistently executed and of high-quality, wherever in the world it is performed.

The objective of monitoring and remediation processes are to provide relevant, reliable, and timely information about the design, implementation, and operation of the SQM to leadership in order to enable appropriate and timely actions to be taken to respond to identified deficiencies. This includes the identification of deficiencies and good practices in the SQM and the assessment of the effectiveness of remedial actions in driving improvements in audit quality.

### SQM monitoring

SQM monitoring is an integral part of the Firm's monitoring activities and considers relevant requirements in ISQM 1, as well as evaluating the design, implementation and operating effectiveness of responses that address the quality risks that have been identified for the firm.

Key components of SQM monitoring include:

- Risk-based approach to selecting business processes, quality risks and responses to monitor.
- Mandatory moderation panel to drive consistency in evaluating findings and deficiencies.
- Identifying appropriate resources (from within Deloitte Malaysia as well as from other Deloitte geographies or Deloitte Global) with the right experience.



## Monitoring of in-process engagements

Continuous quality monitoring by Deloitte Malaysia PLT involves the proactive identification of issues on in-process engagements in order to drive timely solutions and real time corrective actions. This is achieved through the following suite of activities:

- Deployment and monitoring of a series of core diagnostics, enabling engagement partners and teams, as well as the Firm's audit and assurance quality leader(s) to continuously monitor quality and take immediate action.
- A programme of subject matter specific "health checks" to assist the Firm's audit and assurance quality leader(s) in assessing progress and identifying potential issues on in-process engagements.



## Inspections of completed engagements

Key components of inspections of completed engagements include:

- Risk-based engagement selection and consideration of all major industries served by Deloitte Malaysia PLT while considering selecting all signing partners or partner equivalents on a cyclical basis.
- Mandatory moderation panel to drive consistency in findings and engagement ratings.
- Identifying appropriate resources (from other Deloitte geographies or Deloitte Global) with the right experience and industry knowledge.

Details of our FY2025 internal engagement reviews are disclosed in Appendix B to this report.





### External inspections

In addition to Deloitte Malaysia PLT's own monitoring of quality, we are subject to external monitoring by the Audit Oversight Board (AOB) of the Securities Commission of Malaysia (SC) and the US Public Companies Oversight Board (PCAOB).

Details of our external inspection results are disclosed in Appendix B to this report.



### Root cause analysis and remediation

Continuous improvement is essential to Deloitte's culture of quality and excellence. Understanding why engagement level findings and SQM deficiencies occur is critical to being able to design effective remedial actions. When engagement level findings or SQM deficiencies are identified, whether through internal or external monitoring activities, actions are taken to identify gaps and develop appropriate remediation activities. Remediation is imperative to drive continuous improvement in quality and avoid future similar findings.

An audit quality plan is prepared by the Firm and provides for effective implementation and monitoring of key audit quality priorities.



# Independence, ethics, and additional disclosures

## Deloitte Global Independence



Sets **independence policies and procedural expectations** based upon the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and, where applicable, the independence standards of the US Securities and Exchange Commission and the Public Company Accounting Oversight Board.

Supports network services that a firm uses in the design, implementation, and operation of their system of quality management, including:



**Technological resources:** Global systems to provide its people with entity information to support compliance with personal and professional independence requirements, including financial interests, scope of service, and business relationship approvals.

**Intellectual resources:** Independence policy, e-learning, monitoring instructions and other tools, templates, and guidance.

**Human resources:** Technical independence expertise, as required, which also informs potential enhancements to intellectual resources.



Supports various elements of a firm's **system of quality management** monitoring and remediation process, as determined to be appropriate.



Promotes **independence awareness** across the Deloitte network through active engagement with independence and business leadership groups and periodic communications, alerts, technical training, and webcasts.

## Deloitte Malaysia PLT Independence

The Firm has quality responses that address quality objectives and quality risks as they relate to the relevant ethical requirements for independence. These responses include policies and procedures that are based on expectations set out in Deloitte Global Independence policies, and which are supplemented, as appropriate, to reflect additional national or regional requirements that may be more restrictive than Deloitte Global policies. Deloitte Malaysia PLT's leadership reinforces the importance of compliance with independence and related quality management standards, thereby setting the

appropriate tone at the top and instilling its importance into the professional values and culture of the Firm. Strategies and procedures to communicate the importance of independence to partners, other practitioners, and support staff have been adopted, emphasising each individual's responsibility to understand and meet the independence requirements. The Director of Independence is responsible for overseeing independence matters within Deloitte Malaysia PLT, including the design, implementation, operation, monitoring, and maintenance of the system of quality management related to independence.

