

**November 2008**

**CPA Students eCommunicator is a monthly electronic newsletter designed for our CPA students to give quick updates on recent developments at the Institute and the Profession.**

### **From the Desk of the Executive Director**

#### **Good Luck for the Examinations**

On behalf of the President, Council, Management and Staff, I would like to take this opportunity to wish all our students sitting for the upcoming November 2008 examinations **Good Luck.**

In the October issue, we had created a new section called **Articles of Interest.** For this issue, we have uploaded an article titled **Single Tier Tax System.** We hope that you will find the article informative and value-add.

I would also like to announce that the President of the Institute, YBhg Dato' Nordin Baharuddin has been appointed as Adjunct Professor, Accounting & Finance, Faculty of Economics and Management, Universiti Putra Malaysia.

### **CPA Students Corner**

#### **November 2008 Examination Time-Table**

The November 2008 Examination Time-Table has been posted in the students' website. For further information, please click [here](#)

#### **Examination Dockets**

The examination docket for the November 2008 examination has been mailed to registered students on Friday, October 31, 2008. If you have not received your docket, please contact the Examination Officer at Tel: 03-2698 9622 or e-mail: [hl.exam@micpa.com.my](mailto:hl.exam@micpa.com.my)

#### **Young CPA Group**

We are pleased to inform you that the *Young CPA Group* was established in 2004 with the aim of encouraging our younger members to take part in the Institute's work and activities. Young members play an important role in identifying the professional needs of its members and provide valuable feedback and suggestions and recommendations to the Institute. CPA Students are encouraged to join the Young CPA Group. Please register yourself online at [www.micpa.com.my](http://www.micpa.com.my). **Membership is FREE! Be Different by Joining the Young CPA Group Today?**

## Articles of Interest

### **Single Tier Tax System**

Prior to January 1, 2008, Malaysia adopted the imputation system which required the imposition of tax on the profit at corporate level and again at shareholders level. The principle behind the imputation system is to over the double taxation of income. Under the imputation system, companies resident in Malaysia are required to deduct tax at source at the prevailing corporate tax rate on dividends paid to their shareholders. The same income would be taxed twice if the credit is not imputed to the shareholders.

The single-tier tax system was introduced in Budget 2008 to replace the imputation system with effect from year of assessment 2008. Under this system, corporate income is taxed at corporate level and this is a final tax. Companies may declare single tier exempt dividend that would be exempt from tax in the hands of their shareholders. Please click [here](#) to view the full article

### **Fair Value Accounting**

The mere mention of this phrase is enough to create buzz and chatter within the accounting and finance circles. The collapse of Bear Stearns and IndyMac, coupled with waves of massive write downs in the balance sheets of Wall Street banks are definitely the corporate theme of 2008 and along with it, fair value accounting.

Following its international implementation by the Basel II accord and the affirmation in the International Financial Reporting Standards (IFRSs) by the International Accounting Standards Board (IASB), fair value accounting is certainly the mainstream of accounting and auditing standard setters worldwide. International financial reporting has evolved a long way since its classical introduction by Luca Pacioli, from historical cost accounting to other fashionable forms of accounting such as current cost accounting and current purchasing power accounting, and back to historical cost accounting before turning to the present fair value accounting. Please click [here](#) to view the full article

## Activities of the Institute

### **Schedule of MICPA Events for 2008**

We are pleased to inform members that the schedule of events for 2008 has been made available on the MICPA website under Events/CPD in the Homepage. For further information, please visit [www.micpa.com.my](http://www.micpa.com.my)

### **NACRA 2008**

Featuring the theme *Towards Accountability and Excellence*, the objective of NACRA is to promote greater corporate accountability and more effective communication by organisations to their stakeholders through the publication of timely, informative, factual and reader-friendly annual reports. NACRA is an annual event jointly organised by Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA), Malaysian Institute of Management (MIM) and The Malaysian Institute of Certified Public Accountants (MICPA).

The NACRA 2008 Awards Presentation Ceremony will be held on Wednesday, November 19, 2008 at Shangri-La Hotel Kuala Lumpur.

### ***MICPA Participates in Career Fairs and Exhibitions***

The Institute continues to embark on a more aggressive marketing strategy to position the CPA and CFiA as the designated choice. In this regard, the Institute participates actively in career fairs and exhibitions across the country to promote accountancy as a career, and in particular to create greater awareness of the CPA Malaysia qualification. The Institute welcomes participation from students who would like to support and participate in these activities. For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: [vic.pr@micpa.com.my](mailto:vic.pr@micpa.com.my)

### ***Collaboration with Universities:***

As part of the Institute's efforts to foster closer collaboration with the academic staff of universities in a positive and mutually beneficial manner, the Institute has scheduled meetings with the Deans of the Faculty of Accountancy of the various public universities. The aim is to promote the CPA and CFiA qualifications to university students and lecturers. To date the Institute has made visits to UPM, UKM, USM, UUM, IIUM, UM, UiTM (Shah Alam, Sri Iskandar & Arau), UNITEN, MMU and Politeknik Ungku Omar and Politeknik Tuanku Sultanah Bahiyah.

