

October 2009

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

Diwali Greetings



The President, Council, Management and Staff of the MICPA would like to wish all our Hindu students

Happy Diwali

On October 17, 2009 it has been two years since the launch of the *CPA Students eCommunicator*. Throughout the year, the Institute will communicate important opportunities and events by sending you this monthly student e-newsletter. We have indeed come a long way since our initial launch and have tried to make improvements to the monthly issues. Suggestions from students in improving the e-Newsletter are also welcome.

Congratulatory Message

The President, Council, Management and Staff of the MICPA would like to congratulate YM Raja Tan Sri Arshad Raja Tun Uda, a member of the Institute on his recent appointment as Chairman of Maxis Berhad. Raja Arshad was elected to the MICPA Council in 1980 and served for 24 years until his retirement from the Council in 2004. He was the President of the Institute between 1992-1994.

2009 MICPA Excellence Awards - MICPA presents Excellence Awards to Best Accounting Graduates and The Most Outstanding CPA Student

The Institute presented the Excellence Awards for *Best Accounting Graduates* and *The Most Outstanding CPA Student Award* at a presentation ceremony held on Saturday, October 24, 2009. The Excellence Awards were presented by Yang Berusaha Prof Dr Raduan bin Che Rose in his capacity as the Special Adviser to the Minister of Higher Education but also representing Yang Berhormat Dato' Seri Mohamed Khaled Nordin, Minister of Higher Education who was unable to be present due to unforeseen rescheduling of his official duties.

The first category of awards were conferred on the best accounting graduates from the local universities that offer the *Bachelor of Accountancy programme* namely UM, UKM, USM, UUM, UiTM, UNITEN, IIUM MMU, UPM and Monash University, Sunway Campus whilst the second award was bestowed on the best all-round CPA student who has recently completed the MICPA examinations. The recipients of the Excellence Awards are not only outstanding in their academic performance but also in extra-curricular activities and personal development. To view the list of recipients, please click [here](#)

The 2009 Most Outstanding CPA Student Award was presented to Ms Serene Khor Sew Lin who is currently attached to Ernst & Young Kuala Lumpur. Serene joined the MICPA's training programme under Stream I in 2006 with Ernst & Young KL and is currently undertaking her articleship under Stream I and will complete her 3-year training contract in November 2009. She passed each Module of the Advanced Stage Examination of the MICPA examination at the first attempt and in 2007 was awarded the Shamshir Jasani Grant Thornton Gold Medal for Advanced Taxation. To view the list of previous recipients, please click [here](#)

A *Certificate of Meritorious Achievement* was also presented to all the finalists of the two categories of Excellence Awards.

Gold Medals for Individual Subjects

At the same ceremony, YBhg Dato' Ahmad Johan Mohammad Raslan, Vice President of the Institute presented examination certificates to students who passed the MICPA examinations in the November 2008 and May 2009 examinations. He also presented a total of 4 Gold Medals to students who had passed the MICPA Advanced Stage Examination with high distinction in individual subjects. To view the list of recipients for the gold medals, please click [here](#)

Congratulations to all Recipients!

- Appreciation Award to Approved Training Organisation

As members are aware, the MICPA provides for two streams of training. The MICPA students may undertake their training in accounting firms or in approved training organisations in commerce, industry or the public sector. The Institute presented an Appreciation Award to Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS) in recognition of the organisation's commitment and support for the MICPA training programme under Stream II at the Excellence Awards Presentation ceremony held on October 24, 2009. Madam Chong Poh Leng, General Manager, Finance received the award on behalf of the organisation.

2010 Budget Activities

The 2010 Budget was announced by the Minister of Finance on Friday, October 23, 2009. The following activities were organised in conjunction with the Budget Day to promote the Institute as a centre of **Technical Excellence:**

- Pre-budget phone-in interview with Traxx FM on **Friday, October 16, 2009**. Ms Peggy Then, Executive Director, KPMG Tax Services represented MICPA. The interview was aired over Traxx FM periodically up until budget day;
- Pre-budget live interview with Traxx FM on **Thursday, October 22, 2009**. Ms Theresa Goh, Council Member & Member of the Tax Practice Committee, MICPA represented MICPA – *Budget proposals submitted by MICPA to MOF*