As part of the firm's system of quality management, Deloitte Malaysia PLT has:

- Implemented responses to address quality objectives and quality risks it has identified for its key independence areas;
- Performed appropriate monitoring activities over its key independence areas; and
- Has appropriate independence governance in place.

The firm's key independence areas include:

- Client, engagement, and business relationships, including use of the independence business process tools, the Deloitte Entity Search and Compliance (DESC) system, and the Service Request Monitoring (SRM) application
- Firm and personal financial relationships, including the use of the Global Independence Monitoring System (GIMS)
- Employment and other relationships
- Independence confirmations
- Independence consultations
- Independence-related policies, communications, and learning
- Breaches of independence requirements
- Disciplinary measures for failures to adhere to applicable independence requirements



#### DESC

Deloitte Entity Search and Compliance

Global, searchable database containing specific entity information relevant in determining personal and professional independence restrictions



#### SRM

Service Request Monitoring

Application integrated with DESC that provides a standard business process workflow for submitting and reviewing preapproval requests to provide services to and enter into business relationships with clients



#### GIMS

Global Independence Monitoring System

Application that contains financial relationship data with relevant independence compliance indicators

### Long association requirements of audit partners and practitioners

Rotation of engagement partners, EQRs and other key audit partners helps provide a new perspective to audit engagements, ensures professional skepticism is maintained, and reduces familiarity and self-interest threats to independence.

Our rotation policies require the engagement partner, EQR and other key audit partners for the audits of PIEs to be rotated after 7 cumulative years of service unless a shorter cumulative period of service is mandated by law or due to said audit partner's previous involvement in the audit of a PIE as audit manager. Examples of shorter period of service mandated by law include audits of Licensed Financial Institutions regulated by Bank Negara Malaysia, whereby the cumulative period of service is 5 years for the engagement partner. Following rotation, these audit partners are not permitted to be involved in the audit engagement or undertake other client-specific roles for a period of 2, 3 or 5 years, depending on their role.

In addition, the firm's rotation policies also consider the threat of familiarity arising from senior personnel with long association in audits of PIEs as they progress their career in the firm.

The Quality & Risk function tracks the number of years of audit partner involvement, to facilitate succession planning and monitor compliance with the rotation requirements. Engagement partners, EQRs and other key audit partners are required to notify the Quality and Risk function for evaluation prior to making any changes to their roles as it relates to PIEs.

## Ethics

All Deloitte people are expected to act with integrity in accordance with high ethical standards as described in the Deloitte [Global Principles of Business Conduct](#) (“Global Code”). The Global Code is embedded into each member firm’s Code of Conduct and defines the commitments that all Deloitte people make regarding ethical standards, as well as explaining each individual’s responsibilities to their clients, colleagues, and society.

In addition to the Global Code, other foundational elements of Deloitte’s ethics program include global policies, a program of training and communications, and established reporting channels supported by defined incident management protocols. For continuous improvement, regular program assessments and reviews are conducted, and feedback is collected from Deloitte people through an annual ethics survey.

Ethics at Deloitte is led by the Deloitte Global Chief Ethics Officer at the global level, and by member firm Ethics Officers at the local level, all of whom are experienced partners with direct access to the member firm’s CEO and governing body. Deloitte Global and member firm ethics leaders work together to continually monitor risk and to reinforce compliance with the Global Code.

Deloitte Malaysia PLT maintains policies and procedures that build on global policies and are designed to provide reasonable assurance that its people comply with relevant ethical requirements.

The ethical requirements for audit and related assurance services provided by Deloitte Malaysia PLT are in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants*. The Firm also complies with Deloitte Global policies and procedures, which align with the requirements and guidance set out in the *International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants*, a standard-setting body of the International Federation of Accountants (IFAC). When the By-Laws are more restrictive than the Deloitte Global policies and procedures, the Firm follows the applicable By-Laws.

Deloitte Malaysia PLT reinforces its commitment to ethics and integrity through communication tools, learning programs, compliance processes, and measurement systems for all people. Learning includes targeted content for onboarding, manager and senior manager promotion, partner admission, independent contractors, and refresher programs at least every two years. Recent global training topics have included a focus on the importance of owning up to one’s mistakes, being an active bystander, navigating personal relationships in the workplace, demonstrating respect, integrity and professionalism on social media, ethical learning, and appropriate use of Generative AI, and courses have included a confirmation that professionals are aware that answers should not be shared with others and doing so would constitute a violation of the Global Code. In addition, the Firm conducts ethics reviews of senior leaders and requires all partners, other practitioners, and support staff to confirm annually that they have read and comprehended the member firm’s Code of Conduct and understand that it is their responsibility to comply with it.

