

August 2009

The CPA e-Newsline is a monthly electronic newsletter designed to provide members, and the public with quick updates on recent developments at the Institute and in the business environment.

Announcements / Activities

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 effective June 2009.

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](#)

Interview in the STAR Education Pullout

We are pleased to highlight the interview with Mr Ken Pushpanathan, Alternate Chairman of the Institute's Education and Training Committee, which was featured in The STAR Education Pullout on Wednesday, August 19, 2009.

Kindly click on the link provided below to view the Interview:

<http://www.micpa.com.my/micpamember/press/clip18-190809.pdf>

The Institute had also placed a ¼ page black and white advertorial in the pullout. To view the advertorial, kindly click on the link provided below:

<http://www.micpa.com.my/micpamember/press/clip17-190809.pdf>

Recognition Status of Bachelor of Business and Commerce (Accounting) Degree from Monash University, Sunway Campus

The Council has recently recognised the Bachelor of Business and Commerce (Accounting) Degree from Monash University, Sunway Campus. In this regard, graduates of the degree from Monash University will be given full exemption from the Institute's Professional Stage Examination.

Recognition Status of Bachelor of Arts (Hons) Accounting and Finance (University of The West of England) degree offered at Taylors University College

The Council has recently recognised the Bachelor of Arts (Hons) Accounting and Finance (University of The West of England) degree offered at Taylors University College. In this regard, graduates of the degree from Taylors University College will be given exemption from the Institute's Professional Stage Examination – Module A and Module B except Business and Company Law.

Recognition Status of Bachelor of Accountancy (Hons) degree offered at Kuala Lumpur Infrastructure University College

The Council has recently recognised the Bachelor of Accounting (Hons) degree from Kuala Lumpur Infrastructure University College. In this regard, graduates of the degree from KLIUC will be given exemption from Module A of the Institute's Professional Stage Examination.

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 ICAEW's 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.

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

Young CPA Malaysia Symposium 2009

The Young CPA Malaysia Symposium 2009 will be held on Thursday, October 15, 2009 at PNB Darby Park, Kuala Lumpur. Featuring the theme *Entrepreneurship: Taking the Leap*, the main objective of the Symposium is to provide an opportunity for participants to garner first-hand knowledge and design a roadmap on becoming a successful entrepreneur.

The Symposium will deliberate on the following topics:

- *Transforming Business Professional to Entrepreneur*
- *Managing Personal Development*
- *Discovering and Developing the Leader in You*

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

Presentation of 2009 MICPA Excellence Awards, Examination Certificates, Prizes, Membership & Practising Certificates

The presentation of the Most Outstanding CPA Student Award, Examination Certificates, Prizes, Membership & Practising Certificates will be held on Saturday, October 24, 2009 at 10:00 a.m. at Best Western Premier Seri Pacific Hotel Kuala Lumpur. It is also the occasion for the presentation of Excellence Awards for Best Accounting Graduates.

We are pleased to inform that YB Dato' Seri Mohamed Khaled Nordin, Minister of Higher Education will officiate the event. For further information, please contact the Institute's Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my

MICPA-Bursa Malaysia Business Forum 2009

The MICPA-Bursa Malaysia Business Forum 2009 with the theme *Competing in the New Global Landscape* is scheduled to be held on November 9 - 10, 2009 (Monday & Tuesday) at Shangri-La Hotel Kuala Lumpur. For further information, please contact the Institute's Education and Research Manager on Tel: 03-2698 9622 or e-mail: bizforum09@micpa.com.my

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.

The Institute made a presentation on the revised MICPA programme to the following members' firms and ATOs:

- ATO - CIMB Group on August 13, 2009;
- ATO - Petronas on August 14, 2009;
- Members' Firm - Mazars on August 14, 2009; and
- Members' Firm - PKF on August 17, 2009

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 marketing strategy to promote the MICPA programme to Universities and Institutions of higher learning by making scheduled visits and participating in road-shows.

