

The CPA e-Newslines 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

MICPA 53rd Anniversary Commemorative Lecture cum Luncheon

The Institute will be holding its *53rd Anniversary Commemorative Lecture cum Luncheon* on **Tuesday, March 27, 2012** at Sime Darby Convention Centre at 12.30 p.m.

We are pleased to inform that the **Commemorative Lecture will be delivered by YB Senator Dato' Sri Idris Jala, Minister in the Prime Minister's Department & Chief Executive Officer, Performance Management & Delivery Unit (PEMANDU) titled "The Transformation Story"**.

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.

MICPA 54th Annual Dinner

The Institute's *54th Annual Dinner* will be held on **Friday, June 22, 2012** at Mandarin Oriental Kuala Lumpur. For further information, please contact the Institute's Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: vic.pr@micpa.com.my.

MICPA 54th Annual General Meeting

The Institute's *54th Annual General Meeting* will be held on **Saturday, June 23, 2012** at Bilik Seraya (Level 4), Seri Pacific Hotel Kuala Lumpur, Jalan Putra, Kuala Lumpur at 10:00 a.m. For further information, please contact the Institute's Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: vic.pr@micpa.com.my.

MICPA PUBLICATION

Audit Guide for Practitioners – Revised Edition

We are pleased to inform members that the updated *Audit Guide for Practitioners* is available for sale which incorporates the latest clarified International Standards on Auditing (ISA) as of June 2011.

The updated Audit Guide for Practitioners is designed to provide guidance on the performance of audits in accordance with approved auditing standards and maintaining quality control for audit work. It covers the development of an audit plan, audit programme and audit management. The guide also contains sample working papers, internal control questionnaires and checklists on disclosure requirements.

The Audit Guide includes separate audit programmes for medium large companies, small companies and dormant companies. For further information, please contact the Institute's Membership Department on 03-2698 9622 or email: membership@micpa.com.my.

ACTIVITIES OF THE INSTITUTE

MICPA Participates in Professional Career Talks

The Institute continues to embark on an aggressive marketing strategy to position the Revised MICPA Programme and the CPA (M) and CA (Austr) designation respectively.

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.

The following presentations were made in February 2012 to the following firms, universities and colleges. It was also an opportunity for the Institute to promote the Students Sponsorship Programme which has been launched by the Institute.

Member Firms:

- PricewaterhouseCoopers

- On February 3, 2012

- KPMG, KL

- On February 8, 2012

- KPMG, Penang

- On February 8, 2012

- Deloitte Malaysia

- On February 13, 2012

Universities:

The Institute's Executive Director and Management staff also made courtesy visits to the following Universities and met with faculty members:

- Universiti Utara Malaysia

- On February 7, 2012

- Universiti Teknologi Malaysia, Skudai Johor

- On February 20, 2012

Approved Training Employers

The MICPA provides for two streams of training. The MICPA students may undertake their training with Approved Training Employers - in approved accounting firms or in Approved Training Organisations (ATOs) in commerce, industry or the public sector.

To date, over 480 members' firms and 77 ATOs are registered with the Institute where students can undertake their training. For further information, please visit the MICPA website www.micpa.com.my and go to **Explore and click on Approved Training Employers in the Homepage.**

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.

MICPA EDUCATION & TRAINING

Students Sponsorship Programme

The Students Sponsorship Programme (SSP) is a programme launched jointly by the MICPA and approved accounting firms or approved training organisations recently. The objective of the programme is to assist students who are interested to pursue the

revised MICPA programme while pursuing the final year of an accredited Bachelor of Accountancy degree programme, It also provides an avenue to approved accounting firms or approved training organisations in identifying suitable candidates for internship and employment.

Under the SSP, approved accounting firms or approved training organisations will sponsor students who are interested to pursue the Taxation module and the Financial Reporting module of the revised MICPA programme while pursuing the final year of their Bachelor of Accountancy degree programme.

Candidates under the SSP will be required to work for the approved accounting firms or approved training organisations during their internship as well as upon completion of the Bachelor of Accountancy degree programme for a period of not less than 3 years.