In our 2024 Deloitte Malaysia Ethics Survey, it is noted that a significant number of survey respondents indicated, among others, that:

- Deloitte Malaysia is an ethical place to work;
- All individuals are held to the same standard of ethical behaviour;
- Partners/Leaders and Managers discussed the importance of ethics and integrity with staff; and
- The respondents feel prepared to respond to ethical issues when they confront them at work and believe they can report unethical conduct without fear of retaliation.

### **Anti-Money Laundering (AML)**

Deloitte supports the fight against financial crime in all forms and is committed to comply with all relevant laws. This includes a commitment to conduct business in a manner that is designed to prevent money laundering, and to refrain from activities that could potentially facilitate money laundering. This aligns to our values, purpose, and public interest commitment.

Our internal policies are consistent with good commercial practices and the expectations of relevant authorities, specifically Bank Negara Malaysia (“BNM”) as the designated competent authority and regulator under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001. These policies are regularly assessed to ensure compliance to new/additional requirements of BNM.

Deloitte Malaysia’s appointed AML Reporting Officer (AMLRO) is Jimmy Lai. The role of the AMLRO is to ensure the firm’s compliance with the requirements of the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 and its subsidiary legislation and relevant instruments to the extent that it applies to the practice in discharging its responsibilities as a Reporting Institution.

### **Anti-bribery and corruption**

As part of its commitment to reducing corruption, Deloitte Global is a founding signatory of the UN Global Compact and the Partnering Against Corruption Initiative of the World Economic Forum.

We are against corruption in any form and stand firmly against bribery to contribute to good governance, economic development, and the improvement of social welfare wherever we do business. We are committed to working in an ethical, lawful, and professional manner as set forth in the DTTL Policies Manual and the Global Principles of Business Conduct of the Member Firms of DTTL. We neither pay bribes nor accept them, nor induce or permit any other party to make or receive bribes on our behalf and we support efforts to eradicate corruption and financial crime.

We have in place an anti-bribery and corruption policy that applies to all our partners, and employees are required to read, understand, and adhere to the policy.

# Deloitte Global Ethics

Deloitte is committed to conducting business with honesty, distinctive quality, and high standards of professional behaviour.

**Deloitte’s Global Principles of Business Conduct (“Global Code”)** outlines Deloitte’s ethical commitments as a network and expectations for Deloitte’s approximately 460,000 people, giving a strong, principled foundation. The foundations of the network’s ethics program are comprised of the following elements:



# Appendices



# Appendix A | Affiliated entities

## Affiliated entities

Deloitte Malaysia PLT (formerly known as Deloitte PLT) (LLP0010145-LCA) (AF0080) is affiliated with several entities in Malaysia that make up Deloitte Malaysia. These affiliates, including Deloitte Malaysia PLT, provide services as separate legal entities, with their own management to align with the way we conduct our business.

- 
- Agensi Pekerjaan Deloitte Sdn Bhd
  - Deloitte & Touche PLT (LLP0010197-LCA) (AF0834)
  - Deloitte BPO Sdn Bhd
  - Deloitte Malaysia Assurance Sdn Bhd (formerly known as Deloitte Corporate Solutions Sdn Bhd)
  - Deloitte Malaysia Corporate Holdings Sdn Bhd
  - Deloitte Malaysia SR&T Advisory Services Sdn Bhd (formerly known as Deloitte Corporate Advisory Services Sdn Bhd)
  - Deloitte Malaysia SR&T Restructuring Services PLT (formerly known as Deloitte Restructuring Services PLT) (LLP0028751-LCA)
  - Deloitte Malaysia SR&T Solutions Sdn Bhd (formerly known as Deloitte Business Advisory Sdn Bhd)
  - Deloitte Malaysia Tax Services Sdn Bhd (formerly known as Deloitte Tax Services Sdn Bhd)
  - Deloitte Regional Services Centre Sdn Bhd
  - Deloitte Touche Tohmatsu Tax Services Sdn Bhd
  - Perintis Deloitte Sdn Bhd
  - Yayasan Deloitte KassimChan
- 

## Disclosure of other ownership information

No partner of Deloitte Malaysia PLT holds substantial equity in the firm as each partner is entitled to one (1) vote each on all matters falling to be determined or agreed at any meeting of the partners.