During the career talks, our speaker communicates the value of our home-grown qualification 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 revised MICPA 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.

The Institute made a presentation on the revised MICPA programme to 60 Form 5 principles of accounting students at SMK Sri Permata on Tuesday, August 18, 2009.

Job Opportunities on MICPA Website

As part of the Institute's service to members', Members' Firms and Approved Training Organisations of the Institute 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 one (1) month from the date of posting. For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: vic.pr@micpa.com.my.

Members Update

MICPA Technical Updates

Companies Commission of Malaysia (SSM)

Practice Notes 3/2009, 4/2009 and 5/2009

Further to Circular No. TEC/034/08/2009/W dated August 21, 2009 members are informed that the Companies Commission of Malaysia (SSM) has issued three (3) Practice Notes as follows:

- ***Practice Note No. 3/2009 – Confirmation on the Latest Shareholding Structure/ Composition of a Company Issued by a Company Secretary***
The Practice Note serves to inform that a Letter of Confirmation on the latest shareholding structure/composition of a company issued by a company secretary can be sufficient evidence as to the latest shareholding structure/composition of a company.
- ***Practice Note No. 4/2009 – Notification in Relation to the Identification of the Chargees for the Execution of Form 42B for the Discharge of Charge Under the Companies Act 1965***
The Practice Note serves to inform and assist charger companies experiencing difficulties in identifying their respective charges for the purpose of executing Form 42B (Evidence of Satisfaction of Charge/Release of Property or Part of Property from Charge) for the discharge of a Charge.
- ***Practice Note No. 5/2009 – The Filing of Objections Pursuant to a Claim of Amount Due and Owing Against a Company Undergoing a Striking-Off Process***
The Practice Note serves to inform on the requirements in relation to the filing of objections on the pretext that a company undergoing a striking-off process still owes a specific sum of monies to a person (Claimant).

For further information, please refer to the Circular which can be downloaded from the MICPA website www.micpa.com.my in the Members' Area.

Opening of Business Registration Counter at Majlis Perbandaran Selayang

Further to Circular No. TEC/035/08/2009/W dated August 21, 2009 members are informed that the Companies Commission of Malaysia (SSM) has recently announced the opening of business registration counter at Majlis Perbandaran Selayang effective August 3, 2009.

For further information, please refer to the Circular which can be downloaded from the MICPA website www.micpa.com.my in the Members' Area.

Inland Revenue Board of Malaysia (IRB)

Minutes of Meeting of Working Group with Accounting Bodies – Desire Bill. 3/2009

Further to Circular No. TEC/036/08/2009/W dated August 21, 2009 members are informed that a meeting was held between the Inland Revenue Board of Malaysia (IRB) and representatives of the MICPA, CTIM, MIA, MAICSA, MATA, ICMA and MACS on July 24, 2009 to discuss issues on e-Filing.

The Minutes of Meeting of the working group with accounting bodies (Desire Bill. 3/2009) setting out issues discussed and the comments/ clarifications provided by the IRB can be downloaded from the MICPA website www.micpa.com.my in the Members' Areas as per Annexure I for members' reference.

Public Rulings

Further to Circular No. TEC/037/08/2009/W dated August 21, 2009 members are informed that the IRB has issued the following Public Rulings on July 30, 2009:

- ***Third Addendum to Public Ruling No. 1/2006 – Perquisites from Employment***
- ***Public Ruling No. 3/2009 – Professional Indemnity Insurance***

The Public Rulings can be downloaded from the IRB website at:

<http://www.hasil.gov.my/lhdnv3e/index.jsp?process=16000&menu1=0&ms2=Ketetapan%20Umum>.

MICPA Practising Certificate

The Membership Affairs Committee of the Institute in considering applications for practising certificate has frequently come across cases where a member has commenced public practice before he is issued with a practising certificate by the Institute. The Committee would like to remind members that in accordance with **bye-law 56 of the Institute's bye-laws**, a member shall be entitled to engage in public practice in Malaysia only if he holds a practising certificate issued by the Institute. If members need clarification on the above requirement, you may forward your inquiry to membership@micpa.com.my or call 03-2698 9622.