- Pre-budget live conference interview with Traxx FM on **Friday, October 23, 2009**. Ms Theresa Goh, Council Member & Member of the Tax Practice Committee, MICPA represented MICPA – *Consumerism budget issues*;
- Live interview with TV3 in Bahasa Malaysia on the 2010 Budget on **Friday, October 23, 2009**. MICPA was represented by Mr K Sandara Segaran, Technical Director, Deloitte Malaysia's Tax Practice;
- Live interview with BFM Media, The Business Station on Friday, **October 23, 2009**. MICPA was represented by Mr Tan Hooi Beng, Executive Director, Deloitte, Malaysia's Tax Practice
- Budget Hotline organised by Sin Chew Jit Poh on **Friday, October 23,, 2009**. Ms Tong Siew Choo, Member of the Tax Practice Committee, MICPA represented the Institute;
- Post-budget pre-recorded interview on ASTRO's Bernama News TV (BRTV, Channel 502) on **Saturday, October 24, 2009** which was aired over "Helo Malaysia" the same night. Ms Theresa Goh , Council Member & Member of the Tax Practice Committee, MICPA represented the Institute; and
- Post-budget live interview by Traxx FM on **Wednesday, October 28, 2009** between 11:15 a.m. to 12:00 p.m. Ms Theresa Goh, Council Member & Member of the Tax Practice Committee, MICPA will represent the Institute.

Revised MICPA Programme

In February 2009, The Institute of Chartered Accountants in Australia (ICAA) and The Malaysian Institute of Certified Public Accountants (MICPA) entered into a partnership that will encourage high-level standards for education and continuous training across national borders.

In this regard, we are pleased to inform members that the Institute has implemented its new examination structure for the revised MICPA programme.

New students who register under the revised MICPA programme will follow an almost identical course of study to their counterparts completing the Chartered Accountants Program in Australia, by completing four common modules. A unique feature of the revised MICPA programme is the taxation module, reflecting Malaysian taxation regulations and providing greater relevance for accountants working in Malaysia.

Upon satisfactory completion of the examinations and other admission requirements, students will be eligible to be admitted as members of MICPA and ICAA. For further information on the revised MICPA programme, please click [here](#)

ICAEW Recognition

We are pleased to announce that the CPA Malaysia qualification was recognised by The Institute of Chartered Accountants in England and Wales (ICAEW) in 2004 where exemptions were granted. Recently, ICAEW have undertaken further assessment of the CPA Malaysia qualification in comparison with the ACA qualification introduced in 2007.

Members of MICPA are now able to gain credit from ICAEWs Professional Stage comprising of 12 Papers and the Advanced Stage Technical Integration Business Reporting paper. In order to gain the ACA qualification, members of MICPA will need to pass the Advanced Stage Technical Integration Business Change paper and Case Study, as well as complete the Structured Training in Ethics programme.

Members of MICPA will no longer be required to acquire three years' work experience in an ICAEW authorised training employer, which further simplifies the process for MICPA members to become ICAEW members.

The exemption awarded by ICAEW to the CPA qualification offered by the MICPA further endorses the close co-operation between the two bodies in the education and training of professional accountants.

CPA Students Corner

Past Examination Questions and Suggested Answers for May 2009

Further to Circular No: STU/09/09/09 dated September 14, 2009, students are advised that the Institute is in the process of publishing the examination questions and suggested answers (Q & A) including examiners' reports for the May 2009 examination. The Q & A are expected to be ready by October 30, 2009 and will be posted on the MICPA website in the students area.

In this regard, you may download the Q & A relevant to your studies from the website. Students are also able to purchase back copies of the Q & A, which are not available on the MICPA website, from the MICPA Secretariat subject to availability.

For further information, please contact the Institute's Examination Officer on Tel: 03-2698 9622 or email: hl.exam@micpa.com.my.

Existing CPA Programme - November 2009 Examination

Examination Dockets

The examination docketts for the November 2009 examination will be mailed to registered students latest by the first week of November 2009. If you do not receive your docketts, please contact the Examination Officer at Tel: 03-2698 9622 or e-mail: hl.exam@micpa.com.my

Time-Table

The November 2009 Examination Time-Table has been posted in the students' website. For further information, please click [here](#)

Revised MICPA Programme Term 3 2009: Focus Sessions and Examination

Students are hereby informed that registration for Term 3, 2009 Examination for the Management Accounting & Analysis (MAA), Financial Accounting & Reporting (FIN) modules closed on Monday, August 10, 2009. To view the time-table, please click [here](#)

Announcements

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.