Consistent with AOB's requirements, there are no AOB registered audit partners of Deloitte Malaysia PLT, who are also audit partners of Deloitte & Touche PLT.

## Disclosure of family relationships

There are no family relationships between partners undertaking leadership roles or holding substantial equity in Deloitte Malaysia PLT with other partners of Deloitte Malaysia PLT.

# Appendix B | Audit quality indicators

Audit quality indicators (“AQIs”) provide measurable data on the auditors’ ability and commitment to deliver quality audits and are an integral component to support our audit quality improvement efforts. Our transparency report focuses on the following AQIs:

- Audit partner workload
- Auditor independence
- Capacity and competence of the audit practice
- Audit engagement supervision
- Firm’s investment to uphold audit quality
- Internal and external monitoring reviews

The figures below are as of 31 May except for learning hours which are monitored based on calendar year. National numbers (year-ended 31 December 2024) are derived from the [Audit Oversight Board’s Annual Inspection Report 2024](#) for Major Audit Firms.

## Audit partner workload

### Partner workload statistics (AOB-registered partners leading PIE audits only)

	2025	2024	2023	National
<b>Average number of PIEs per partner</b>	3	3	3	5
<b>Average number of entities related to PIEs per partner</b>	29	28	33	55
<b>Average number of non-PIEs per partner</b>	52	41	53	85

At Deloitte PLT, we apply a partner portfolio allocation framework which considers, amongst others – years of experience vs. number of listed entities assigned/engagement risk assigned, industry specialisation and partners with leadership roles. Our globally consistent client acceptance and engagement continuance review process ensures we pursue and/or retain those clients that meet our *Risk Appetite Statement* – achieving the best of economics whilst prioritising audit quality.

We do not register all audit partners with the AOB as only audit partners leading PIE audits are required to be registered. This is part of our proactive and focused strategy to:

- drive audit quality and alleviate the workload of AOB-registered partners;
- enable a differentiated talent model for the most experienced of our professionals to be leaders and participate as partners of the firm; and
- achieve sustainable and balanced growth and profitability.

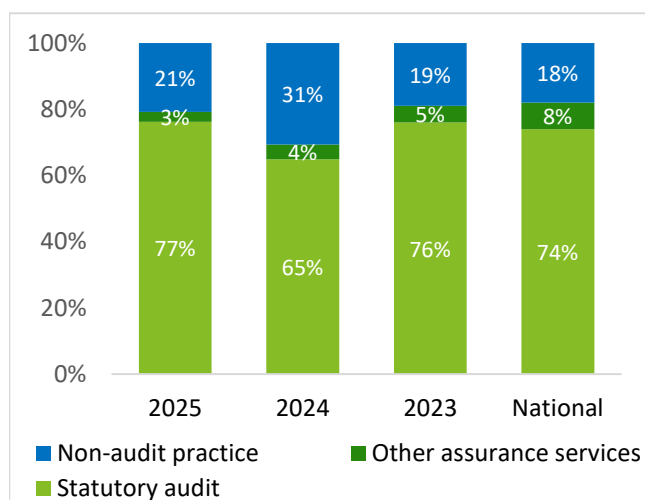
This strategy results in our lower than national average workload for each AOB-registered partner of the firm ensuring they can meet the expected audit quality and regulatory requirements for PIE audits.

Other measures taken by the firm to manage audit partner workload while enhancing audit quality include use of a Centre of Excellence for Engagement Quality Reviews (“EQR”) on applicable non-PIEs and a centralised EQR-assistant function to support EQR partners on PIE audits and engagements with elevated engagement risks. We continue to deploy digital tools and assets to streamline our audit work and enhance the efficiencies for audit partners to focus on those risks that matter the most. The range of PIE audit clients with December financial year-end per audit partner is between 1 to 4 (2024: 1 to 3; 2023: 1 to 4).

