

*January 2010*

*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.*

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## **Announcements**

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### ***Resignation of Council Member***

On behalf of the Council, I wish to announce that with effect from January 16, 2010, En Abdul Jabbar Abdul Majid has resigned as a Council Member of the Institute. He was first elected to the MICPA Council in 1981 and has been the Chairman of the Institute's Examination Committee since 1988. He had also served on the other Committees.

On behalf of the Council, Management and Staff of the Institute, the MICPA would like to extend their sincere gratitude to En Abdul Jabbar Abdul Majid for his contributions to the Institute during the past 29 years. Our good wishes are with him.

### ***Appointments***

I am pleased to inform that at the recent Council Meeting held on Saturday, January 16, 2010, the following appointments have been confirmed:

- YBhg Dato' Gan Ah Tee                      Member, Executive Committee
- Dr Veerinderjeet Singh                      Chairman, Examination Committee
- Mr Sukanta K Dutt                              Alternate Chairman, Disciplinary Committee

### ***Chinese New Year Greetings***



***The President, Council, Management and Staff of the  
MICPA would like to wish all our Chinese Members***

***A Happy & Prosperous Chinese New Year***

***GONG XI FA CAI***

### ***MICPA Office Closed***

The Institute will be closed for the Chinese New Year festivities on Monday & Tuesday, February 15 & 16, 2010 and will resume operations on Wednesday, February 17, 2010.

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## MICPA Education & Training

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### ***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 on the Pathways route, please click [here](#)

### ***Pathways Route to ICAEW Membership - Workshop Session***

ICAEW in collaboration with MICPA will be conducting a Workshop Session for Members who wish to apply for membership to ICAEW under the Pathways Route. The workshop will be a platform where the ICAEW Facilitator, Mr Ong Lu Yuen will provide general advice and guidance on the Examination of Experience.

The workshop will be held on Thursday, February 4, 2010 between 6:00 p.m. to 8:30 p.m. at ICAEW Office, Level 2, Chulan Tower, No.3 Jalan Conlay, 50450 Kuala Lumpur.

To register for the workshop session, kindly fax the Reply Slip to the MICPA Secretariat latest by Tuesday, February 2, 2010 in order for the Institute to facilitate arrangements. The workshop is conducted on a Free-of-Charge (FOC) basis. To download the Reply Slip, please click [here](#)

### ***Revised MICPA Programme***

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

In this regard, we are pleased to inform members that the Institute has implemented its new examination structure for the revised MICPA programme effective June 2009.

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

Upon satisfactory completion of the examinations and other admission requirements, students will be eligible to be admitted as members of MICPA and ICAA.

For further information on the Revised MICPA programme, please click [here](#)

### ***Tuition Provider : Sunway-TES***

We are pleased to inform that the Institute has appointed Sunway-TES as the Tuition Provider for the Revised MICPA Programme. In this regard, students registered for Term 1, 2010 are now able to enroll pre-focus sessions conducted by Sunway-TES.

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## **Activities of the Institute**

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### ***Schedule of MICPA Events for 2010***

We are pleased to inform that the schedule of events for 2010 has been made available on the MICPA website under Events/CPD in the Homepage. For further information, please click [here](#)

### ***MICPA 51<sup>st</sup> Anniversary Commemorative Lecture cum Luncheon***

The Institute will be holding its 51<sup>st</sup> Anniversary Commemorative Lecture cum Luncheon on **Tuesday, April 20, 2010 at Sime Darby Convention Centre 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 and 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](mailto:vic.pr@micpa.com.my).

### ***12<sup>th</sup> MICPA Accountancy Week***

We have pleasure in informing that the Institute will be holding its 12<sup>th</sup> MICPA Accountancy Week from **February 27 to March 6, 2010** with the theme **New Age Professionalism**.

A series of events have been slated for the week including:

- accounting quiz (AccQuiz) for upper secondary schools;
- accounting students quiz;
- management simulation game;
- sports and games competition; and
- career counseling sessions.