The SSP is open to candidates who meet the following minimum criteria:

- Pursuing final year of a 4-year Bachelor of Accountancy degree programme accredited by MICPA or ICAA
- Minimum CGPA of 3.5 after completing 3-years of the Bachelor of Accountancy degree programme
- Active participation in extra-curricular activities
- Excellent communication skills, both oral and written. Fluency in written and spoken English is critical

- Must be a Malaysian citizen with good personality traits

The MICPA will work together with the various accredited public and private universities in Malaysia to identify suitable candidates who are interested to pursue the revised MICPA programme.

The profile of the identified candidates will be submitted to the approved accounting firms or approved training organisations for their consideration. The approved accounting firms or approved training organisations will conduct an interview with the identified candidates in order to consider the suitability of the candidates meeting the needs of the approved accounting firms or approved training organisations. An acceptance letter will be given to the successful candidates.

For further information on the Students Sponsorship Programme, please contact the Institute's Education & Training Manager on Tel: 03-2698 9622 or email: micpa@micpa.com.my.

Membership to ICAA

As you are aware, The Institute of Chartered Accountants in Australia (ICAA) and The Malaysian Institute of Certified Public Accountants (MICPA) signed a Memorandum of Understanding (MoU) in February 2009.

The MoU includes the mutual recognition of accounting qualifications. In this regard, we are pleased to announce and inform that members of MICPA are now eligible to apply for membership of The Institute of Chartered Accountants in Australia (ICAA). The membership arrangements will further increase the mobility and open the door to numerous professional opportunities.

To apply for membership to ICAA, MICPA members are required to:

- be a MICPA member in good standing;
- have successfully completed the MICPA's professional programme introduced prior to the revised MICPA programme; and
- pass an Online Ethics Module within 3 months of application.

For further information on the reciprocal membership, kindly click on the links provided below:

- [Frequently Asked Questions](#)
- [MICPA to ICAA Flowchart](#)
- [Application Form](#)

Pathways Route to ICAEW Membership

The MICPA qualification was recognised by The Institute of Chartered Accountants of England and Wales (ICAEW) in 2004. ICAEW undertook further assessment of the MICPA qualification in comparison with the ACA qualification introduced in 2007 and granted further exemptions to MICPA members in January 2009.

We are pleased to inform members that the Council of ICAEW has agreed to extend the **Pathways to Membership Scheme to MICPA members with effect from January 1, 2010**. The Pathways to ICAEW membership further endorses the close co-operation between the two Institutes in the education and training of professional accountants. For further information, please click [here](#).

MICPA TECHNICAL UPDATES

INLAND REVENUE BOARD OF MALAYSIA (IRB)

Public Ruling No 1/2012 – Compensation for Loss of Employment

Further to Circular No.TEC/009/02/2012/W dated February 10, 2012, members are informed that the Inland Revenue Board (IRB) has issued the following Public Ruling on January 27, 2012:

Public Ruling	Objective	Effective Date
Public Ruling No 1/2012 : Compensation for Loss of Employment	This Ruling explains the characterisation of lump sum payments received by employees upon the termination of their employment as compensation for loss of employment and the tax treatment of compensation for loss of employment.	Year of Assessment 2012

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

Filing Programme for Submission of Year 2012 Tax Return Forms

Further to Circular No.TEC/014/02/2012/W dated February 24, 2012, members are informed that the RB has recently issued the filing programme for the year 2012 to provide latest information with regard to the submission of tax returns and repayment.

For further information on the key areas in the filing programme, please refer to the Circular which can be downloaded from the MICPA's website at www.micpa.com.my in the Members' Area.

e-Form for Year of Assessment 2011

Further to Circular No.TEC/015/02/2012/W dated February 28, 2012, members are informed that the e-Form for Year of Assessment 2011 (e-Be, e-B, e-M, e-P and e-E) is accessible at <https://elatihan.hasil.gov.my>.

Members may contact IRB at helpitef@hasil.gov.my for any enquiries or further clarification.

COMPANIES COMMISSION OF MALAYSIA (SSM)

Advertising Survey Form

Further to Circular No. TEC/010/02/2012/W dated February 10, 2012, members are informed that the Companies Commission of Malaysia (SSM) is conducting an impact study on the promotional and publicity initiatives undertaken by SSM in 2011.

The survey form as per Annexure I can be downloaded from the MICPA website at www.micpa.com.my in the Members' Area. Members may return the completed survey form to suzana@ssm.com.my.

Closure of Counter Services

Further to Circular No. TEC/012/02/2012/W dated February 17, 2012, members are informed that the SSM Counter Services for Business Registration at the Selayang Municipal Council premise will no longer be in operation effective April 1, 2012.