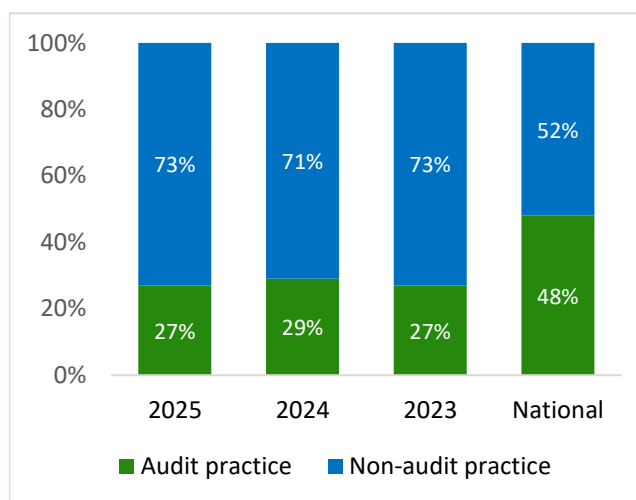
## Auditor independence

Our disclosures concerning compliance with the relevant independence policies and procedures with the applicable professional standards are disclosed in our *Independence, ethics and additional disclosures* section above. Our A&A partners are included as part of Deloitte Malaysia's annual independence testing. Partners who do not meet our strict internal independence policies are subjected to penalties during their annual performance evaluation (refer to *Partner Remuneration* section above). The results of our independence testing are also shared with the AOB as part of their annual regular inspection of the firm for purposes of validating our Systems of Quality Management.

**Proportion of fee income of Deloitte Malaysia derived from audit clients (Chart A)**



**Proportion of fee income of Deloitte Malaysia (audit vs. non-audit practice) from all clients (Chart B)**



The firm implements a common and consistent audit client acceptance and continuance process to ensure we serve the right clients from a risk and regulatory perspective. This is strengthened by our Risk Appetite Statement that defines the company we keep. The aim for our audit practice is to achieve a sustainable balanced growth that meets the rigorous audit quality requirements expected of us by our stakeholders whilst providing an experience for our talent to thrive.

Deloitte Malaysia's proportion of fee income derived from the audit practice (Chart B) is consistent to prior years but significantly lower from the National average. As of 31 May 2025, our non-audit practice includes tax and other advisory (risk and financial) practice. Historically, the proportion of our non-audit practice has been larger as:

- We have a strong tax and advisory (risk and financial) practice<sup>4</sup> which complements the specialist support to our audit practice under our MDM practice model. This enables the audit practice to leverage expert knowledge in areas of complex and significant estimates; and
- Certain non-audit advisory services are not performed by the audit practice but by other entities within Deloitte Malaysia.

All non-audit services to any audit client require strict independence pre-approvals prior to commencement. This also includes those measures resulting from IESBA's provisions to strengthen auditor independence for PIEs (Non-Assurance Services provisions). Metrics related to the sale of non-audit & assurance services are excluded when evaluating or compensating audit partners.

<sup>4</sup> For instance, Deloitte Malaysia's tax practice was recognised by the International Tax Review (ITR) in their 2025 Asia Tax Award as the Malaysian Tax Firm of the Year for the 7<sup>th</sup> year running.

