

February 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

ICAA-MICPA Memorandum of Understanding (MoU)

We are pleased to announce that a Memorandum of Understanding (MoU) that will have significant impact towards the development of professional education in Malaysia was signed by The Institute of Chartered Accountants in Australia (ICAA) and The Malaysian Institute of Certified Public Accountants (MICPA) on Tuesday, February 24, 2009.

The MOU marks another significant milestone in MICPA's continuous efforts to enlarge its global footprint and will seal a new era of professional ties for the Institute. The signing of the MoU has sealed a new era of professional ties and marks another important milestone for both bodies in the quest to work closely with each other to provide synergy in promoting the interest of students, members and the accountancy profession.

In a bid to establish synergistic partnership in professional education and training to meet the challenges of globalisation, the MoU will provide for mutual advanced entry for students into both of the accountancy bodies' professional examinations.

New entrants to the programme will be required to undertake one examination and upon satisfactory completion, the student will be eligible to admit to both bodies' memberships i.e. ICAA and MICPA. The MoU has been reached on the basis of sound educational review of each other's syllabus. The principles of cooperation and collaboration embedded in the MoU provides for ***Recognition, Examination & Membership arrangements*** between the two Institutes, amongst which are:

- Development of a Revised Qualifying Program for MICPA that incorporates education modules of both ICAA and MICPA;
- Exchange of data, intelligence, education materials and resource persons; and
- Once a student of MICPA completes the revised qualifying program and other admission requirements satisfactorily, the student will be eligible for membership of both MICPA and ICAA.

The Revised Qualifying Program will be launched in June 2009.

The Signing of the MoU was witnessed by YB Senator Tan Sri Amirsham A Aziz, Minister in the Prime Minister's Department. HE Ms Penny Williams, Australian High Commissioner to Malaysia was also present at the ceremony.

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 50th Anniversary Commemorative Lecture cum Luncheon

The Institute's 50th Anniversary Commemorative Lecture cum Luncheon has been **re-scheduled to Thursday, April 23, 2009 at Sapphire Ballroom, Mandarin Oriental Kuala Lumpur at 12.30 p.m.** 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.

In this regard, we have pleasure in inviting you, your colleagues and business associates to the Commemorative Lecture and Luncheon. For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my

Appointment of New Approved Training Organisation

We are pleased to announce that **Syarikat Bekalan Air Selangor (Syabas) Sdn Bhd** has been appointed as an Approved Training Organisation (ATO) of the Institute under Stream II. Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS) was incorporated on July 8, 1996 under the Malaysian Companies Act, 1965 to undertake the privatisation of water supply services in the State of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

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 ATO under the supervision of a member of MICPA or approved professional body.

To date, 77 ATOs are registered with the Institute where students can undertake training. To view the list of ATOs, please visit the MICPA website www.micpa.com.my under the List of CPA Firms in the Homepage.

Visits to Members' Firms and Approved Training Organisations

The Institute is aware that a two-way flow of communication is important and emphasis is being attributed to improving the framework of communication between always looking for opportunities and welcomes the exchange of information between Members' firms) to strengthen professional relationship and understanding of the current developments in the accountancy profession and the business environment.

In moving forward, the Institute is making courtesy visits to ATOs as a means of further enhancing the synergistic partnership which already exists between both parties and to explore ways to collaborate.

The following meetings have been scheduled:

- Russell Bedford LC & Co on Friday, February 6, 2009; and
- Boustead Holdings Berhad on Thursday, February 26, 2009.

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. In February 2009, the Institute will participate in the following:

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

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 establish a working relationship with Australian Universities, the Institute will visit Curtin University, Miri Campus on Friday, March 6, 2009.

The Institute has also sponsored the following Universities events:

- **Multimedia University (Melaka Campus)**

- ***Inter-Varsity Quiz (IVAQ) 2009***

- The Accounting Club of Multimedia University, Melaka Campus in collaboration with the Malaysian Institute of Accountants (MIA), Melaka Branch will be organising the ***Inter-varsity Accounting Quiz (IVAQ) 2009*** to be held on March 7, 2009.