### ***Appointment of New Approved Training Organisation***

We are pleased to announce that ***Prokhas Sdn Bhd*** has been appointed as an Approved Training Organisation of the Institute under Stream II. Prokhas is a company wholly owned by Minister of Finance, Incorporated and they have been entrusted to manage the residual recovery assets of the Danaharta Companies beginning January 1, 2006. Their core function has broadened to that of consulting and advisory business.

Practical training is an integral part of the Institute's CPA programme. Under the Stream II training, candidates may undertake the CPA examinations prior to the start of practical training or during the training period and are not required to enter into a training contract but must maintain a training log book as a record of their practical experience, which must be obtained in an approved training organisation (ATO) under the supervision of a member of MICPA or approved professional body.

To date, 76 approved training organisations (ATOs) are registered with the Institute where students can undertake training. To view the list of ATOs, visit the MICPA website [www.micpa.com.my](http://www.micpa.com.my) under the List of CPA Firms in the Homepage.

### ***Job Opportunities on MICPA Website***

As part of the Institute's service to members', Members' Firms who wish to advertise any job opportunities in their respective firms are welcome to send in the job vacancy to the Institute. The opening will be posted on the MICPA website for 1 month and this is on a free of charge basis. For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: [vic.pr@micpa.com.my](mailto:vic.pr@micpa.com.my).

## **Announcements**

### ***Revised Office Hours***

We wish to inform students that with effect from Tuesday, July 1, 2008, the office hours of the Institute will be as follows:

- Monday to Friday: 8:30 a.m. to 6:00 p.m.

### ***Change of Correspondence and E-mail Address***

Students are reminded that they should inform the Institute of any change in their correspondence and e-mail addresses. **This is to ensure that you receive all notices, circulars, publications, correspondences and e-mail broadcasts promptly.** Please click [here](#) to download the form and fax the completed form to the MICPA Secretariat at Fax No 03-2698 9403.

## **Upcoming Continuing Professional Development (CPD) Programmes**

### ***A Practical Guide to Auditing***

A two-day Workshop on *A Practical Guide to Auditing* will be held on December 1 - 2, 2008 at the Legend Hotel, Kuala Lumpur. The objective of the workshop is to equip participants with the technical knowledge and skills in conducting an audit of financial statements in accordance with international standards on auditing, which have been adopted for application in Malaysia. The workshop will cover the fundamental auditing principles, the development of an audit plan, performance of audit procedures, documentation, audit conclusions and reporting. The workshop will be conducted by audit professionals drawn from the accounting firms, who have had extensive audit experience in a wide range of industries. For further information on the workshop, please click [here](#)

## **News from Universities**

### **International Islamic University Malaysia (IIUM)**

#### ***Accounting Students Conference***

The Accounting Club of International Islamic University Malaysia is organising an Accounting Students Conference with the theme *Towards Realising Competent Accountants* on December 1 - 2, 2008.

The MICPA is a bronze sponsor for the event.

### **Universiti Teknologi MARA (UiTM)**

#### ***Accounting Research Conference (ARC) 2008***

The Faculty of Accountancy, UiTM Perak will be organising the *Accounting Research Conference (ARC) 2008* on December 1, 2008 at Hotel Hillcity, Ipoh. The objective of the conference is for participants to share ideas, knowledge and information on current developments in the accountancy profession.

The MICPA is a supporting organisation and a sponsor for the conference.

### **Universiti Sains Malaysia (USM)**

#### ***3<sup>rd</sup> International Conference on Postgraduate Education***

The Malaysian Deans of Graduate Studies Council (MyDegs) in collaboration with the Institute of Graduate Studies, USM will be organising the *3<sup>rd</sup> International Conference on Postgraduate Education* with the theme *Postgraduate Education: Multidisciplinary Perspectives* on December 16 – 17, 2008 in Penang.

The MICPA is supporting the Conference.

## News from Regulatory and Professional Bodies

### Malaysian Institute of Accountants

#### ***National Accountants Conference***

The Malaysian Institute of Accountants (MIA) will be organising the *National Accountants Conference* on November 25 & 26, 2008 at the Kuala Lumpur Convention Centre with the theme *Driving a Credible Profession: Enhancing the Value Chain*. For further information on the Conference, please visit [www.mia.org.my](http://www.mia.org.my)

The MICPA will be participating in the Conference as an exhibitor as part of the accountancy pavilion. Our booth number is 25, so if you are free, do come along and visit us at our booth.