Members may proceed to the following SSM's offices to carry out business registration services transaction or utilise the e-Lodgement online services at www.ssm.com.my.

- (i) Menara SSM@Sentral, Kuala Lumpur Sentral
- (ii) Level 16, Sunway Putra Mall, Kuala Lumpur
- (iii) Level 3, Plaza Alam Sentral, Shah Alam

Members may also renew the registration of their business at any Bank Simpanan Nasional's office.

A copy of the above SSM's announcement can be downloaded from the MICPA website at www.micpa.com.my in the Members' Area.

MEMBERS' UPDATES

Membership Data Update

Further to Circular No.MEM/01/12/2011/W dated December 7, 2011, members are informed that as a member-based organisation, one of the strategic objectives of the Institute is to provide support and services that benefit members. It is also the Institute's aim to continually improve the communication links between the Institute and members. In this regard, the Institute intends to update the membership database with regard to your personal particulars.

The Institute would like to seek your kind cooperation to complete the membership data update form and return it by post/ fax at +603-2698 9403 attention to the Secretary of the Institute. Please click [here](#) to download the form.

Members may also update your personal data by sending an email to membership@micpa.com.my. Alternatively, you may also update your personal data on-line via the MICPA website www.micpa.com.my by clicking on the Members Profile Update 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 +603-2698 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 Membership Update on the Left-hand Menu and go to Section F to update your CPD records.**

CONTINUING PROFESSIONAL DEVELOPMENT (CPD) PROGRAMMES

It is an integral part of the Institute to conduct CPD Programmes to enhance the skills and knowledge of members. Our training covers a wide range of areas, including auditing, financial reporting, tax and more. The following CPD Programmes have been planned:

Accounting for Agriculture

The MICPA is organising a one-day Seminar on *Accounting for Agriculture* on March 7, 2012 at Concorde Hotel, Kuala Lumpur.

The objective of this Seminar is to enable participants to understand the requirements of IAS 41, with focus on the fair value measurement principles prescribed in the IAS. It will also demonstrate how these fair value principles can be applied by entities that are engaged in the agricultural activities. At the end of the Seminar, participants should be able to understand the requirements and assess the impact of IAS 41 on their current practice. . For further information on the Workshop, please click [here](#).

Updates on 2012 IFRS-Compliant MFRSs – Preparing for Convergence to IFRSs

The MICPA is organising a two-day Seminar on *Updates on 2012 IFRS-Compliant MFRSs – Preparing for Convergence to IFRSs* on March 19 & 20, 2012 at Renaissance Kuala Lumpur Hotel.

The objective of this Seminar is to enable participants to understand the implications of the full convergence to IFRSs. The Seminar will highlight the salient features of the IFRS-Compliant financial reporting standards that are effective on or after January 1, 2012 and to assist participants to prepare for convergence at January 1, 2012 and thereafter. For further information on the Seminar, please click [here](#).

Analytical Procedures

The MICPA is organising a one-day Workshop on *Updates on Analytical Procedures* on March 26, 2012 at Concorde Hotel, Kuala Lumpur.

The 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 Workshop, the 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 procedures techniques. For further information on the Workshop, please click [here](#).

Taxation for Property Developers and Construction Companies

The MICPA is organising a one-day Workshop on *Taxation for Property Developers and Construction Companies* on April 5, 2012 at Seri Pacific Hotel Kuala Lumpur.

The objective of the Workshop is to discuss the developments in the latest Public Rulings and illustrate differences in accounting and tax principles when recording property development and construction activities. The tax treatment and planning implications for expenditure and features unique to the industries will also be discussed in detail. For further information on the Workshop, please click [here](#).

Data Analysis Methodology

The MICPA is organising a one-day Seminar on *Data Analysis Methodology* on April 9, 2012 at Renaissance Kuala Lumpur Hotel.

This Seminar is designed to introduce the methodology of performing data analysis with the aid of using computer-assisted auditing tools (CAATs). Participants will be introduced to various circumstances where data analysis can be applied and the types of data analysis that can be performed with the current CAATs that is available in the market. For further information on the Seminar, please click [here](#).

Basic Practical Guide to Auditing

The MICPA is organising a two-day Workshop on *Basic Practical Guide to Auditing* on April 11 & 12, 2012 at Menara SSM@Sentral.