- The MICPA is a bronze sponsor for the event and will also participated in the exhibition being held in conjunction with the IVAQ Quiz road-show on February 17, 2009.

- **Universiti Teknologi MARA (UiTM), Shah Alam**

- ***APAcS Annual Dinner 2009***

- The Association of Professional Accounting Students of UiTM, Shah Alam is organising the ***APAcS Annual Dinner 2009*** on Friday, March 21, 2009 to be held at the Sime Darby Convention Centre. The MICPA is a silver sponsor for the event.

- **Universiti Malaya (UM)**

- ***UMAC Accounting Nite 2009***

- The Accounting Club of University Malaya is organising the ***UMAC Accounting Nite 2009***, which is part of the Elite Project 2008/2009 on Friday, March 21, 2009 at Genting International Convention Centre. The MICPA is a Jade sponsor for the event.

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 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.

IFRS Manual of Accounting 2009

The IFRS Manual of Accounting 2009 explains in detail the rules that apply to preparing financial statements and considers the other statements that appear in annual reports. It also deals with the reporting requirements for interim reports and preliminary announcements. There are hundreds of practical worked examples as well as model IFRS financial statements which help to illustrate the explanations.

The 2009 edition includes the following key updates:

- Revision of all chapters for implications of the IFRS annual improvements project issued in May 2008, impacting 20 standards with effective dates starting from January 1, 2009;
- Guidance on first-time adoption of IFRS updated for implications of amendments to IFRS 1 and IAS 27;
- Guidance on first-time adoption of IFRS updated for implications of amendments to IFRS 1 and IAS 27;
- Revised guidance on financial instruments for implications of amendments to IAS 32, IAS 1 and IAS 39 and of IFRIC 16;
- Updated guidance on revenue, employee benefits and share-based payments for implications of IFRIC 15, 14 and IFRS 2 respectively.

This manual comprises two publications. The supplement, understanding New IFRSs for 2009, contains guidance on the standards that will come into force but can be early adopted such as:

- IAS 1 (revised), *Presentation of financial statements*
- IFRS 8, *Operating Segments*
- IAS 27 (revised), *Consolidated and separate financial statements*
- IFRS 3 (revised), *Business Combinations*

The 2009 set is priced at £95.00 and is now available to pre-order on the CCH website: <http://www.cch.co.uk>

International GAAP 2009 by Ernst & Young

A leading and most comprehensive guide to interpreting and implementing IFRS, *International GAAP 2009* has been published which has been fully revised and updated in order to:

- deal with all new and amended authoritative pronouncements and exposure drafts, including the new revised standards on business combinations and consolidated financial statements;
- provide insight and guidance in greater detail on the interpretation and practical application of IFRS from a truly global perspective;
- updates and expand extracts from the published accounts of real companies from around the world; and

- includes industry specific guidance.

Priced at USD240.00 (Paperback in Hardcase Box, 2 Volume Set), **MICPA members who purchase the book will be able to enjoy a discount of 20%. Please note that the discount is valid only for the month of February.** Membership number must be provided.

To get your personal copy, please contact Ms Christina Lee at John Wiley & Sons (Asia) Pte Ltd at Tel: 03-7880 9705, Fax: 03-7880 3454 and email: chlee@wiley.com

Members Update

Payment of Members Annual Fee for 2009

In accordance with bye-law 50 of the Institute's bye-laws, any member who fails to pay the annual fee or other sum payable by him to the Institute by the thirtieth day of June in the year in which it becomes due shall thereupon cease to be a member of the Institute. Members are reminded to remit the amount payable to the Institute **before June 30, 2009**. For further information, please contact the Institute's Accounts Department on Tel: 03-2698 9622 or e-mail: ksl.acc@micpa.com.my