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**. For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: vic.pr@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. **Membership is FREE! Be Different by Joining the Young CPA Group Today!**

Articles of Interest

It has been two years since the signing of the Mutual Recognition Agreement (MRA) with ACCA on August 13, 2007. Recently, ACCA conducted an interview with the Presidents of both bodies to find out how the MRA is progressing and the benefits it has brought to the members' of both bodies. The interview was published in ACCA's *Accountancy and Business Magazine* titled ACCA Partnerships - Linked Up. To read the full article, please click [here](#)

Activities of the Institute

Schedule of MICPA Events for 2009

We are pleased to inform members that the schedule of events for 2009 has been made available on the MICPA website under Events/CPD in the Homepage. For further information, please visit www.micpa.com.my

MICPA-Bursa Malaysia Business Forum 2009

The MICPA-Bursa Malaysia Business Forum 2009 is scheduled to be held on November 9-10, 2009 (Monday & Tuesday) at Shangri-La Hotel Kuala Lumpur.

As the new chapter of globalisation presents unprecedented shifts, corporations are finding it increasingly difficult to compete by conventional means. Remaining competitive in the new global landscape requires innovation and corporations must devise new ways to maintain their lead. It also demands an understanding of the new global playing field. Close linkages of economies as a result of globalisation causes increased competitiveness of industries and products in the new global landscape and this has to be consistently monitored and managed.

Featuring the theme, ***Competing in the New Global Landscape***, the MICPA-Bursa Malaysia Business Forum 2009 will provide an interactive platform for the exchange

of ideas and experiences on the innovative strategies and measures undertaken to compete in the new global landscape.

We take great pleasure in inviting members, your colleagues and business associates to the Business Forum 2009. A copy of the Business Forum 2009 brochure can be downloaded [here](#)

For further information, please contact the Institute's Education and Research Manager on Tel: 03-2698 9622 or e-mail: bizforum09@micpa.com.my

NACRA 2009

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 and The Malaysian Institute of Certified Public Accountants. The NACRA 2009 Awards Presentation Ceremony will be held on Tuesday, December 1, 2009 at the Sime Darby Convention Centre.

Visits to Members' Firms and Approved Training Organisations

The Institute continues in its efforts to make courtesy visits to members' firms and ATOs as a means of further enhancing the synergistic partnership which already exists between both parties and to identify ways to collaborate and strengthen professional relationship.

Collaboration with Universities and Colleges of Advanced Education

With the signing of the Memorandum of Understanding with The Institute of Chartered Accountants in Australia (ICAA), the Institute has embarked on an active programme to promote the revised MICPA programme to Universities and Institutions of higher learning by making scheduled visits and participating in road-shows.

During the career talks, our distinguished speakers communicate the value of our home-grown CPA Malaysia as the preferred choice for prospective accountants, share the ingredients for success with the students and highlighted that the Institute has a strong pool of successful luminaries and business professionals in our fold of CPAs and the diverse roles they undertake in their careers. The aim is to also attract the younger generation to join the CPA programme.

Career Talks at Secondary Schools

Accountancy has become one of the more popular courses being pursued by young Malaysians. The Institute is always seeking opportunities to foster closer relationship with the secondary schools, to promote accountancy as a career and in particular to create awareness of the CPA Malaysia qualification. In this respect, a series of scheduled career talks at secondary schools to Forms 4, 5 and 6 students undertaking the Principles of Accounting subject has been planned.

Continuing Professional Development (CPD) Training Calendar

Practical Application of Financial Reporting Standards

The MICPA is organising a one-day Workshop on *Practical Application of Financial Reporting Standards* on November 12, 2009 at Hotel Istana Kuala Lumpur.

The workshop will discuss some common and key application issues encountered by preparers in their application of certain FRS. At the end of the workshop, participants should be able to have a better appreciation and understanding of some of the application issues faced by preparers. For further information, please click [here](#)

Financial Reporting For Insurance Business: Insurance Contracts (FRS 4)

The MICPA is organising a one-day Seminar on *Financial Reporting for Insurance Business: Insurance Contracts (FRS 4)* on December 2, 2009 at Best Western Premier Seri Pacific Kuala Lumpur.

The seminar will aim to explain the principles and application of FRS 4 as well as the disclosure requirements for insurance business as set out in Model Insurance Berhad. Model Insurance Berhad contains a set of specimen financial statements for insurance business which comply with the disclosure requirements prescribed in FRS 4 as well as Bank Negara Malaysia Guidelines.