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

### ***MICPA Participates in Professional Career Talks and Exhibitions***

The Institute continues to embark on an aggressive marketing strategy to position the Revised MICPA Programme and CPA Malaysia qualification. 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. In January, the Institute participated in the following:

#### ***Professional Career Talks:***

- UNITEN, Muadzam Shah, Pahang - On Wednesday, January 6, 2010, the Institute's Public Affairs and Communications Manager made a presentation to 200 Year 4 Bachelor of Accountancy students;
- Universiti Malaya - On Friday, January 15, 2010, Mr Ong Chee Wai, MICPA Member and a Partner, Ernst & Young made a presentation to 120 students;

- Universiti Utara Malaysia – On Tuesday, January 19, 2010, the Institute’s Executive Director made a presentation to 450 students; and
- Universiti Sains Malaysia – On Monday, January 25, 2010, the Institute’s Executive Director made a presentation to 100 students.

**Exhibitions:**

- Universiti Sains Malaysia Job Career Fair on January 25 & 26, 2010.

**Approved Training Organisations**

The Institute made a presentation to 18 Committee Members of Petronas Finance Professional Committee (PFPC) on Friday, January 15, 2010 on the Institute’s rules and regulations for ATOs.

To date, 77 approved training organisations (ATOs) are registered with the Institute where students can undertake training. To view the list of ATOs, visit the MICPA website [www.micpa.com.my](http://www.micpa.com.my) under the List of CPA Firms 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](mailto:vic.pr@micpa.com.my).

**Members Update**

**MICPA Technical Updates**

**INLAND REVENUE BOARD (IRB)**

**Withholding Tax on Special Classes of Income**

Further to Circular No. TEC/001/01/2010 (W) dated January 11, 2010, members’ are informed that the IRB has issued Second Addendum to Public Ruling No.4/2005 dated January 4, 2010 pertaining to Withholding Tax on Special Classes of Income.

In this regard, the Public Ruling can be downloaded from the IRB website at: [www.hasil.gov.my](http://www.hasil.gov.my).

For further information, please refer to the Circular which can be downloaded from the MICPA website [www.micpa.com.my](http://www.micpa.com.my) in the Members’ Area.

**Minutes of Meeting of Working Group with Accounting Bodies  
– Desire Bill.5/2009**

Further to Circular No. TEC/009/01/2010 (W) dated January 27, 2010, members’ are informed that a meeting was held between the Inland Revenue Board (IRB) and representatives of the MICPA, CTIM, MIA, MAICSA, ICMA and MACS on December 16, 2009 to discuss issues on general filing and e-filing.

The minutes of the meeting of the working group with accounting bodies (Desire Bil.5/2009) setting out issues discussed and the comments / clarification provided by the IRB have been posted on the MICPA website for members' reference. For further information, please refer to the Circular which can be downloaded from the MICPA website [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

### ***Extension of Time for Submission of Borang C & Borang R***

Further to Circular No. TEC/010/01/2010 (W) dated January 28, 2010, members are informed that the IRB has agreed to extend the deadline for manual submission of Borang C and Borang R for companies with financial with financial year ended June 30, 2009 to February 12, 2010.

## **MINISTRY OF FINANCE (MOF)**

### ***Goods and Services Tax***

Further to Circular No. TEC/004/01/2010 (W) dated January 14, 2010, members' are informed that the Goods and Services Tax (GST) Bill was tabled in Dewan Rakyat on December 16, 2009 by Minister of Finance II, YB Dato' Hj Ahmad Husni bin Mohamad Hanadzlah.

The main purpose for the introduction of GST is to make the current taxation system more comprehensive, efficient, transparent and business friendly. The Government is proposing to impose GST of 4% and would be implemented in the middle of the year 2011.

The Institute is in the process of preparing a memorandum on the proposed GST for submission to the Ministry of Finance. In this regard, members were invited to submit any views or suggestions on the proposed GST, and where deemed appropriate by the Institute, would be submitted to the Ministry of Finance for their consideration.

