



BoardRoom

Smart Business Solutions

**MBRS 2.0: New Rules, New Requirements –
Is Your Company Prepared?**

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The Malaysian Business Reporting System (MBRS) was first introduced in 2018 as a digital initiative to streamline corporate reporting. It provided businesses with an online platform to submit their Financial Statements, Annual Returns, and Exemption Applications to Suruhanjaya Syarikat Malaysia (SSM). By leveraging digital tools, MBRS aimed to simplify compliance and enhance regulatory oversight.

Fast forward to the last quarter of 2024, the introduction of MBRS 2.0 marks a crucial milestone in Malaysia's corporate reporting landscape. Under the updated framework, all companies must submit final signed, audited and unaudited financial statements in eXtensible Business Reporting Language (XBRL) format. This shift is designed to improve data accuracy, enhance regulatory transparency and modernise financial reporting across all industries.

As businesses prepare for this transition, understanding the new rules and implementation phases of MBRS 2.0 is essential. Failure to comply could result in penalties and submission delays. The question remains: *Is your company ready for MBRS 2.0?*

Why MBRS 2.0 Matters for Businesses

MBRS 2.0 is more than just a compliance requirement; it represents a fundamental shift towards digital transformation in corporate reporting. With structured data submission in XBRL format, the system offers several key benefits:

Key Benefits of MBRS 2.0	
Streamlined compliance with standardised reporting	By using a uniform digital format, MBRS 2.0 ensures that financial statements are structured consistently across industries. This reduces reporting discrepancies, making it easier for regulatory authorities, investors and stakeholders to assess company financials accurately.
Minimisation of errors and data inconsistencies	Traditional financial reporting often involves manual data entry, which increases the risk of errors. MBRS 2.0 utilises XBRL tagging, an automated process that standardises financial information and minimises inconsistencies. This ensures greater data accuracy and integrity in financial disclosures.
Improved data accessibility and transparency	With financial reports submitted in XBRL format, regulatory bodies can easily analyse, compare and track company financials. This enhanced transparency strengthens corporate governance and facilitates better financial decision-making at both the company and regulatory levels.

However, while MBRS 2.0 brings clear advantages, companies must be proactive in adapting their financial reporting processes to comply with the new requirements. The transition to MBRS 2.0 is not optional, and companies that fail to comply may face penalties and submission delays.

The Big Change: What You Need to Know

On 26 November 2024, SSM officially announced that all companies – including foreign entities and previously exempt sectors like banking, insurance, and finance companies regulated by Bank Negara Malaysia (BNM) – must submit their financial reports via the MBRS 2.0 platform.

The rollout will take place in three phases:

Phase 1 (Effective 1 December 2024)	Phase 2 (Effective 1 March 2025)	Phase 3 (Effective 1 June 2025)
<ul style="list-style-type: none"> i. Annual Return (Companies Act 2016); ii. Unaudited Financial Statements and Reports (Companies Act 2016); iii. Financial Statements - Exempt Private Company (Companies Act 2016); iv. Rectification Application/ Court Order Filing for Annual Return and Unaudited Financial Statements and Reports (Companies Act 2016); v. Application for Extension of Time for Financial Statements - Exempt Private Company (Companies Act 2016); vi. Application for Extension of Time for Unaudited Financial Statements and Reports (Companies Act 2016); and vii. Application for Extension of Time for submission of Annual Return (Companies Act 2016). 	<ul style="list-style-type: none"> i. Annual Return (Companies Act 1965); ii. Financial Statements and Reports (including Company Limited by Guarantee) (Companies Act 1965); iii. Financial Statements - Exempt Private Company (Companies Act 1965); iv. Financial Statements and Reports - Regulated by Bank Negara Malaysia (Companies Act 1965 and Companies Act 2016); v. Declaration and FS of Origin (HQ) for Foreign Company (Companies Act 1965 and Companies Act 2016); and vi. Rectification Application/ Court Order Filing for Annual Return and Audited Financial Statements and Reports (Companies Act 1965). 	<ul style="list-style-type: none"> i. Audited Financial Statements and Reports (Companies Act 2016); ii. Rectification Application/Court Order Filing for Audited Financial Statements and Reports (Companies Act 2016); and iii. Application for Extension of Time and all Exemption Applications in relation to Financial Statements and Reports (Companies Act 2016).