#### ***World Congress of Accountants 2010***

Malaysia will host the 18<sup>th</sup> *World Congress of Accountants 2010* which will be held in Kuala Lumpur on November 8-11, 2010 at the Kuala Lumpur Convention Centre. For further information, please click [here](#)

## News from IFAC AND IASB

### International Federation of Accountants (IFAC)

#### ***Fair Value Audit Practice Alert Released***

IFAC's International Auditing and Assurance Standards Board (IAASB) staff has released a practice alert, *Challenges in Auditing Fair Value Accounting Estimates in the Current Market Environment*. The alert highlights areas within the ISAs that are particularly relevant to fair value audits. The practice alert may be downloaded free-of-charge from the IAASB section of the IFAC website [www.ifac.org/iaasb](http://www.ifac.org/iaasb)

#### ***IFAC Examines Developments in Public Sector Performance Measurement Structures***

As part of its mission to serve all professional accountants in business, including those working in the public sector, IFAC's Professional Accountants in Business (PAIB) Committee has conducted a survey to obtain information about the development of financial and non-financial performance measurement and reporting structures in various public sector entities around the world.

The results of this survey, contained in the information paper *Developments in Performance Measurement Structures in Public Sector Entities*, will help professional accountants in business, and others who work in the public sector, in evaluating and further improving their own financial and non-financial performance measurement structures. This will enable them to better plan, execute and control their organisation's service delivery and to achieve a higher level of accountability. The results will also help IFAC's PAIB Committee to consider specific public sector aspects when developing International Good Practice Guidance for professional accountants in business. For further information, please visit [www.ifac.org](http://www.ifac.org)

### ***Robert Bunting Assumes Presidency of IFAC; Council Names Goran Tidstrom, Deputy President***

Leaders of over 100 accountancy organisations worldwide met in Rome on November 11-14, 2008 to participate in the IFAC Board and Council meetings, where they addressed the global financial crisis, convergence to global auditing and ethics standards, and the profession's role in sustainable development. At the conclusion of the meeting, President Robert Bunting of the United States assumed the IFAC Presidency for a two-year term ending in November 2010. Göran Tidström of Sweden assumed the position of Deputy President. In addition, the Council approved the appointment of three new members to the IFAC Board and the reappointment of four members to a second term. For further information, please visit [www.ifac.org](http://www.ifac.org)

### **International Accounting Standards Board (IASB)**

#### ***IASB and FASB to Hold First Round Table on Global Financial Crisis in London***

In a press release dated November 3, 2008, the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) announced that the first of three public round-table discussions to identify financial reporting issues highlighted by the global financial crisis will be held in London on November 14, 2008. The remaining two round-table discussions to identify financial reporting issues highlighted by the global financial crisis will be held in Norwalk (Connecticut) on November 25, 2008 and in Tokyo on December 3, 2008.

The round-table meetings provide an opportunity for the two boards to hear input from a wide range of stakeholders including users and preparers of financial statements, governments, regulators and others. For further information, please visit [www.iasb.org](http://www.iasb.org)

#### ***Hans Hoogervorst and Harvey Goldschmid to Co-Chair Advisory Group Considering Financial Reporting Issues Arising from Global Economic Crisis***

In a press release dated November 14, 2008, the IASB and the FASB announced that Hans Hoogervorst, Chairman of the Netherlands Authority for the Financial Markets (AFM), the Dutch securities regulator and Harvey Goldschmid, former Commissioner of the United States Securities and Exchange Commission (US SEC) have agreed to co-chair the high-level advisory group formed to consider financial reporting issues arising from the global economic crisis. For further information, please visit [www.iasb.org](http://www.iasb.org)

## Down Memory Lane

### *Did You Know That .....*?

In May 2000, a special ceremony was held to present the MACPA video, *The World of a CPA* to schools and institutions of higher learning. The function was officiated by YBhg Dato' Seri Dr Abdul Shukor Abdullah, Director-General of Education.

In June 2000, the MACPA publication titled *CPA Tax and Investment Review 1999/2000*, which was undertaken in collaboration with McGraw Hill (M) Sdn Bhd was launched by YB Tan Sri Dato' Hj Muhyiddin bin Hj Mohd Yassin, Minister of Domestic Trade and Consumer Affairs.

In August 2000, *MACPA Study Manuals* was launched by the then President of the Institute, Encik Abdul Samad Hj Alias.

## Thought for the Day

### *Quotations to Inspire*

**Benjamin Franklin**

*"There are no gains without pains"*

*CPA Students eCommunicator is prepared by MICPA's Public Affairs & Communications Department. Contact Ms Vicky Rajaretnam at Tel: 03-2698 9622 or e-mail: [vic.pr@micpa.com.my](mailto:vic.pr@micpa.com.my) for further information.*

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