

December 2007

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

Greetings

The President, Council, Management and Staff of the MICPA would like to wish all our Christian members, friends and suppliers ***A Glittering Starlit Christmas and a Happy New Year.***

Notice of Extraordinary General Meeting

Notice is hereby given that an *Extraordinary General Meeting* of the Institute will be held on **Saturday, January 12, 2008** at MICPA Boardroom at No.15 Jalan Medan Tuanku, 50300 Kuala Lumpur at 10:00 a.m. For further information, please click [here](#)

49th Anniversary Commemorative Lecture cum Luncheon

We are pleased to inform members that the Institute's 49th Anniversary Commemorative Lecture cum Luncheon will be held on **Thursday, January 24, 2008 at the Mayang Sari Grand Ballroom, JW Marriott Hotel, Kuala Lumpur**. The Commemorative Lecture cum Luncheon provides an opportunity for members of the accountancy profession, the Government, regulatory authorities and the business community to get together to evaluate the most pertinent issue affecting the Malaysian and global economies, and the role of the accountancy profession.

YBhg Dato' Zarinah Anwar, Chairman of the Securities Commission will deliver the Commemorative Lecture titled ***Enhancing Confidence in the Capital Market***. For further information, please contact Ms Vicky Rajaretnam, Public Affairs & Communications Manager on 03-2698 9622 or e-mail: vic.pr@micpa.com.my

National Annual Corporate Report Awards Presentation Dinner

Yang Berhormat Dato' Veerasingam Suppiah, Deputy Minister of Domestic Trade and Consumer Affairs, presented the Challenge Trophy and Awards to the Winners of the National Annual Corporate Report Awards (NACRA) 2007 at an awards presentation ceremony held on Thursday, November 29, 2007.

NACRA strives to promote excellence in annual corporate reporting. It encourages transparency and corporate accountability through the publication of timely, informative, factual and reader-friendly annual reports. This is the very cornerstone of NACRA's theme – *Towards Excellence*.

Public Bank Berhad took the limelight at the awards presentation when they won the Platinum Award for the Overall Excellence Award for the Most Outstanding Annual Report of the Year. The Bank also walked away with the Industry Excellence Award

under the Finance category for Companies Listed on the Main Board and the Platinum Award for Best Annual Report in Bahasa Malaysia and Best Designed Annual Report under the Presentation Awards category. To view the full list of award winners, please click [here](#)

NACRA is jointly organised by Bursa Malaysia Berhad, Malaysian Institute of Accountants, Malaysian Institute of Management and The Malaysian Institute of Certified Public Accountants.

Members Update

MICPA Code of Ethics

The MICPA on October 26, 2007 issued the *MICPA Code of Ethics* (The Code). The Code applies to all members of the Institute and the firms through which the members act or perform their professional work where relevant.

The Code supersedes the MICPA's Code of Professional Conduct and Ethics issued in November 1991. The Code is effective November 1, 2007. However, transitional provisions are allowed in respect of specific requirements in Section 290 of the Code.

The MICPA Code of Ethics has been posted on the MICPA website at www.micpa.com.my under Members' Handbook in the Members Area.

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.

A CPD On-Line 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.

Please remember to submit your CPD annual declaration for 2007 by December 31, 2007. For further information, please contact Mr Joseph Leong, Education & Training Manager at 03-2698 9622 or E-mail: joseph.edu@micpa.com.my

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

Be Different by joining the Young CPA Group Today!

The Young CPA Group is organising an outreach programme as part of its activities on Saturday, January 19, 2008 to Rumah Anak-Anak Yatim Shifa'. For further

information on the visit, please contact Ms Vicky Rajaretnam, Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my

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 Cik Adzlyn Aladzimy at membership@micpa.com.my or Cik Ruhaizah at ri.stud@micpa.com.my or call 03-2698 9622.

ACCA-MICPA Mutual Recognition Agreement (MRA)

The recent MRA between ACCA and MICPA provides a route for qualified members of either body to become a member of the other body, and to enjoy the benefits which both bodies can offer. Strong and meaningful international alliances such as this one are a very positive development for the profession as a whole and for the CPA Malaysia designation in particular. For further information, please click link [here](#) to refer to the FAQs or you may call Pn Adzlyn Aladzimy, Membership Services Officer at Tel: 03-2698 9622 for further information or e-mail: membership@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.