MICPA Technical Updates

Malaysian Accounting Standards Board

Exposure Draft 60

Further to Circular No. TEC/004/02/2009/W dated February 11, 2009 members are informed that the MASB had recently issued a proposed amendment, Exposure Draft (ED) 60, Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards* and FRS 127, *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* for comment. The proposed amendments contained in MASB ED 60 are virtually identical to the International Accounting Standards Board amendments that were issued in May 2008. Members are encouraged to study this proposed amendments and provide feedback to MASB through ED Online on MASB website www.masb.org.my. The deadline for the submission of comments to MASB is March 2, 2009.

Inland Revenue Board of Malaysia

Addendum to Public Ruling No. 3/2005 – Living Accommodation Benefit

Provided for the Employee by the Employer

Further to Circular No. TEC/005/02/2009/W dated February 17, 2009 members are informed that the Inland Revenue Board (IRB) has issued Addendum to Public Ruling No.3/2005 dated February 5, 2009 pertaining to Living Accommodation Benefit Provided for the Employee by the Employer. In this regard, the Addendum to the Public Ruling can be downloaded from the IRB website at http://www.hasil.org.my/english/eng_No4_5_2.asp

Sample Auditor's Report Pursuant to Building and Common Property (Maintenance and Management) Act 2007

Members are informed that Circular No. TEC/006/02/2009W dated February 25, 2009 and a sample auditor's report for members' guidance has been posted on the MICPA's website. The Circular and sample auditor's report can be downloaded from the MICPA website at www.micpa.com.my in the Members' Area.

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

Basic Auditing Techniques

A one-day workshop on *Basic Auditing Techniques* will be held on March 23, 2009 at the Legend Hotel, Kuala Lumpur. This workshop aims to equip professional audit staff, particularly new staff, with an overall perspective of conducting an audit in

accordance with International Standards on Auditing. The workshop is designed so as to encourage participation and discussion through various case studies highlighting the various auditing techniques. For further information on the workshop, please click [here](#)

Analytical Procedures

A one-day workshop on *Analytical Procedures* will be held on March 24, 2009 at the Legend Hotel, Kuala Lumpur. This workshop is tailored for staff of small and medium sized audit firms as well as accounting personnel in small and medium enterprises. At the end of the workshop, participants will have acquired adequate knowledge to:

- Perform analytical procedures at the various stages of an audit;
- Understand the relationship between substantive analysis and analytical procedures; and
- Apply major analytical procedure techniques.

For further information, please click [here](#)

Response to Assessed Risks

A two-day Workshop on *Response to Assessed Risks* will be held on April 8-9, 2009 at the Legend Hotel Kuala Lumpur. Participants will acquire knowledge to:

- Design further audit procedures in response to assessed risks (perform tests of controls, tests of details and evaluating audit evidence) – ISA 330 *The Auditor's Procedures in Response to Assessed Risks*;
- Identify the components of internal control – ISA 315 *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*;
- Ascertain how different aspects of an entity's internal control system may affect the audit; and
- Be able to consider the risks of material misstatements in the financial statements due to fraud – ISA 240 *The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements*.

For further information, please click [here](#)

Updates from Regulatory Bodies

SECURITIES COMMISSION MALAYSIA

SC and Bursa Malaysia Invite Comments on New Listing Guidelines and Requirements

The Securities Commission (SC) and Bursa Malaysia Securities Berhad (Bursa Malaysia) on February 6, 2009 published consultation papers seeking public feedback on the proposed guidelines and requirements for listings and equity fund-raising.

The proposed guidelines and requirements form part of the changes to the regulatory framework undertaken by the SC and Bursa Malaysia to enhance the competitiveness and to strengthen the positioning of the Malaysian equity market. The changes include the creation of a unified board for established corporations and the repositioning of the existing MESDAQ Market to a sponsor-driven alternative

market for corporations from all business sectors (new MESDAQ). Under the new framework, existing corporations listed on the Main Board and Second Board are proposed to be transferred to the unified board while those listed on the existing MESDAQ Market, to the new MESDAQ.