CPD On-Line Record

Effective January 1, 2007, it is mandatory for all members to complete at least 120 hours of relevant Continuing Professional Development (CPD) activity in each rolling

three-year period, of which 60 hours should be verifiable. Members are required to submit an annual declaration as to compliance with the CPD requirements prescribed in the CPD Statement.

An on-line CPD Record functionality has been added to the MICPA website, which facilitates members to update their CPD records on-line in the format provided. Please visit the MICPA website at www.micpa.com.my, login as a Member, click on Members Update on the Left-hand Menu and go to Section F to update your CPD records.

Young CPA Group

As members are aware, 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 can play an important role in identifying the professional needs of its members and provide valuable feedback, suggestions and recommendations to the Institute. If you are a CPA below the age of 40, please register yourself online at www.micpa.com.my.

Change of Correspondence and E-mail Address

Members and 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 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. You may also send an e-mail to membership@micpa.com.my for the change of correspondence and e-mail address.

Continuing Professional Development (CPD) Programmes

Tax Planning on Current Tax Issues

A one-day Workshop on *Tax Planning on Current Tax Issues* will be held on September 10, 2009 at The Legend Hotel, Kuala Lumpur. The workshop will provide an insight on the latest tax updates from IRB, tax implications and tax planning ideas with the change from tax imputation system to single tier system. The workshop will also discuss the implication of dividends paid during the transitional period from January 1, 2008 to December 31, 2013.

The workshop will be conducted by Mr Chow Chee Yen. For further information, please click [here](#)

Capital Allowances Maximisation

A one-day Workshop on *Capital Allowances Maximisation* will be held on September 14, 2009 at The Legend Hotel Kuala Lumpur. The Workshop aims to discuss in great detail the provisions of the act as well as the rules, guidelines, and public rulings pertaining to the capital allowances in order to maximise the claim for capital allowances as well as manage the issues that could give rise to tax risks. At the end of the workshop, the participants should be able to have a better understanding in claiming for capital allowances.

The workshop will be conducted by Mr Harvinder Singh. For further information, please click [here](#)

Practical Application of Financial Reporting Standards

A one-day Workshop on *Practical Application of Financial Reporting Standards* will be held on September 15, 2009 at Best Western Premier Seri Pacific Kuala Lumpur. The objective of the workshop is to discuss some common and key application issues encountered by preparers in their application of certain FRS. At the end of the Workshop, the participants should be able to have a better appreciation and understanding of some of the application issues faced by preparers.

The workshop will be conducted by Mr Stephen Oong. For further information, please click [here](#)

Financial Instruments (FRS139)

A one-day Workshop on *Financial Instruments (FRS139)* will be held on September 30, 2009 at the Concorde Hotel Kuala Lumpur. The workshop will provide participants an appreciation of the complexity of FRS 139, and their implications on companies' financial results.

The Workshop leaders will be illustrating the fair value concepts applied in financial assets and liabilities, the appropriate accounting treatment for embedded derivatives, the rules of de-recognition of financial assets, and impairment of financial assets, as well as the criteria for hedge accounting.

The Workshop will be conducted by Mr Manohar Johnson and Ms Soo Kwai Fong. For further information, please click [here](#)

Updates from Regulatory Bodies

SECURITIES COMMISSION OF MALAYSIA (SC)

Securities Borrowing & Lending Model Enhanced for More Flexibility

The Securities Commission Malaysia (SC) and Bursa Malaysia today announced the introduction of *Securities Borrowing and Lending Negotiated Transaction (SBLNT)*, an enhanced securities borrowing and lending (SBL) model that offers an option to borrow and lend on an over-the-counter (OTC) basis. The SC also released the revised SBL Guidelines while Bursa Malaysia issued the relevant rules, procedures and guidelines to provide for SBLNT.