A team of experts have been invited to lead discussions. The seminar is supported by MIA, Life Insurance Association of Malaysia (LIAM) and Persatuan Insurans Am Malaysia (PIAM). For further information, please click [here](#)

A Practical Guide to Auditing

A two-day Workshop on *A Practical Guide to Auditing* will be held on December 9-10 2009 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 Mr Yung Chuen Seng, Associate Consultant and a freelance trainer. For further information, please click [here](#)

News from Regulatory Bodies

SECURITIES COMMISSION OF MALAYSIA (SC)

SC Issues Guidelines on Venture Capital Tax Incentives

In a press release dated September 28, 2009, the SC announced the *Venture Capital Tax Incentives Guidelines* (VC Tax Incentives Guidelines), to incorporate the new tax incentive for the venture capital industry as stipulated in the *Income Tax (Exemption)(Amendment) Order 2009* (Tax Order 2009). These new guidelines

supersede the *Guidelines for Annual Certification for Tax Incentives for the Venture Capital Industry* first issued in 2001 and last amended in 2007.

Under the Tax Order 2009, venture capital companies (VCCs) registered with the SC are eligible for tax exemption for five years of assessment subject to them investing at least 30% of their invested funds in the form of seed capital, start-up and/or early stage financing in qualified investee companies. Application for this exemption must be submitted to the SC by December 31, 2013.

This new and more attractive tax exemption incentive supplements existing incentives, where VCCs registered with the SC are eligible for tax exemption for ten years of assessment if they invest either at least 70% of their invested funds in the form of seed capital, start-up and/or early stage financing or at least 50% of their invested funds in the form of seed capital in qualified investee companies.

In addition to tax incentives in the form of tax exemption for VCCs registered with the SC, the current venture capital tax framework also provides tax deduction for an amount equivalent to the value of the investment made by an individual or a company in qualified investee companies.

Venture capital management companies (VCMC) registered with the SC can also enjoy tax exemption on income arising from a profit-sharing agreement between the VCMC and the VCC. The VCMC, however, need not obtain certification from the SC provided that the VCC under the profit-sharing agreement is registered with the SC and has received certification for tax exemption from the SC.

Applicants for the tax incentives are advised to read and understand the content of the VC Tax Incentives Guidelines before submitting any application for certification to the SC. The VC Tax Incentives Guidelines and application forms are available on the SC website at www.sc.com.my

Bursa Malaysia Berhad

Bursa Malaysia Advises Companies to be Prepared for FRS 139

Bursa Malaysia organised a forum on the **Financial Reporting Standard 139** (FRS 139) to ensure listed companies are prepared in meeting the requirements of the new standard of financial reporting. The FRS 139 is targeted to be implemented on January 1, 2010 as notified by the Malaysian Accounting Standards Board (MASB). The forum, which was well attended by over 150 audit committee chairmen from various public listed companies in Malaysia, was organised to raise awareness and highlight the implementation challenges of FRS 139 to the audit committees.

Themed '*The Challenges of Implementing FRS 139*', the forum was opened by Selvarany Rasiah, Chief Regulatory Officer of Bursa Malaysia. Selvarany said, "The drive towards convergence of the new financial reporting standards is driven largely by the demands and the realities of the marketplace. The challenge in the global market is to reduce the costs associated with the access and comparability of information that has historically been constrained by different accounting standards, legal and cultural traditions, as well as regulatory regimes. To achieve this, a common accounting language is needed that can be translated and understood globally such as the International Financial Reporting Standards (IFRS)."

Emphasising on the audit committee's role, Selvarany said, "A demanding regulatory and governance environment is elevating expectations of an audit committee's performance. The audit committee has to be up-to-speed on key financial reporting issues and developments. An ongoing challenge for audit committees will be to understand the implications of important financial reporting issues and developments affecting the company." For further information, please visit www.bursamalaysia.com

Bursa Malaysia Stresses on Corporate Governance and Investor Protection as a Priority Criteria for a Quality Market

In response to recent media articles which makes reference to 'poor' quality of foreign listings on Bursa Malaysia, the Exchange reiterates that the listing framework requires advisers to undertake rigorous due diligence exercises including corporate governance assessments. The Exchange's primary aim is to maintain investor confidence and sustainable investor interest in order to uphold the quality of the capital market. Hence, investor protection remains the top driving factor that promotes a high level of corporate governance standard among public listed companies in Malaysia.

Principal advisers who submit an initial public offering listing application on behalf of a company are tasked to ensure that thorough assessment is done which focuses primarily on the issuer's compliance with the requirements, its suitability for listing and corporate governance record particularly of the promoters of the company. When in doubt, advisers are encouraged to consult with the Securities Commission and/or the Exchange prior to submitting a listing application.