On the whole, the proposed regulatory framework for the unified board and new MESDAQ is envisaged to provide issuers with greater access to the capital market, while at the same time, continue to protect investors' interest through enhanced standards of disclosure and corporate governance.

As part of the effort to inject both breadth and depth to the Malaysian capital market, the SC and Bursa Malaysia are also taking this opportunity to seek comments on the proposed framework for the listing of Special Purpose Acquisition Companies (SPAC). Such listing will serve as a vehicle for fund-raising which in turn can spur corporate activities such as mergers and acquisitions.

The SC and Bursa Malaysia have undertaken benchmarking studies and engagements with various focus groups prior to finalising these consultation papers. An industry working group, comprising subject matter experts, was also established to assist the SC and Bursa Malaysia in formulating the new regulatory framework.

Market participants are encouraged to refer to the consultation papers for details on the key proposed amendments that are specific to the SC's Guidelines on the Offering of Equity and Equity-Linked Securities (Equity Guidelines) and Bursa Malaysia's Listing Requirements.

The consultation paper in relation to the SC's Equity Guidelines and SPAC are available on the SC website www.sc.com.my while the consultation papers in relation to the Listing Requirements are available on Bursa Malaysia's website www.bursamalaysia.com. The SC and Bursa Malaysia invite comments on the issues set out in the consultation papers by February 27, 2009.

New SC Guidelines to Give Greater Flexibility for Fund Managers

The SC on February 18, 2009, introduced the *Guidelines on Wholesale Funds (Wholesale Funds Guidelines)* which give greater flexibility for licensed fund managers to provide innovative products, including those which incorporate alternative investment strategies.

The new Guidelines replace the Guidelines on Restricted Investment Schemes and the provisions on wholesale funds in the Guidelines on Unit Trust Funds (UTF Guidelines), which have been rationalized and streamlined to make it easier for fund managers to offer wholesale and retail products.

With the introduction of the Wholesale Funds Guidelines, fund managers now need to refer to only one set of guidelines for wholesale products; while unit trust management companies would have to refer to the UTF Guidelines for retail products.

The Wholesale Funds Guidelines was developed to enable fund managers to meet the more complex requirements of sophisticated or professional investors, like high net worth investors and institutional investors.

As wholesale funds can only be offered to qualified investors and not the general public, the Wholesale Funds Guidelines does not prescribe any quantitative requirements or restrictions on investments of the fund.

In addition, new flexibilities have been introduced in the Wholesale Funds Guidelines. These include easing the restriction on leverage; expanding the list of qualified investors; removing the limits to the number of investors; and relaxation of certain administrative requirements.

To safeguard the interest of investor, provisions on disclosure in the information memorandum and on reporting to investors have been enhanced. Fund managers are required to provide clear disclosure to investors and comply with the minimum content requirement of the information memorandum. The frequency of reporting to investors has also been increased to a quarterly basis from the previous annual basis.

In addition, fund managers managing wholesale Islamic funds must comply with the Guidelines on Islamic Fund Management and the resolutions of the SC's Shariah Advisory Council.

The SC has also amended the UTF Guidelines to remove all provisions relating to wholesale funds, and to provide further clarification and greater flexibility to certain rules. The amendments include allowing fund managers to use futures contract for hedging purposes; place deposits with, and borrow from, foreign financial institutions to improve efficiency in relation to foreign investments; and obtain short-term bridging facility for trade settlement purposes.

Additionally, the UTF Guidelines have been amended to include provisions on corporate governance; facilitate improvements in registration and lodgement of deed; and to require monthly reporting to the SC.