The objective of the Workshop is to equip participants with the technical knowledge and skills in conducting an audit of financial statements in accordance with the clarified International Standards on Auditing (ISA), which have been adopted for application in Malaysia. The Workshop is designed to impart the theory and practice of auditing in an interactive setting whereby participants will be exposed to practical examples through workshop activities for the topics under discussions.

Each participant will receive a complimentary copy of the MICPA Audit Guide for Practitioners (revised 2011) which has been updated to include ISAs issued under the IAASB's Clarity Project and acts as a useful tool for accounting firms to maintain quality control for audit work. For further information on the Workshop, please click [here](#).

Deferred Taxation – A Fundamental and Practical Approach

The MICPA is organising a one-day Workshop on *Deferred Taxation – A Fundamental and Practical Approach* on April 17, 2012 at Renaissance Kuala Lumpur Hotel.

The Workshop is intended to provide a fundamental and practical understanding of the complexities of MFRS 112/MASB 25 Income Taxes that relate to the recognition, measurement, presentation and disclosure of deferred taxes. For further information on the Workshop, please click [here](#).

Capital Allowance Maximisation

The MICPA is organising a one-day Workshop on *Capital Allowance Maximisation* on April 19, 2012 at Seri Pacific Hotel Kuala Lumpur.

The Workshop will provide guidance on the provisions of Schedule 3 of the Income Tax Act 1967 as well as the rules, guidelines and public rulings pertaining to capital allowances. Participants will also obtain insight into various issues and receive tips on effective management and planning in order to maximise claims and manage complications involved in the process. For further information on the Workshop, please click [here](#).

NEWS FROM REGULATORY BODIES

SECURITIES COMMISSION MALAYSIA (SC)

SIDC Invites Graduate Applications for 6th ICMGTS Intake

The Securities Industry Development Corporation (SIDC), the training and education arm of the Securities Commission Malaysia (SC), is calling for applications from university graduates for the sixth Islamic Capital Market Graduate Training Scheme (ICMGTS) commencing March 9, 2012.

The ICMGTS was jointly developed by the SC and SIDC in 2009, in collaboration with Bursa Malaysia and industry organisations including Federation of Investment Managers Malaysia (FIMM), Association of Stockbroking Companies Malaysia (ASCM), Malaysian Investment Banking Association (MIBA) and Malaysian Association of Asset Managers (MAAM), to facilitate the development of human capital for the Islamic Capital Market. It aims to produce entry-level Islamic Capital Market professionals with strong fundamental knowledge and communication skills.

Funded by the Capital Market Development Fund, the programme comprises nine technical and soft skill modules delivered by industry experts and practitioners. Successful candidates will receive a monthly allowance of RM2,000 during the two-month training period. In addition to opportunities to be interviewed by potential employers participants will be sponsored to sit for the SC's licensing examinations to qualify as licensed intermediaries.

Since its inception, over 200 graduates have participated in the ICMGTS to accelerate their careers, 92% of whom have been employed by the industry. The strong demand for ICMGTS graduates is a reflection of the programme's relevance in increasing the supply of trained professionals to meet the robust manpower demand in Malaysia's vibrant Islamic Capital Market.

All Malaysians aged 30 years and below holding a recognised degree with at least a second class upper or equivalent in related disciplines are eligible to apply. Interested applicants can obtain detailed programme information and download the application form from the SIDC website at www.sidc.com.my.

BANK NEGARA MALAYSIA (BNM)

Foreign Currency Trading

Bank Negara Malaysia wishes to inform the public that buying and selling of foreign currency in Malaysia is only allowed with licensed commercial banks, Islamic banks, investment banks and international Islamic banks as provided for under the Exchange Control Act 1953 and with licensed money services business providers (money changers) as provided for under the Money Services Business Act 2011.

In addition, Shariah-compliant financial products, including foreign exchange related transactions, offered and transacted by licensed Islamic financial institutions are approved by the Shariah Committee of the respective financial institutions with endorsement from the Shariah Advisory Council of Bank Negara Malaysia.