## Capacity and competency of the audit practice

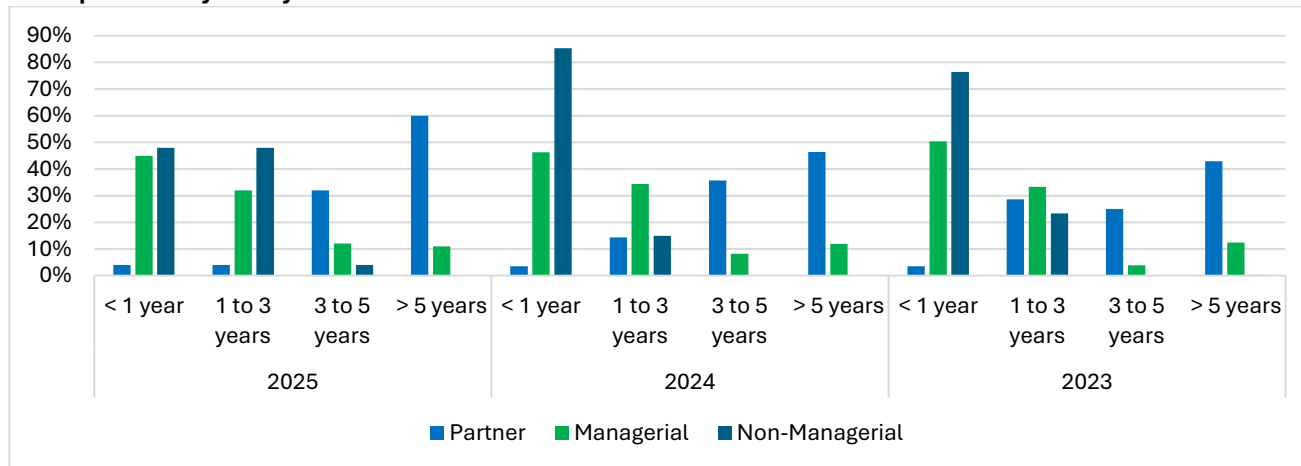
### Audit practice composition by level

	Partners		Managerial <sup>5</sup>		Non-Managerial		Total
	Headcount	%	Headcount	%	Headcount	%	Headcount
2025	25	5	110	21	393	74	528
2024	28	5	134	24	395	71	557
2023	28	5	129	24	385	71	542
National	-	5	-	17	-	78	-

### Audit practice by total years of experience

	Partners	Managerial <sup>7</sup>	Non-Managerial
2025	23.2	9.4	2.5
2024	22.2	10.0	2.3
2023	22.1	9.8	2.3
National	24.0	10.0	2.0

### Audit practice by total years in role



### Turnover of audit personnel (%)

	Overall	Partner	Managerial	Non-Managerial
2025	28.6	13.8	36.6	26.9
2024	20.7	3.5	24.5	20.3
2023	28.5	3.5	30.0	29.3
National	25.0	-	-	-

In June 2024, Deloitte Malaysia implemented a strategic consolidation exercise and closed its Ipoh, Melaka and Kuching offices. As a result, the Firm's 2025 attrition statistics was significantly affected by the outcome of this exercise.

The composition of experience by job levels continues to be consistent to prior years with a heavier weight towards managerial and above due to the complexity of our engagements. Delving into the experience levels, the years of experience of the Firm's partners are now closer to the National average with 60% of the Firm's partners having more than 5 years of experience at their current level. Annually, the Firm selects several partners to participate in an audit coaching plan supported by regional and global quality leaders and attend Deloitte University courses in areas of leadership growth and development.

<sup>5</sup> This statistic includes our Assistant Managers as they are considered having attained the managerial career milestone in Deloitte.

**Audit practitioners with professional qualification (%)**

	<b>2025</b>		<b>2024</b>		<b>2023</b>		<b>National</b>
	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>	<b>%</b>
<b>With professional qualifications and/or MIA membership</b>	156	29.6	173	31.1	223	41.1	20.0
<b>Pursuing professional qualifications and/or MIA membership</b>	367	69.5	382	68.6	310	57.2	66.0
<b>Without professional qualifications and/or MIA membership</b>	5	0.9	2	0.3	9	1.7	14.0
<b>Total</b>	<b>528</b>	<b>100.0</b>	<b>557</b>	<b>100.0</b>	<b>542</b>	<b>100.0</b>	<b>100.0</b>

As a Major Audit Firm, we are committed to ensuring our practitioners are professionally qualified through membership of MIA, other recognised professional qualifications, or both. This is reflected in the significantly higher proportion of our practitioners either having obtained their professional qualification or are in the process of pursuing one when compared to the National average (99% versus 86%). The Firm continues its investment in talent by subsidising professional examination fees, providing study and examination leave and paying for annual professional subscription fees of our practitioners.

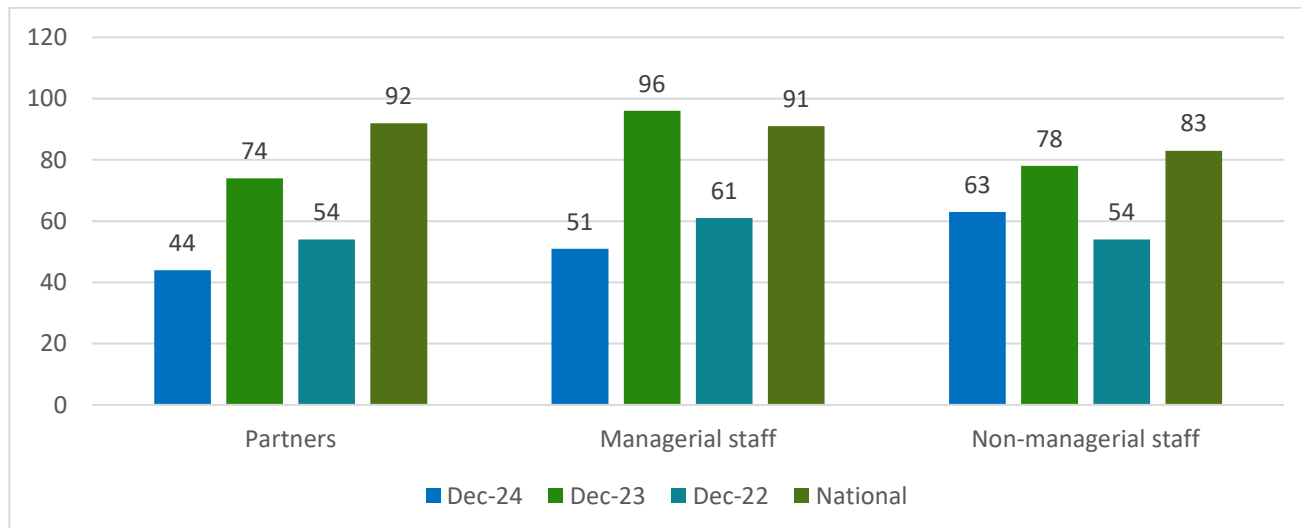
**Audit engagement supervision****Leverage ratios**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>National</b>
<b>Staff to partner</b>	20.1	18.9	18.4	23.0
<b>Staff to manager (including assistant managers)</b>	3.6	3.0	3.0	5.0