The Wholesale Funds Guidelines which comes into effect on February 18, 2009. For further information, please visit www.sc.com.my

BANK NEGARA MALAYSIA (BNM)

BNM Guidelines & Circulars

Bank Negara Malaysia's Guidelines and Circulars are now available for public viewing. For further information, please visit www.bnm.gov.my

News from IFAC and IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

New IFAC Sustainability Framework Supports Organisation in Improving Products in Improving Products, Lowering Costs and Raising Good Will

The Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC) has developed a comprehensive Sustainability Framework to support professional accountants and their organizations in integrating a sustainable way of thinking and working in all business processes. The Framework illustrates how a commitment to sustainability can help to further improve an organisation's products or services, motivate its people, lower its costs and enhance its reputation.

Designed from four different perspectives - business strategy, internal management, financial investors, and other stakeholders - the new Framework challenges conventional ways of thinking about economic, social and environmental achievements. It also promotes the injection of sustainability leadership into the full management cycle, from making and executing strategic decisions to reporting on performance to all stakeholders.

Roger Adams, chair of the PAIB Committee's Sustainability Framework Project, highlights the holistic view of sustainability taken by the Framework: "It recognizes the importance of the three main dimensions of sustainability: economic viability, social responsibility, and environmental responsibility, as well as their interconnectivity. We hope that this Sustainability Framework provides the means and motivation for professional accountants to address sustainability issues with greater vigor."

"Although the accounting sector itself might be considered a relatively low-impact sector in terms of direct environmental and social impacts, it is the accountant's involvement in the twin issues of organizational decision-making and external reporting that imposes on the accountancy profession the responsibility for understanding, absorbing and articulating the implications of the sustainable development debate," emphasises Mr. Adams.

IFAC's Sustainability Framework is a web-based tool that allows users to easily navigate those sustainability issues that are most important to their immediate roles and to select and use those examples of good sustainability practice that can work in their organisations.

The Sustainability Framework can be accessed free-of-charge on the International Center for Professional Accountants in Business section of the IFAC website at: www.ifac.org/PAIB.

New IFAC Guidance on Corporate Governance Addresses Risks and Organisational Accountability

As part of its ongoing commitment to support professional accountants in business and their organisations in enhancing governance and in improving organizational performance, the Professional Accountants in Business (PAIB) Committee of the IFAC, has released a new International Good Practice Guidance document entitled *Evaluating and Improving Governance in Organisations*.

The new guidance to professional accountants in business includes a framework, a series of fundamental principles, supporting guidance, and references on how they can contribute to evaluating and improving governance in organisations.

"This International Good Practice Guidance brings together globally recognized and applicable good practice principles on effective governance into an international benchmark for the accountancy profession," says IFAC Chief Executive Ian Ball. "It will help PAIBs and their organizations to further improve their governance structures and processes - something critical to ensuring an organizations viability and accountability."

This guidance is designed to complement existing governance codes, such as the *OECD Principles of Corporate Governance* (2004), issued by the Organisation for Economic Co-operation and Development (OECD), by encouraging organizations to achieve a balance between conformance with rules and regulations and driving

organisational performance. It also focuses on how to create sustainable stakeholder value in the form of good products or services, economic profitability, job security, safety or other social or economical responsibilities.

A separate document, *Preface to IFAC's International Good Practice Guidance*, sets out the scope, purpose, and due process of the committee's International Good Practice Guidance series to which this guidance paper on governance belongs.

Both *Evaluating and Improving Governance in Organisations* and the *Preface to IFAC's International Good Practice Guidance* can be downloaded free-of-charge from the PAIB section of the IFAC online bookstore at <http://www.ifac.org/store>. The PAIB Committee welcomes all feedback, which can be emailed to paib@ifac.org.

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

Trustees Announce Membership of Reconstituted Standards Advisory Council

The Trustees of the International Accounting Standards Committee (IASC) Foundation, the body that oversees the International Accounting Standards Board (IASB), announced on February 19, 2009 appointments to the reconstituted Standards Advisory Council (SAC). Membership of the SAC is for the period ending on December 31, 2011.