Engagement with the Automotive Industry on the Implementation of the Guidelines on Responsible Financing

Bank Negara Malaysia held an engagement session with representatives from the automotive industry, represented by senior officials of Proton, Perodua, the Malaysian Automotive Association, Proton Edar Dealers Association and Perodua Dealers Association and DRB-HICOM today. The meeting provided a platform to discuss issues relating to the automotive industry arising from the implementation of the Guidelines on Responsible Financing (Guidelines) which took effect on January 1, 2012.

Bank Negara Malaysia reiterated the main intent of the Guidelines, which aim to promote prudent, responsible and transparent retail financing practices as well as to ensure that the household sector and credit market remains resilient. Bank Negara Malaysia emphasized that individuals and households must borrow within their means and that the Guidelines did not hamper access to financing by borrowers who could afford to repay their loans. Bank Negara Malaysia has written to financial institutions to ensure that consumers who have the ability and capacity to repay should continue to have access to such financing.

The meeting discussed various implementation issues which will be resolved with financial institutions, including documentation requirements for purposes of income verification. This will contribute towards more efficient procedures and processes for vehicle financing.

In the recent five years, the proportion of vehicle financing over total loans to household sector has averaged about 20%, the second highest after financing for residential properties. While there have been some reduction in the total number of vehicle financing applications received between December 2011 and January 2012, due in part to the shorter working month, the approval rate for vehicle financing has remained stable at about 54% for the month of January 2012.

Bilateral Currency Swap Arrangement Agreement with the People's Bank of China

The People's Bank of China and BNM renewed its currency swap agreement for a further term of three years, with its size increased to RMB180 billion / MYR90 billion. The original agreement was established on 8 February 2009 with an initial total size of RMB80 billion / MYR40 billion. This renewed currency swap agreement will further reinforce the financial cooperation between both economies and facilitate greater bilateral trade and investment.

Memorandum of Understanding between Bank Negara Malaysia and Bank of Thailand

BNM and the Bank of Thailand (BOT) today jointly announced the signing of a Memorandum of Understanding (MoU) to enter into a cross-border collateral arrangement to facilitate a reciprocal operational arrangement aimed at enhancing liquidity facilities to financial institutions in both countries.

The signing of the MoU underlines the recognition by both central banks towards the growing presence of cross-border banking and the importance of trade-linkages

between the two countries. This collaboration will further support both central banks in preserving monetary and financial stability, as well as strengthen the cooperation of both countries in the area of domestic liquidity management.

Under this arrangement, eligible financial institutions operating in Malaysia may obtain Malaysian Ringgit (MYR) liquidity from BNM by pledging Thai Baht (THB) or Thai government and central bank debt securities with BNM. Similarly, eligible financial institutions operating in Thailand may obtain THB liquidity from BOT by pledging MYR or Malaysian government and central bank securities.

For further information, please visit www.bnm.gov.my.

NEWS FROM IFAC AND IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

Professional Accountants Need to Respond to Increasing Demands from Investors for ESG Information

The Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC) has published *Investor Demand for Environmental, Social, and Governance Disclosures: Implications for Professional Accountants in Business*. The report considers trends in investor demand for and use of environmental, social, and governance (ESG) information, and recommends how professional accountants can better support their organizations in responding to these demands, and ultimately improve the management and reporting of ESG performance.

The report highlights an evolving trend toward greater interest in ESG factors, and integration of these factors and ESG performance information into investment processes and decisions. It also reviews investor approaches to acquire information on ESG factors, including positive and negative screening, engagement, and ESG integration. To alert professional accountants to essential ESG metrics and indicators sought by investors, the report provides a sector-neutral list of core performance indicators most frequently used by investors to evaluate ESG performance, and a review of how investors might consider the financial implications and monetization of these factors.

“As professional accountants both support and fill leadership roles in management operations and control, as well as stakeholder communications, they are well placed to apply accounting discipline and rigor to the collection, analysis, and reporting of ESG data, and to support the incorporation of ESG factors into their organization’s management processes, systems, and reporting,” said Roger Tabor, chair of the PAIB Committee. “Their involvement in improving the relevance and quality of their organisation’s internal and external business reporting will be critical to meet the challenge of increasing the use of ESG information.”

In response to the challenges of ESG integration, the report recommends five actions for the accountancy profession and professional accountants in business:

- engage investors effectively to understand their information needs and communicate performance;

- incorporate ESG factors and non-financial performance information into governance and accountability arrangements to improve information and disclosure quality;
- link financial and non-financial performance and outcomes to improve understanding of sustainable value creation;
- ensure that ESG disclosures meet investor needs by being material, timely, consistent, and comparable in order to improve usefulness of reporting and greater transparency; and
- bring together data that may be dispersed in different parts of the organization or its supply chain to support internal and external decision making.