Upcoming Continuing Professional Development (CPD) Programmes

Half-Day Seminar on Intellectual Property Rights and Internet Piracy

A half-day Seminar on *Intellectual Property Rights and Internet Piracy* will be held on January 22, 2008 at The Legend Hotel, Kuala Lumpur. In an increasingly knowledge-driven economy, Intellectual Property (IP) is a key consideration in day-to-day business decisions. The seminar aims to highlight the emerging issues relating to intellectual property rights, the technological causes of copyright management and computer forensic issues in internet piracy. For further information, please click [here](#)

Evening Talk on Market Outlook in China and Hong Kong

The Commerce & Industry Committee of the Institute is organising an Evening Talk cum hi-tea on *Market Outlook in China and Hong Kong* on January 25, 2008 at The Legend Hotel, Kuala Lumpur. China is a market no organisation can afford to overlook as it has a booming business climate and rapid economic growth. However, doing business in China and the Pacific Rim's gateway city of Hong Kong still poses

some real challenges. Therefore, it is critical to know the market, respect the local customs and forge the right business partnerships to succeed in China. The Evening Talk will be chaired by YBhg Dato' Yeo How, Group Executive Director of IOI Corporation Berhad and Chairman of MICPA's Commerce and Industry Committee. For further information, please click [here](#)

Advanced Corporate Tax Planning

A one-day Workshop on *Advanced Corporate Tax Planning* will be held on January 31, 2008 at The Legend Hotel, Kuala Lumpur. Participants will gain an insight on issues relating to tax planning in corporate reorganisation and restructuring exercises. In addition, the workshop will also cover other important tax planning areas such as corporate group structure, cross border tax planning, single tier system and transfer pricing. For further information, please click [here](#)

Updates from Regulatory Bodies

SECURITIES COMMISSION (SC)

Updated List of Shariah-Compliant Securities by SC's Shariah Advisory Council

The Securities Commission (SC) on November 30, 2007 released an updated list of Shariah-compliant securities approved by its Shariah Advisory Council (SAC). The updated list of Shariah-compliant securities listed on Bursa Malaysia took effect from December 1, 2007. In classifying the listed securities, the SAC received input and support from the SC and has applied a standard criterion in focusing on the activities of the companies listed on Bursa Malaysia. The approach and criteria in classifying the securities as well as the SAC's advice and guidance on disposal of Shariah non-compliant securities are stated in the list. A booklet on the list will be published soon and is issued free of charge by the SC. For further information, please visit www.sc.com.my. The next updated list will be available in May 2008.

SC to Computerise Licensing Exam Processes – Facilitates more frequent exams and instant exam results

Effective January 2008, the SC will kick start a Computer-Based Examination (CBE) system for SC licensing examinations, which will benefit all aspiring capital market participants with the higher frequency of examinations to be offered and a speedier results processing timeframe. Implemented by the Securities Industry Development Corporation (SIDC), the CBE system aims to increase efficiency in the management and the operation of licensing examinations processes. With the CBE system in place, all licensing examination modules will be offered only once or twice a month. For further information, please visit www.sc.com.my or if you wish to familiarise yourself with the format of the new CBE system, the SIDC has developed a simulation programme which is available on the SIDC website at www.sidc.com.my

INLAND REVENUE BOARD (IRB)

Requirement to Settle Balance of Tax Payable Before Acknowledgement is Made on the Application of Approval as Tax Agents Under Subsection 153(3) of the Income Tax Act 1967

Members are informed that the Inland Revenue Board (IRB) has considered and agreed to allow tax agents to continue to settle their tax liabilities in installments for the current year of assessment and/or previous years of assessment as approved by the IRB. For further information, members may view the Circular (TEC/046/12/2007/W) posted on the MICPA website www.micpa.com.my in the Members' area.