With the latest update, MBRS 2.0 now applies to all registered entities, including foreign companies and previously exempt sectors such as banking, insurance, and finance companies regulated by Bank Negara Malaysia (BNM). As a result, businesses across all industries must reassess their reporting processes to meet compliance obligations.

Be Prepared for MBRS 2.0 with BoardRoom

With Phase 1 of MBRS 2.0 already in progress, businesses must act now to prepare for the upcoming deadlines. Navigating the transition can be overwhelming, especially for companies unfamiliar with XBRL tagging and digital submission processes. This is where BoardRoom can help.

Our team of financial reporting experts is ready to guide businesses through every step of MBRS compliance. From data conversion to final submission, we provide tailored support to ensure a seamless transition.

Our Three-Step Approach to MBRS 2.0 Compliance	
Step 1: Provision of Financial Statements	Companies provide us with a softcopy of their final signed financial statements. SSM mandates submission within a stipulated deadline following the company's financial year-end.
Step 2: Conversion to XBRL Format	Our team converts the financial statements into XBRL format, tagging each financial data point to the correct SSM taxonomy. We collaborate with the client to clarify judgmental areas and ensure accurate data representation.
Step 3: Submission via MBRS Portal	After final review and approval, we assist in the submission of financial statements through the MBRS portal. It is important to note that company directors remain responsible for ensuring timely and accurate submissions.

How BoardRoom Can Support Your MBRS 2.0 Transition

At BoardRoom, we provide a comprehensive MBRS solution designed to simplify the compliance process and reduce the administrative burden on businesses. Our expertise ensures that clients meet regulatory requirements with confidence.

Our MBRS 2.0 Compliance Expertise

- **Expertise & Efficiency**
We have extensive experience in XBRL conversion and financial reporting compliance. We stay updated with SSM guidelines and regulatory changes to ensure accurate and timely submissions.
- **Software Solutions**
We utilise XBRL tools to streamline the conversion process. Our technology-driven approach minimises errors, enhances efficiency, and ensures compliance with MBRS 2.0's compliance requirements.
- **Cost-Effective Compliance**
For many companies, setting up an in-house MBRS compliance process can be time-consuming and resource-intensive. Outsourcing to BoardRoom saves both time and resources by providing an efficient and scalable solution, allowing businesses to focus on their core operations.

Final Thoughts: Get MBRS 2.0 Ready with Confidence

The shift to MBRS 2.0 is a transformative step toward digitalised corporate reporting in Malaysia. While these new requirements enhance transparency, accuracy and efficiency, companies must act quickly to adapt to the new system.

To manage compliance risks effectively, businesses should:

- Understand the MBRS 2.0 implementation timeline and its specific requirements
- Plan ahead to ensure financial statements are prepared and converted before submission deadlines
- Seek expert guidance to streamline the transition and avoid compliance pitfalls

At BoardRoom, we are committed to helping businesses transition smoothly to MBRS 2.0. Whether you need assistance with XBRL conversion, compliance advisory, or MBRS training, our team is ready to support you every step of the MBRS 2.0 compliance journey.

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How we can help

Embracing a client-centric approach, our Regional Accounting and Tax Teams are committed to delivering strategic accounting, tax and transfer pricing solutions, ensuring compliance and maximising opportunities for our clients across diverse tax jurisdictions.

Contact us! We look forward to assisting you in navigating the complexities of taxation in today's dynamic business landscape, driving financial success and building lasting partnerships.

Meet our Regional Tax & Accounting Team:



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BoardRoom Singapore



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About BoardRoom

BoardRoom is Asia Pacific's leader in Corporate and Advisory Services with a strong and reputable 50-year track record. Headquartered in Singapore we are ranked amongst Forbes Asia's Top 200 Companies under a Billion. With our strong presence in the region, and a direct office presence in Singapore, Malaysia, Hong Kong, China and Australia, we are well positioned to support you.

Our smart business solution suite comprises of the following services:



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Regional Payroll



Corporate Secretarial



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