The SBLNT model will be implemented on August 17, 2009 and relevant participants will be able to submit applications with immediate effect.

Under the SBLNT framework, any eligible person who is approved by Bursa Malaysia Securities Clearing Sdn Bhd (Bursa Malaysia Securities Clearing) may borrow and lend securities. The lender and borrower are now given the flexibility to enter into SBL agreements hence they can negotiate and agree on the terms of borrowing and lending directly. These SBL transactions must, however, be reported via on-shore borrowing and lending representatives and facilitated through Bursa Malaysia Securities Clearing as the approved clearing house.

The revised SBL Guidelines by SC also provide clarification on the tax treatment applicable to SBLNT. In order to qualify for tax exemption as provided in the *Income Tax (Exemption) (No.30) Order 1995*, the agreements between the borrowers and lenders will be deemed approved SBL agreements if the SBL agreements contain

the minimum terms and conditions as prescribed in Bursa Malaysia Securities Clearing's rules. For further information, please visit www.sc.com.my

SC Streamlines Registration of Shariah Advisers

The SC on August 9, 2009 issued the *Registration of Shariah Advisers Guidelines* (Guidelines) which will make it easier for individuals and corporations providing advice on Islamic capital market products and services. The Guidelines took effect on August 10, 2009.

Under the Guidelines, Shariah advisers can now, through a single registration, provide advice on all Shariah-based products and services regulated by the SC. Prior to this, Shariah advisers have to register separately for each products and services based on the respective guidelines.

The Guidelines will supersede the various provisions on the eligibility and registration criteria outlined in other SC guidelines covering various Islamic products and services. They include *Guidelines of Unit Trust Funds* and *Guidelines on the Offering of Islamic Securities*. The Guidelines, among others, stipulate the criteria and procedures for registration and renewal, matters pertaining to registration and de-registration and continual professional development.

For further information, please visit www.sc.com.my

BURSA MALAYSIA BERHAD

Bursa Malaysia to Hold Evening Talks to Enhance Awareness on Corporate Governance

In its pursuit to uphold the standards of corporate governance in the capital market, Bursa Malaysia has a strong focus on education and awareness programmes. In this respect, these programmes are undertaken either by Bursa Malaysia or in collaboration with the industry.

Between August 6 and November 24, 2009, Bursa Malaysia will be organising *Evening Talks on Corporate Governance*. This event is aimed to provide a platform for creating awareness as well as sharing of important corporate governance (CG) issues and challenges in the local and international scene with industry professionals.

Prominent speakers from the regulators, professional bodies, industry associations, listed companies and leading corporate governance experts will be presenting key topics on current issues surrounding CG.

For further information, please visit www.bursamalaysia.com

Maiden Sukuk and Bond Listings on Bursa Malaysia

Bursa Malaysia welcomes double 'firsts' of the listings of its inaugural Islamic securities, also known as sukuk together with the conventional debt securities/bond by Petroliam Nasional Berhad (PETRONAS) and Cagamas MBS Berhad (Cagamas MBS). Both companies are listing their sukuk and conventional bonds on the Exchange on August 14, 2009.

Malaysia is known to be the world's largest sukuk issuance centre where more than 60% of sukuk outstanding globally are originated here. It hosts the world's largest sukuk market at an estimated USD152.8 billion outstanding for 2008. The sukuk

market has also been the driver of growth for the Malaysian Islamic market. Its comprehensive legal, regulatory and Shari'ah framework ensure that market integrity and investors' confidence remain high. For further information, please visit www.bursamalaysia.com

World's First Shari'ah-Based Commodity Trading Platform to Facilitate Islamic Finance Goes Live

Malaysia's position as a leading Islamic financial hub was further solidified with the successful commencement of trade on the world's first, end-to-end Shari'ah-compliant commodity trading platform. This fully-electronic platform, called Bursa Suq Al-Sila', is an international commodity platform that is able to facilitate commodity-based Islamic financing and investment transactions under the Shari'ah principles of Murabahah, Tawarruq and Musawwamah. The launch commodity is Malaysia's star product, crude palm oil (CPO).