The SAC is the formal advisory body to the IASB. An integral part of the IASC Foundation's governance structure and the IASB's due process, the SAC provides a forum for the IASB to consult a wide range of interested parties affected by the IASB's work. The SAC meets three times a year to advise the IASB on issues including the IASB's agenda and work programme. The first meeting of the new SAC will be held on February 23 – 24, 2009 in London.

In appointing the reconstituted SAC, the Trustees have restructured the membership so that the SAC is constituted of individuals from representative organisations that have an interest in standard setting and represent relevant constituencies. The Trustees believe that this adaptation of the SAC will enable the IASB to receive views reflecting a wider range of interested parties and give greater authority to views received. For further information, please visit www.iasb.org

News from Other Professional Bodies

MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB)

MASB Proposes Amendment in Measuring Investments In Subsidiaries

The Malaysian Accounting Standards Board (MASB) on January 22, 2009, released a proposed amendment to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements* for public comments. The proposed amendments contained in MASB ED 60 are virtually identical to the International Accounting Standards Board amendments that were issued in May 2008.

The amendment to FRS 1 proposes to allow first-time adopters of the Financial Reporting Standards (FRS) framework to use either the fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. Under the existing FRS 127, these costs of investments have to be measured either at cost or in accordance with FRS 139 *Financial Instruments: Recognition and Measurement*. These aspects of FRS 127 had led to practical difficulties on transition to the FRS framework.

In line with the proposed amendment to FRS 1, MASB ED 60 also proposes to remove the definition of 'cost method' in FRS 127. The investor i.e. the parent would present dividends as income without having to separate the retained earnings of the subsidiary into pre-acquisition and post acquisition components but at the same time test the related investment for impairment to reduce the risk overstatement.

In a statement issued on January 22, 2009, MASB executive director Dr. Nordin Mohd Zain said, "The proposed amendment to FRS 1 would provide welcomed relieve to private entities in Malaysia in determining the cost of investments in subsidiaries, jointly controlled entities and associates when they migrate from the Private Entity Reporting Standards (PERS) framework to the FRS framework. It is the Board's aspiration that when private entities migrate to the FRS framework, they are able to do so without undue cost and effort."

MASB ED 60 also includes new requirements and guidance in measuring the cost of investment of a new parent formed as the result of a specific type of reorganisation. The proposals require the new parent to measure the cost of its investment in the previous parent at the carrying amount of its share of the equity items of the previous parent at the date of the reorganisation.

Interested parties, including the business communities, are encouraged to study the proposed amendments and provide feedback to MASB. The exposure period expires on March 2, 2009. The exposure draft is available on MASB website at <http://www.masb.org.my>.

MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

Accountancy: Career and Education Fair 2009

The Malaysian Institute of Accountants will be organising the Accountancy: Career and Education Fair 2009 on Saturday, April 4, 2009 at the Mid-Valley Exhibition Centre, Kuala Lumpur. The MICPA will be participating in the above fair as an Exhibitor, so if you are free, do come along and visit us at booth No 2002. For further information, please click [here](#)

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 click [here](#)

CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS (CIMA)

CIMA-IIM Debate on Ethics

The Chartered Institute of Management Accountants (CIMA) is pleased to invite MICPA members to the *Chartered Institute of Management Accountants (CIMA) – Malaysian Institute of Integrity (IIM) Debate on Ethics* which will be held on Wednesday, March 4, 2009 at Dewan Murni (Ground Floor), Malaysian Institute of Integrity between 9:30 a.m. to 1:00 p.m. The topic for the debate: "Is Ethics the First Casualty of the Downturn?" For further information, please contact the Head, PR & Information, at Tel: 03-7723 0333 or email: chan.siewlian@cimaglobal.com

News from Universities

Universiti Kebangsaan Malaysia

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 <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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