IFAC Announces Seminar to Address Lessons from the Sovereign Debt Crisis and Steps Needed for Reform

The International Federation of Accountants will host ***The Sovereign Debt Crisis, a Matter of Urgency—From Lessons to Reform***, a seminar to take place **March 19-20, 2012 in Vienna**. In this seminar, IFAC will convene key decision makers, politicians and public finance management leaders to gain a comprehensive understanding of the causes contributing to the international sovereign debt crisis and the steps needed now for meaningful reform.

The seminar's speakers will include such influential financial and accounting leaders as Vincenzo La Via, Chief Financial Officer of the World Bank Group; Professor the Hon Stephen Martin, Chief Executive, Committee for Economic Development of Australia; Göran Persson, Former Prime Minister of Sweden; The Hon. Ruth Richardson, Former Finance Minister of New Zealand; and Hon. David Walker, Founder and CEO of the Comeback America Initiative and Former United States Comptroller General. Seminar attendees will have the opportunity to network with speakers and their fellow professionals. The complete speaker lineup for *The Sovereign Debt Crisis, a Matter of Urgency—From Lessons to Reform* is included below, or see the [agenda and bios](#).

“The sovereign debt crisis is currently the most globally significant economic event, with a tremendously far-reaching impact,” said Ian Ball, CEO of IFAC. “We’re honored and gratified to have assembled such a distinguished group of speakers, to address the crucial lessons government leaders around the world must take from this crisis—and, just as importantly, the steps urgently needed to achieve lasting reform.” ***The Sovereign Debt Crisis, a Matter of Urgency—From Lessons to Reform*** will take place March 19-20, 2012 at the Hilton Vienna. Event sponsors include CECCAR, Ernst & Young, PwC, and the World Bank.

Registration for the conference is open to the public. For more information about the conference and to register, visit <http://sovereigndebt.ifac.org/>.

Global Accountancy Leaders Identify Key Issues for 2012

IFAC has released the results of its *2011 IFAC Global Leadership Survey of the Accounting Profession*.

The *2011 IFAC Global Leadership Survey on the Accountancy Profession* asked officers (generally presidents and chief executive officers) from IFAC’s member bodies, associates, affiliates, and regional accountancy organisations and groupings a variety of questions regarding the accountancy profession. The survey results include data from 123 respondents from 71 countries and jurisdictions who took the survey from December 1, 2011 to January 11, 2012.

Respondents identified three issues of particular concern to the profession in 2012: the difficult global financial climate, Enhancing the reputation/credibility of the profession, and Addressing the needs of SMPs and SMEs. Additional concerns for this year include: Issues related to EU draft legislation, Public sector/sovereign debt issues, Increased regulation, Global regulatory convergence, Role of the professional accountant in business, and Auditor independence.

“The difficult financial climate was a strong theme in this year’s survey,” said Ian Ball, chief executive officer of IFAC. “Accountancy leaders around the world told us that a key concern is addressing the needs of SMPs and SMEs, important engines of economic growth and development that could be instrumental in improving the world’s economies. Continued global regulatory convergence—which can help promote growth and development, reduce economic uncertainty, and enhance international financial stability—was also highlighted as a significant issue. Addressing the ongoing sovereign debt issues, which are impacting growth and contributing to economic uncertainty, were also highlighted as key concerns for 2012.”

IESBA Proposes Changes to Code of Ethics Definition of Engagement Team

The International Ethics Standards Board for Accountants (IESBA) has released for public exposure *proposed changes to the definition of “engagement team”* in the IESBA *Code of Ethics for Professional Accountants* (the Code).

The proposals address comments received by the International Auditing and Assurance Standards Board on its Exposure Draft (ED) on ISA 610, *Using the Work of Internal Auditors*. A number of respondents to that ED pointed out the perceived inconsistency between the independence requirements for external auditors under the Code and the use of internal auditors to perform external audit procedures.

“Through this Exposure Draft, the IESBA seeks to ascertain whether the proposed changes to the definition adequately clarify the term “engagement team” and eliminate the perception that the Code and the ISA are in conflict. The IESBA believes this will contribute to more consistent application of the Code, which is critical to our mission to support the global adoption and implementation of the Code of Ethics,” said Ken Dakdduk, chair of the IESBA.