ROYAL MALAYSIAN CUSTOMS

Minutes of Meeting of the Consultative Panel between Customs and Private Sector (1/2007)

The Consultative Panel between Customs and Private Sector provides a forum for the discussion of practical issues and suggestions relating to customs and excise matters. At the meeting of the Consultative Panel (1/2007) held on August 7, 2007, the issues discussed include the following:

- ✚ Restriction on advocate and solicitor at Customs Appeal Tribunal
- ✚ Proof of payment of duty / tax before submission of appeal to Customs Appeal Tribunal
- ✚ Refund of service tax on bad debts
- ✚ Service tax on employment services excluding supply or secondment of employees to another person for a period of time
- ✚ Customs ruling
- ✚ Current single-stage concept of sales tax

Members are informed that the Minutes of the above-mentioned meeting of the Consultative Panel are available on the MICPA website www.micpa.com.my in the Members' area.

News from Other Professional Bodies

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IFAC Releases Paper on Regulation of the Accountancy Profession

IFAC has released a policy position paper on Regulation of the Accountancy Profession. The paper sets out IFAC's view that professional accountancy bodies, acting in the public interest, must play an active role in the regulation of the profession in their jurisdictions. The policy position also states that accountancy bodies and governments need to work together to ensure that professional regulation is effective and efficient. The paper is available from the IFAC online bookstore at www.ifac.org/store

Tone at the Top and Audit Quality

The Transnational Auditors Committee, the Executive Committee of the Forum of Firms, has released a paper that summarises current practice in several of the largest networks of international accounting firms and examines how setting the right tone can positively influence audit quality. Entitled *Tone at the Top and Audit Quality*, the paper describes five areas in which management can address tone at the top issues: strategy, communication, job descriptions, performance appraisals and monitoring. Examples are also provided to further clarify the types of policies and procedures that audit networks are putting in place. This good practice guidance can be downloaded free-of-charge from the IFAC bookstore at www.ifac.org/store

IFAC Releases Updated Translations Policy Statements and Launches Translations Database

To facilitate translations of its standards and guidance, IFAC has updated two policy statements that address translations issues and has developed a database of translations of its publications. The translations database features languages, publication titles, names of translating organisations and, where available, lists of translated key terms. The database and policy statements, together with a list of questions and answers, are available on the IFAC website at www.ifac.org/translations

Guide to Using International Standards on Auditing in the Audit of Small and Medium Sized Entities

IFAC's Small and Medium Practices (SMP) Committee commissioned this guide, the first in a series of implementation guides, to assist SMPs and other auditors of small and medium entities (SMEs) in applying International Standards on Auditing to the audit of SMEs. The guide provides a detailed analysis of the standards and their requirements in the context of an SME audit. The guide can be downloaded for FREE at the IFAC bookstore at www.ifac.org/store

IAASB Issues Clarified Standards on Audit Documentation, Communication and Auditor's Responsibility in Relation to Other Information

The International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board under the auspices of the IFAC, has reached another milestone in its Clarity Project. Following the consideration and approval of due process by the Public Interest Oversight Board (PIOB), the IAASB issued three final standards that reflect its new clarity drafting conventions:

- International Standard on Auditing (ISA) 230 (Redrafted), *Audit Documentation*;
- ISA 260 (Revised and Redrafted), *Communication with Those Charged with Governance*; and
- ISA 720 (Redrafted), *The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements*.

The standards form part of the IAASB's ambitious 18-month programme to redraft existing standards and to develop new and revised standards following the clarity drafting conventions.

"The complete set of clarified ISAs, including some newly revised standards also under development, will be effective for audits of financial statements for periods beginning on or after December 15, 2009. We are releasing standards as they are approved in order to provide standard setters, regulators and auditors with sufficient

time to plan for the adoption and implementation of the standards," explains John Kellas, IAASB Chairman. For further information, please visit www.ifac.org

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

IASB Tops Global Rankings for Stakeholder Participation

- Identified as 'High Performer' for Transparency and Evaluation

The International Accounting Standards Board (IASB) has the best developed external stakeholder engagement capabilities amongst 30 of the world's most powerful global organisations and is a high performer in both transparency and evaluation, according to a report on global accountability published on December 1, 2007 by the One World Trust.