The leverage ratio of the Firm is higher than previous years but continues to be lower than National average. We continue to implement transformative initiatives through (i) better engagement/coaching time with engagement team members and (ii) effective deployment of technology and tools in completing our audits within a hybrid working environment. With appropriate use of digital tools, we liberate hours previously spent on mundane and standardised procedures – ensuring our staff can be efficient and effective.

## Firm's investment to uphold audit quality

### Hours of training (by level)



Overall, our training hours (monitored by calendar year) are more than sufficient to meet our professionals' annual structured learning requirements as required by the Malaysian Institute of Accountants and our Firm's policies. In the previous year, the higher learning hours across the levels was due to new audit platform, ethics & integrity refresher, and new standards such as the revised group auditing requirements and the new Pillar II tax rules. Our learning requirements respond to engagement monitoring (internal and external) results and the hours will vary based on the remediation needs at every level of the Firm.

### Ratio of quality & risk team to audit staff

	2025	2024	2023
Full time	10	10	10
Part time	3	4	4
Total	13	14	14
Quality & risk function per audit staff	1:41	1:43	1:39

The ratio of quality & risk team to audit staff in the firm is consistent with the National average of 1:39.

The quality & risk organisation at Deloitte Malaysia PLT includes those personnel with responsibilities in risk, systems of quality control, engagement quality control reviews, audit methodology, learning and accounting technical. A number of these personnel that are classified "part time" above also have audit client-facing roles and other firm-wide risk responsibilities that complement their position in the quality & risk organisation. Being a part of the Deloitte Network, the audit practice benefits from regional and global quality & risk resources in areas of consultation, guidance, and a consistent and common system of quality control. As mentioned previously, we also leverage on the capabilities of our regional Centre of Excellence in areas of EQR (for non-PIE audits). Should these resources be considered, the ratio of quality & risk function per audit staff increases due to higher quality & risk support available.

## External and internal monitoring reviews

### External inspections (AOB)

	2024	2023	2022
<b>PIEs inspected</b>	2	3	4
<b>PIEs with findings</b>	2	-	2

For engagements with findings arising from AOB's annual inspections in FY2024, those engagements did not require any modification to their audit opinion or restatement of previously authorised financial statements. The relevant engagement partners, in accordance with the Firm's monitoring and remediation policies, were required to execute a targeted quality and remediation plan and undergo an internal practice review in FY2026. Both partners subsequently received a Compliant rating in their internal practice reviews in FY2026.

As part of its annual regular inspection, the AOB also inspected aspects of our system of quality management (SQM) in accordance with the requirements of ISQM-1 and ISQM-2. In reviewing our SQM, the AOB considered the SQM elements disclosed on page 17 of this Report. We take note of AOB's common SQM inspection findings and observations in [their 2024 Annual Inspection Report](#) which includes (i) Resources (staff workload) and (ii) Monitoring (effectiveness), amongst others, to strengthen audit quality through a robust SQM and have incorporated a number of recommendations into our SQM processes.

As of the date of this Report, the AOB's 2025 annual regular inspection has not commenced.

### External inspections (PCAOB)

Deloitte Malaysia PLT is a registered firm with the Public Company Accounting Oversight Board ("PCAOB") of the United States of America (registration no. 5641). Our last inspection by the PCAOB was in November 2023, for which a report was issued on 26 April 2024. The PCAOB publishes a report on its website in relation to each firm it inspects (see [www.pcaobus.org](http://www.pcaobus.org)). For our latest PCAOB inspection report, please visit [here](#).