The regulators nonetheless, emphasise on full disclosure as it is paramount to ensure that investors have access to the relevant information of the companies in order for them to make informed investment decisions.

To ensure that an appropriate oversight structure is in place for a dynamic capital market, the Exchange constantly reviews and enhances its monitoring, surveillance and supervisory role and would not hesitate to take enforcement actions for breaches of its rules. As part of the pre-emptive measures, Bursa Malaysia monitors and engages with listed issuers, directors and auditors in line with the corporate surveillance and engagement framework. This includes performing trend analysis, identification of red flags, compliance review of corporate governance disclosures in the listed issuers' annual reports and on-site examination on selected issuers.

The Exchange also encourages existing and potential listed companies to initiate and execute active investor relations engagement. In this respect, the Exchange has established Malaysian Investor Relations Association (MIRA) to assist and foster communication between listed companies and the investment community. Issuers from foreign jurisdictions will have to intensify and conduct regular engagements with the investment community in order to enable them to get a better understanding of the company. For further information, please visit www.bursamalaysia.com

MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB)

Malaysia to Host First Asian-Oceanian Standard-Setters Group Meeting

In a press release dated October 14, 2009, the Malaysian Accounting Standards Board announced that the first meeting of Asian-Oceanian Standard-Setters Group

(AOSSG) will take place on 4th and 5th of November, 2009 in Kuala Lumpur. The meeting marks the formation of a grouping of accounting standard-setters in the Asian-Oceanian region.

The objective of this first meeting is to establish and agree on a constitution for the AOSSG and to discuss and to provide input on several of the most recent draft proposals issued by the International Accounting Standards Board (IASB). The discussions will include views on the fair value measurement, the presentation of financial statements, revenue recognition and IAS 39.

AOSSG will allow standard-setters in the Asian-Oceanian region to establish a mechanism and platform to discuss and share resolutions to emerging issues and contribute to the development of a single set of high quality global financial reporting standards. The meeting will also serve as a platform for providing the Asian-Oceanian perspective on accounting standards that is more relevant to this region.

For further information, please visit MASB website on www.masb.org.my

MASB Issues 4 Exposure Drafts

In a press release dated October 9, 2009, the MASB announced the issuance of 4 Exposure Drafts as follows:

- ED 67 *Improving Disclosures about Financial Instruments* (Amendments to FRS 7)
- [draft] IC Interpretation 4 *Determining whether an arrangement contains a lease*
- [draft] IC Interpretation 18 *Transfers of Assets from Customers*
- ED i-4 *Shariah Compliant Sale Contracts*

ED 67, [draft] IC Interpretation 4 and [draft] IC Interpretation 18 are word for word to those issued by the International Accounting Standards Board (IASB).

The exposure period expires on **November 13, 2009**. The Exposure drafts are available on MASB website at <http://www.masb.org.my>. For further information, please visit MASB website on www.masb.org.my

News from Professional Bodies

Malaysian Institute of Accountants (MIA)

World Congress of Accountants 2010

Malaysia will host the 18th *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](#)

SMI Association of Malaysia

SME Recognition Award Series 2009

The SMI Association of Malaysia is organising the SME Recognition Award Series 2009. The main objective of the award is primarily to give due recognition to the SMEs who excel in respective fields and become role models for other SMEs. The launch of the SME Recognition Award Series 2009 was held on August 11, 2009 and

the presentation dinner will be held on December 16, 2009. The MICPA is a supporting organisation of the Awards.

News from Universities

Universiti Putra Malaysia (UPM)

FEP Seminar 2009

The Faculty of Economics and Management, UPM is organising the *Seminar FEP 2009* with the theme *Culturising Research Excellence* on December 1 – 3, 2009 at Port Dickson, Negeri Sembilan. The MICPA is a sponsor for the seminar.

Around Town -



Madam Kwan's

If you are looking for a nice place to try out Malaysian local dishes, Madam Kwan is the perfect place and the prices are reasonable. They have all sorts of Malaysian food from their famous nasi lemak to Chinese style chicken rice to Indian style fish head curry and local desserts. Named after the founder, this chic establishment is well known for its spicy Nyonya (blends of Chinese and Malay) offerings.

Popular items include Nasi Bojari (coloured rice with fried chicken, beef rendang and assam prawn) and the all time local favourite, ice kacang.

Before you leave, don't forget to take their calling card which is in the shape of Madam Kwan's image holding her famous dish. Madam Kwan's has 4 branches in Mid-Valley Megamall, KLCC, Bangsar and the Pavillion.

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

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