The IESBA invites all stakeholders to comment on its proposals in the Exposure Draft, [Proposed Change to the Definition of “Engagement Team.”](#) To submit a comment, visit the IESBA website at www.ifac.org/ethics. Comments on the Exposure Draft are requested by **May 31, 2012**.

For further information on the above news, please visit www.ifac.org.

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

Monitoring Board and the Trustees of the IFRS Foundation Announce Conclusions of their Governance and Strategy Reviews

The Monitoring Board and the Trustees of the IFRS Foundation have jointly announced the conclusions of their separate reviews of the governance and strategy of the IFRS Foundation.

The reviews build upon the achievements of the last 11 years, during which International Financial Reporting Standards (IFRSs) have become the internationally accepted language of financial reporting, required or permitted for use by companies in more than 100 countries. Together, the reviews propose a clear strategy and sound governance platform on which the IFRS Foundation and the International Accounting Standards Board (IASB) can continue to work towards their goal of becoming the global accounting standard-setter.

- **Independent but coordinated reviews**

The Monitoring Board conducted a wide-ranging review focusing primarily on institutional aspects of governance, particularly the composition and respective roles and responsibilities of the Monitoring Board, the Trustees and the IASB. The Trustees' strategy review sought to articulate a clear strategy and vision for the organisation as it enters its second decade by considering the mission, governance, standard-setting process and financing of the IFRS Foundation.

The reviews have been conducted in an independent but coordinated manner that recognises the two bodies' separate responsibilities. The Monitoring Board and the Trustees are publishing the conclusions of the two reviews as a package to reflect a shared desire to coordinate their activities in a way that promotes the primary mission of the Foundation to set high quality, globally accepted financial reporting standards.

- **Extensive public consultation**

Both sets of reviews were subjected to extensive global public consultation and discussions with interested parties.

The Monitoring Board began its Governance Review in April 2010. In February 2011 it published a consultation document with a two-month comment period, receiving 80 comment letters that not only offered detailed responses to the questions that had been asked, but also made broader suggestions regarding the governance arrangements. In March 2011 the Monitoring Board held a series of public stakeholder meetings in Asia, Europe and the Americas. A summary of comments received from these activities was published in September 2011.

The Trustees initiated their strategy review in January 2010 following the completion of their normal five-yearly constitution review. In November 2010 the Trustees published a consultation document with a two month comment period, which was subsequently extended to four months. The Trustees held five public round table discussions and received almost 100 comment letters in response to their proposals. In April 2011, the Trustees published for public comment the preliminary conclusions of their review. The consultation period closed in July 2011. Further public round-table discussions were held in Asia, Europe and North America. The Trustees received more than 70 comment letters in response to their preliminary conclusions. A draft of the conclusions of the strategy review was published as an observer note to the Trustees meeting in January 2012.

- **Next step**

The Monitoring Board will proceed with steps to put into operation the improvement measures, while the Trustees will initiate the process for considering revisions to the Constitution. The two bodies will follow through with actual implementation of the recommendations in a closely coordinated manner, referring to the timelines in the action plan appended to the Monitoring Board's report.

IASB and FASB to Host a Series of Outreach Meetings on Revised Revenue Recognition Proposals

The IASB and the US Financial Accounting Standards Board (FASB) will host a series of outreach meetings in March, April and May 2012 on their revised joint proposals for the recognition of revenue that were published in November 2011.

The meetings form an important part of the boards' programme of outreach activities on this second set of the revenue recognition proposals and they reflect the importance of revenue to all companies. To date, the boards have already hosted a number of workshops, webcasts and conferences on the topic and have held a number of meetings with auditors, preparers, regulators and users.

The round-table meetings will be held in public and will provide an opportunity for those that have submitted a comment letter, or who still intend to submit a comment letter, to discuss the proposals with the boards in further detail. The meetings will take place in London (UK), Norwalk (US) and Tokyo (Japan) in April; an additional round-table meeting will take place for US private entities in May 2012.

In addition, the IASB will host further outreach meetings during the week commencing March 26, 2012 in Sao Paulo (Brazil) and Kuala Lumpur (Malaysia). Details of those events will be announced on the IASB's website in the coming weeks.