Formerly known as Commodity Murabahah House, Bursa Suq Al-Sila', which means commodities market in Arabic, is an initiative spearheaded by the Malaysia International Islamic Finance Center (MIFC). The trading platform is operated by Bursa Malaysia via its fully Shari'ah-compliant wholly-owned subsidiary, Bursa Malaysia Islamic Services Sdn. Bhd. For further information, please visit www.bursamalaysia.com

News from IFAC and IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IAASB Staff Issues Q&As to Guide Auditor's Effective Implementation of Clarified ISAs; Addresses SME Issues

To assist auditors worldwide in implementing the clarified International Standards on Auditing (ISAs), the staff of the International Auditing and Assurance Standards Board (IAASB) has developed a new question-and-answer publication entitled Applying ISAs Proportionately with the Size and Complexity of an Entity. The publication is relevant in the context of any audit, but will be of particular help to those who audit, or oversee the audits of, small- and medium-sized entities (SMEs).

SMEs are an important sector of national economies and one that is sensitive to significant changes in standards and this staff publication highlights provisions within the ISAs that guide auditors in applying the requirements to audits of SMEs in an efficient and effective manner.

The questions and answers explain how the design of the ISAs enables them to be applied in a manner that is proportionate to the specific characteristics of the entity subject to audit. Furthermore, answers are given to questions relating to audit procedures, work effort, documentation and professional judgment.

Many of those with responsibility for financial statement audits are progressing their consideration of implementation issues of the clarified ISAs. The IAASB staff have a role to play in supporting the implementation effort. The publication is available for download free of charge from the IFAC website:

<http://web.ifac.org/clarity-center/support-and-guidance>.

IFAC and the Banker Magazine Conduct Global Lending Survey

IFAC and the Banker Magazine, part of the Financial Times Group, have launched a survey that will assess what factors affect bank lending to small and medium enterprises (SMEs) around the world. Through the survey, IFAC seeks to better understand the needs of lenders to SMEs, the perceived challenges for SMEs in acquiring financing, and how the accountancy profession can best support SMEs and lenders.

The survey's results will be published in the October edition of The Banker and distributed at the annual meeting of the International Monetary Fund. Copies will also be available at the IFAC Council Meeting in November.

For further information, please visit www.ifac.org

Professional Accountants in Business Committee Releases Costing Guidance

The Professional Accountants in Business (PAIB) Committee has released a new International Good Practice Guidance publication, *Evaluating and Improving Costing in Organisations*, which establishes six fundamental principles that can help professional accountants and their organisations to evaluate and improve their approach to costing.

The guidance recognizes the importance of distinguishing among the purposes and information needs of cost accounting to meet the demands of external reporting, cost measurement, and reporting for internal decision support. A companion document, *Evaluating the Costing Journey: A Costing Levels Continuum Maturity Model*, has also been published to help professional accountants decide what level of costing sophistication to use, given organizational requirements and the needs of managers and employees. Both documents can be downloaded free of charge from the PAIB section of the IFAC online bookstore: www.ifac.org/store.

Deadline Approaching for 2009 Articles of Merit Contest

The deadline for nominations of articles for the 2009 Articles of Merit Award is September 3, 2009. The competition recognizes articles that provide distinct, valuable contributions to support professional accountants in business. Member bodies are encouraged to nominate articles that have previously been published in their journals or other publications and on their websites. Each member body may nominate up to three articles. The articles may cover any relevant aspect or current issue related to the roles and domain of professional accountants worldwide.

For more information, contact Gabriella Teofilo, Operations Assistant, Professional Accountants in Business Committee, at gabriellateofilo@ifac.org.