The IASB topped global rankings across all assessed organisations for stakeholder participation. Amongst international non-governmental organisations (INGOs), the IASB was ranked first for evaluation and second for transparency, sharing the 'high performer' assessment with Christian Aid. 'High performers' are identified as those organisations scoring at least 50 per cent in three out of four dimensions used as the basis for assessment: transparency, participation, evaluation, and complaints and response. A copy of the One World Trust 2007 Global Accountability Report can be downloaded from www.oneworldtrust.org

IASB Proposes Guidance on Group Cash-Settled Share-Based Payment Arrangements

The IASB on December 13, 2007, published for public comment an exposure draft of proposed amendments to IFRS 2 *Share-based Payment* and IFRIC 11 *IFRS 2 - Group and Treasury Share Transactions*. The proposals respond to requests for guidance on how a group entity that receives goods or services from its suppliers (including employees) should account for the following arrangements:

- *Arrangement 1 - the entity's suppliers will receive cash payments that are linked to the price of the equity instruments of the entity*
- *Arrangement 2 - the entity's suppliers will receive cash payments that are linked to the price of the equity instruments of the entity's parent.*

Under either arrangement, the entity's parent has an obligation to make the required cash payments to the entity's suppliers. The entity itself does not have any obligation to make such payments. The proposed amendment to IFRS 2 clarifies that IFRS 2 applies to arrangements such as those described above even if the entity that receives goods or services from its suppliers has no obligation to make the required share-based cash payments. The proposed amendment to IFRIC 11 specifies that the entity should measure the goods or services in accordance with the requirements for cash-settled share-based payment transactions.

The exposure draft of the proposed amendments to IFRS 2 and IFRIC 11 - *Group Cash-settled Share-based Payment Transactions* will be freely available on the IASB website www.iasb.org from December 24, 2007. It is open for comment until March 17, 2008.

IASB Publishes Revised Proposals for Determining the Cost of an Investment in Separate Financial Statements

The International Accounting Standards Board (IASB) on December 13, 2007, published for public comment an exposure draft of proposed amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 27 *Consolidated and Separate Financial Statements*. The exposure draft - *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* - was developed in response to comments received on a related exposure draft published in January 2007. In the light of those comments and further consultation with interested parties, the IASB reconsidered its proposals and, in accordance with its due process, now invites comment on the revised proposals.

The proposals address concern that retrospectively determining cost in accordance with IAS 27 on first-time adoption of International Financial Reporting Standards (IFRSs) cannot, in some circumstances, be achieved without undue cost or effort. Consequently, this might create a barrier to entities' adoption of IFRSs in separate financial statements. Additionally, the proposals respond to enquiries received about the measurement of cost in the separate financial statements of a new parent entity.

Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate will be freely available on the IASB website www.iasb.org from December 24, 2007. It is open for comment until February 26, 2008.

Vacancies: European Trustee and IASB Member

The IASB is the private sector independent body responsible for developing a single set of high quality global accounting standards for use throughout the world. IASB currently has 2 new Vacancies for the following positions:

Trustee from Europe

Candidates are sought by the IASC Foundation to fill a European Trustee vacancy. The appointment will be for up to two years.

Full-time IASB member

The Trustees of the IASC Foundation are inviting applications for one full-time IASB member. The successful candidate will be based in London.

For full details about the respective roles and procedures on how to apply, please visit www.iasb.org

INSOL INTERNATIONAL

INSOL Fellowship Programme

INSOL International, the leading insolvency association in the world, has launched its new *Global Insolvency Practice Course* on October 1, 2007. With the fast growing number of cross-border insolvency cases and the adoption in many jurisdictions of international insolvency rules and provisions, the turnaround and insolvency profession faces new challenges. The Global Insolvency Practice Course is a result of the large interest that the INSOL membership demonstrated for an advanced qualification focusing on international insolvency. For further information, please contact Ms Penny Robertson at pennyr@insol.ision.co.uk

The MICPA is a member of INSOL International.

CPA e-Newsline 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 for further information.

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