### Internal reviews – engagement reviews

	FYE May 2025 (2024 internal review)		FYE May 2024 (2023 internal review)		FYE May 2023 (2022 internal review)	
<b>Ratings</b>	<b>PIE</b>	<b>Non-PIE</b>	<b>PIE</b>	<b>Non-PIE</b>	<b>PIE</b>	<b>Non-PIE</b>
<b>Compliant</b>	3	1	6	6	6	3
<b>Improvement Required</b>	-	-	-	-	1	1
<b>Non-Compliant</b>	-	-	-	-	-	-
<b>Total engagements selected</b>	<b>3</b>	<b>1</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>4</b>

At the end of each internal review, findings are moderated centrally by a moderation panel who applies Deloitte's expectations of quality to ensure that findings are classified consistently. The moderation panel determines the rating for each review. In grading engagements, the emphasis is on the significance of the finding(s).



For internal reviews we classify engagements as either Compliant, Improvement Required or Non-Compliant.

- A Compliant rating indicates there are no exceptions, or the exceptions identified are of a very minor nature relating to isolated instances of non-compliance with certain policies, requirements or standards;
- An Improvement Required rating indicates non-compliance with certain policies, requirements or professional standards that collectively are not so significant or pervasive as to result in an engagement review that is rated Non-Compliant.
- A Non-Compliant rating indicates that non-compliance with several policies, requirements or professional standards has been identified and it cannot be determined that policies, requirements or professional standards reviewed are fully implemented.

The Firm continues to focus its quality efforts in response to engagement findings in areas of robustness of risk assessment, management override of controls, evaluating results of test of details, and understanding internal controls. Such efforts include engagement specific remediation, coaching of selected engagement partners, ensuring engagement review findings topics are included in the Firm's training materials and briefing EQR reviewers on areas of common findings.

The Monitoring & Remediation leader oversees root cause analysis (RCA) and approves remediation plans and procedures post-internal reviews. Partners with an engagement that received a Non-Compliant rating are subjected to review in the next internal review period and additional quality measures including portfolio reassignment, specific learning programs, coaching and additional supervision are implemented.

#### **Internal reviews – system of quality management**

Disclosures about the Firm's SQM and its conclusion on the effectiveness of the SQM have been provided on page 17 of this Report. The Firm concluded that the SQM provides the firm with reasonable assurance that objectives of the SQM are being achieved as of 31 May 2025. There were no deficiencies identified that were severe and/or pervasive.

# Appendix C | List of PIEs

The following is a list of audit clients of Deloitte Malaysia PLT which are public interest entities as of 31 May 2025:

- Aeon Credit Service (M) Berhad
- Asia Capital Reinsurance Malaysia Sdn Bhd
- Areca Capital Sdn. Bhd
- Bangkok Bank Berhad
- Berjaya Assets Berhad
- Capitaland Malaysia Trust
- Careplus Group Berhad
- Corston-Smith Asset Management Sdn. Bhd.
- CSC Steel Holdings Berhad
- GDEX Berhad
- Glomac Berhad
- Hartalega Holdings Berhad
- I-Berhad
- IQ Group Holdings Berhad
- India International Bank (Malaysia) Berhad
- Kim Hin Joo (Malaysia) Berhad
- KUB Malaysia Berhad
- Mah Sing Group Berhad
- Malton Berhad
- MBM Resources Berhad
- MKH Berhad
- MKH Oil Palm (East Kalimantan) Berhad
- Mudajaya Group Berhad
- MUFG Bank (Malaysia) Berhad
- One Glove Group Berhad
- P.I.E Industrial Bhd
- Permodalan BSN Berhad
- Ranhill Utilities Berhad
- RCE Capital Berhad
- Scientex Berhad
- Scientex Packaging (Ayer Keroh) Berhad
- SkyWorld Development Berhad
- Small Medium Enterprise Development Bank Malaysia Berhad
- Southern Acids (M) Berhad
- Spritzer Berhad
- Sunsuria Berhad
- Supercomnet Technologies Berhad
- Taliworks Corporation Berhad
- TMK Chemical Berhad
- Uchi Technology Berhad
- UOB Kay Hian Securities (M) Sdn. Bhd.
- Wang-Zheng Berhad
- Westports Holdings Berhad
- WTK Holdings Berhad

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