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

Financial Instruments Round-Table

In September 2009 the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) will hold joint round table discussions on their proposals for financial instruments. Round tables will be held in North America, Asia and Europe. An audio recording of the round table discussions will be made available on the website shortly after each round table.

The IASB and the FASB have a joint project to improve accounting for financial instruments. The IASB and the FASB have been separately considering the appropriate model for classification and measurement of financial instruments with an ultimate goal of achieving a common outcome. The round tables will discuss the alternative approaches proposed by the IASB (as reflected in the exposure draft *Financial Instruments: Classification and Measurement*) and the FASB.

For further information, please visit www.iasb.org

Advance Notice of Two Exposure Drafts

At their meeting held on July 21 & 22, 2009, the IASB decided to publish two urgent exposure drafts with reduced comment periods. They will deal with:

- Classification of rights issues (publication on August 6, 2009 with comments due by September 7, 2009);
- Post-employment benefits: discount rate (estimated publication in the second half of August with comments due by September 30, 2009).

For further information, please visit www.iasb.org

IFRIC Proposes Guidance on Settling Financial Liabilities with Equity Instruments

The International Financial Reporting Interpretations Committee (IFRIC) on August 6, 2009 published for public comment a draft Interpretation, IFRIC D25 *Extinguishing Financial Liabilities with Equity Instruments*. The proposal is open for public comment until October 5, 2009.

In the current environment, some entities are renegotiating the terms of financial liabilities with their creditors. In some circumstances, the creditor agrees to accept an entity's shares or other equity instruments to settle the financial liability fully or partially.

The IFRIC was asked for guidance on how an entity should account for such transactions in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* and IAS 32 *Financial Instruments: Presentation*. IFRIC D25 proposes that:

- the entity's equity instruments are part of any 'consideration paid' to extinguish the financial liability;
- the equity instruments are measured at either their fair value or the fair value of the financial liability extinguished, whichever is more reliably determinable; and
- any difference between the carrying amount of the financial liability extinguished and the initial measurement amount of these equity instruments is included in the entity's profit or loss for the period.

For further information, please visit www.iasb.org

IASB Publishes Proposals on the Classification of Rights Issues

The IASB on August 6, 2009 published for public comment proposals on the classification of rights issues.

The proposals seek to clarify the accounting treatment when rights issues are denominated in a currency other than the functional currency of the issuer. Current

practice appears to require such issues to be accounted for as derivative liabilities. The proposals state that if such rights are issued pro rata to an entity's existing shareholders for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated

Many rights issues are denominated in currencies other than the functional currency of the issuer, and the global financial crisis has led to an increase in the number of such issues as entities seek to raise additional capital. The IASB has therefore accelerated its work on this aspect of its comprehensive response to the crisis. The proposals are set out in an exposure draft of an amendment to IAS 32 *Financial Instruments: Presentation*, which is open for comment for 30 days and if adopted will apply retrospectively.

The proposals in the exposure draft *Classification of Rights Issues* are open for comment until September 7, 2009. After considering comments received on the exposure draft, the IASB plans to issue the final amendment before the end of 2009 with early application permitted.

For further information, please visit www.iasb.org

IASB Proposes to Amend the Discount Rate for Measuring Employee Benefits

The IASB on August 20, 2009 published for public comment proposals to amend the discount rate for measuring employee benefits. The proposals respond to calls from stakeholders to address a problem that the global financial crisis has made increasingly significant.

IAS 19 *Employee Benefits* requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds. However, when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds instead. The global financial crisis has led to a widening of the spread between yields on corporate bonds and yields on government bonds. As a result, entities with similar employee benefit obligations may report them at very different amounts.

To address the issue expeditiously, the IASB proposes to eliminate the requirement to use yields on government bonds. Instead, entities would estimate the yield on high quality corporate bonds. If adopted, the amendments would ensure that the comparability of financial statements is maintained across jurisdictions, regardless of whether there is a deep market for high quality corporate bonds.