David Loweth Appointed as Director for Trustee Activities

The Trustees of the IFRS Foundation, responsible for the governance and oversight of the International Accounting Standards Board (IASB), announced the appointment of David Loweth as Director for Trustee Activities. Mr Loweth currently serves as Technical Director of the United Kingdom (UK) Accounting Standards Board (ASB).

The Trustees have created the role of Director for Trustee Activities in response to the preliminary conclusions of their review of the strategy of the IFRS Foundation. The review called for higher levels of engagement and transparency between the IASB and the Trustees, particularly in the area of due process oversight. The review also recommends clearer separation of the roles and responsibilities of the Foundation and of the IASB. Mr Loweth will support the work of the Trustees as they fulfil these enhanced responsibilities.

Before joining the UK ASB in 2004, Mr Loweth held various senior roles in the UK Treasury. He holds a Degree in Modern History from Oxford University and an MA in Finance and Accounting from Leeds Metropolitan University.

C.B. Bhavé and James Quigley Appointed as Trustees of the IFRS Foundation

The Trustees of the IFRS Foundation have announced the appointment of Chandrashekhar Bhaskar Bhavé (C. B. Bhavé) and James Quigley as Trustees. The appointments, approved by the IFRS Foundation Monitoring Board, begin immediately and will expire on December 31, 2014. The terms are renewable once.

Ronald Arculli Appointed as a Trustee of the IFRS Foundation

The Trustees of the IFRS Foundation announced the appointment of Ronald Arculli to serve as a Trustee. Mr Arculli is a highly regarded business leader in Hong Kong. He serves as Chairman of Hong Kong Exchanges and Clearing Limited (operators of the Hong Kong Stock Exchange) and Chairman of the World

Federation of Exchanges, the international association of stock exchanges. He is also a Member of the Executive Council of the Hong Kong Government.

The IFRS Foundation, through the IASB, is committed to developing, in the public interest, a single set of high-quality global accounting standards that require transparent and comparable information in general purpose financial statements. The Trustees of the IFRS Foundation promote the work of the IASB and the rigorous application of IFRSs.

For further information, please visit www.ifrs.org.

NEWS FROM PROFESSIONAL AND OTHER BODIES

MALAYSIAN ACCOUNTING STANDARDS BOARD & IFRS FOUNDATION

IFRS CONFERENCE 2012

We are pleased to inform members that the Malaysian Accounting Standards Board (MASB) in collaboration with the IFRS Foundation will be hosting the ***IFRS Conference 2012***. The conference will be held on March 28, 2012 at the Shangri-La Hotel, Kuala Lumpur.

The conference offers a great opportunity for participants to gain an understanding of the views behind IASB projects from those responsible for setting it and to gain in-depth knowledge on the impact of IFRSs for the Asia-Oceania region.

The Conference highlights include:

- Shaping the IASB's future agenda
- IFRSs technical update: active projects and new and amended IFRSs
- IFRS measurements
- IFRS implementation support and post-implementation review updates

The conference will have break-out sessions, led by members and senior staff of the IASB. Participants have an option to choose to register for two of the breakout sessions of the following projects:

1. IFRS 9 Financial Instruments and IASB project to replace IAS 39;
2. IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and technical update on the IASB investment entities project ;
3. IASB's Insurance Contracts proposals;
4. IASB's Leases proposals;
5. IASB's Revenue proposals; and
6. IFRS 13 Fair Value Measurement

For further information on the conference and registration, please visit the website: www.masb.org.my/IFRS2012malaysia.

Alternatively, please contact the MASB Secretariat at Tel: +603 2240 9200 (Puan Ainul Aidura or Puan Idawaty Mohd Hasan or email: aidura.jamaludin@masb.org.my / idawaty@masb.org.my).

THE MALAYSIAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS (MAICSA)

MAICSA Annual Conference 2012

The MAICSA will be organising its *Annual Conference 2012* with the theme *Moving Forward: Changing Perspectives* which will be held on July 9 & 10, 2012 at the Sime Darby Convention Centre.

The MICPA is a supporting body of the conference and members who register for the conference will be able to enjoy a preferential registration fee as follows:

- RM1,250 before March 16, 2012;
- RM1,480 for the two-day conference; and
- RM1,350 for 3 or more delegates from the same organisation.

For further information on the above news, please visit www.maicsa.org.

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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