In view of the urgency of the issue and the limited scope of the proposals the IASB has set a shortened period for comments on the exposure draft. The IASB intends to permit entities to adopt the amendments that arise from this exposure draft in their December 2009 financial statements.

The proposals are set out in the exposure draft *Discount Rate for Employee Benefits* (proposed amendments to IAS 19) which is open for comment until September 30, 2009. For further information, please visit www.iasb.org

News from Other Professional Bodies

MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

Invitation to Participate in MIA PAIB Committee's Articles of Merit Award 2009

The Malaysian Institute of Accountants (MIA) is organising the Articles of Merit Award on Professional Accountants in Business (PAIB) 2009. The award is to recognise the authors of outstanding articles that are judged to make a distinct and valuable contribution to the development of the roles and domain of the PAIB.

For further details on the award and terms and conditions, please visit the MIA website at www.mia.org.my/paib/articles.htm or contact Ms Zulfa or Ms Surinder at 03-2272 1501 or email: zulfa@mia.org.my or surinder@mia.org.my

National Accountants Conference (NAC) 2009

MIA will be holding the *National Accountants Conference 2009* on October 13 & 14, 2009 at Kuala Lumpur Convention Centre. The conference is themed The New Economic Model: Value Chain Transformation, focusing on the Prime Minister's call for an economic model that will move Malaysia further up the value chain. In this regard, the conference will feature topics relevant to creating a culture of innovation and competitiveness. For further details on the conference, please visit the official conference website: www.mia.org.my/nac

World Congress of Accountants 2010

As members are aware, 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 visit www.mia.org.my

THE MALAYSIAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS (MAICSA)

MAICSA Business Leaders Meet 2009

In conjunction with MAICSA's 50th Anniversary celebrations, the inaugural *Business Leaders Meet (BLM) 2009* will be held on October 7, 2009. BLM will be the forum where corporate leaders and professionals converge to discuss and share their business and corporate adventures, explore opportunities in the global financial crisis and learn about corporate misdemeanours, fraud detection and prevention.

The MICPA is a supporting partner of the BLM 2009 and Members of MICPA who register for the one-day Conference will be able to enjoy a preferential rate of registration fee of RM960 (before August 31, 2009) and RM1,060 (after August 31, 2009).

For further information on the conference and registration, please contact Ms Thashi Shan or Ms Maggie Chong on Tel: 03-2282 9276 ext 614 and ext 608 respectively or email: thashikala@maicsa.org.my & chongsm@maicsa.org.my

THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA (IIA MALAYSIA)

2009 Asian Confederation of Institutes of Internal Auditors (ACIIA) Conference on Internal Auditing

The Institute of Internal Auditors Malaysia is hosting the regional 2009 Asian Confederation of Institutes of Internal Auditors (ACIIA) Conference which will be held from October 19 – 21, 2009 at the Kuala Lumpur Convention Centre. The theme of the regional conference is *Towering Experience: Towards Sustainable Success*.

The Keynote Address will be delivered by YBhg Tan Sri Zarinah Anwar, Chairman of the Securities Commission Malaysia.

The MICPA is one of the distinguished supporting bodies and members of MICPA who register for the Conference will enjoy a preferential registration fee of RM1,950 for the two-day Conference whilst early birds who register and pay before August 30, 2009 will enjoy a registration fee of RM1,750.

For further information on the conference, programme and registration details, please visit www.iam.com.my

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.

The MICPA is a supporting organisation of the Awards.

News from Universities

International Islamic University Malaysia (IIUM)

Universiti Kebangsaan Malaysia (UKM)

International Management Accounting Conference (IMAC V)

The Faculty of Economics and Business, Universiti Kebangsaan Malaysia is pleased to announce that they will be organising and hosting the fifth *International Management Accounting Conference (IMAC V)* on October 19 – 21, 2009 to be held in Kuala Lumpur. The theme of the conference is *Emergent Theories and Practices in Accounting*. For further details on the conference, please visit the official conference website: <http://www.ukm.my/imac5>.

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

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