## **COMPANIES COMMISSION OF MALAYSIA (SSM)**

### ***Relocation of Office***

Further to Circular No. TEC/005/01/2010 (W) dated January 18, 2010, members are informed that the Companies Commission of Malaysia (SSM) has moved to its new office effective January 9, 2010. The address and contact details of SSM are as follows:

Menara SSM @ Sentral  
No.7 Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel: 603-2299 4400 Fax: 03-2299 4411

The SSM's service counters located at Putra Place will still be operating until Friday, March 12, 2010.

### ***Practice Note 6/2010 and Practice Note 7/2010***

Further to Circular No. TEC/003/01/2010 (W) dated January 13, 2010 and Circular No. TEC/007/01/2010W dated January 25, 2010, members are informed that SSM has issued the following Practice Notes:

- **Practice Note 6/2010 – Guidelines for the Application to Strike Off a Company Which is Being Wound Up**

Members are informed that SSM has issued Practice Note 6/2010 on the procedures and requirements for application to strike off the names of companies which are being wound up in furtherance to the circumstances enumerated under Section 308(3) of the Companies Act, 1965 (CA 1965).

A copy of the SSM's Practice Note 6/2010 has been posted in the MICPA website for members' reference. For further information, please refer to the Circular which can be downloaded from the MICPA website [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

- **Practice Note 7/2010 – Guidelines for Auditors to Inform Registrar Prior to Cessation of Office Under Section 172A of the Companies Act 1965**

Members are informed that SSM has issued Practice Note 7/2010 on the procedures and requirements to notify the Registrar and Bursa Malaysia Berhad in the case of a public listed company prior to cessation of office pursuant to Section 172A of the Companies Act, 1965.

A copy of the SSM's Practice Note 7/2010 has been posted in the MICPA website for members' reference. For further information, please refer to the Circular which can be downloaded from the MICPA website [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

## **MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB)**

### **FRS 1, FRS 3, FRS 127**

### **IC INTERPRETATIONS 12, 15, 16 AND 17**

### **AMENDMENTS TO FRS 2, FRS 5, FRS 138 AND FRS 139**

### **AMENDMENTS TO IC INTERPRETATION 9**

Further to Circular No.TEC/002/01/2010 (W) dated January 12, 2010, members are informed that the Malaysian Accounting Standards Board (MASB) has recently issued three revised Financial Reporting Standards (FRSs), four new Interpretations, amendments to four existing FRSs, and an existing IC Interpretation. These pronouncements, except for one amendment, are identical to those issued by the International Accounting Standards Board (IASB) and are already effective internationally.

The revised FRSs and new Interpretations are as follows:

- FRS 1, *First-time Adoption of Financial Reporting Standards*
- FRS 3, *Business Combination*
- FRS 127, *Consolidated and Separate Financial Statements*
- IC Interpretation 12, *Service Concession Arrangements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*

The amendments are as follows:

- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*

- Amendments to FRS 138, *Intangible Assets*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

Except for Amendments to FRS 139, the new requirements take effect on July 1, 2010 and at the same time the existing FRS 1, FRS 3 and FRS 127 as well as FRS 201<sub>2004</sub>, *Property Development Activities* will be withdrawn.

FRS 1 revised does not contain any technical changes. The revisions made is to improve the structure of the Standard to accommodate future changes so that it is easier for readers to understand.

The revisions to FRS 3 and FRS 127 are as a result of the convergence effort between IASB and its US counterpart.

IC Interpretation 15 may have a significant impact to the real estate industry, particularly those involved in multiple-unit developments, such as apartments and condominiums and sell the units before the construction is completed.

As for the other Interpretations, they provide clarification as to the appropriate accounting treatment to be applied. IC Interpretation 12 prescribes how concession operators should account for the rights and obligations arising from service concession arrangements with Government.

IC Interpretation 16 clarifies the hedging rules in FRS 139 pertaining to an entity's hedge of foreign currency risk arising from its net investment in a foreign operation.

IC Interpretation 17 clarifies that an entity should measure the dividend payable at the fair value of the assets (e.g. available-for-sale securities) to be distributed when the dividend is appropriately authorised and is no longer at the discretion of the entity.

The amendments to FRSs are mainly from the remaining IASB annual improvements project that MASB did not adopt in the *Improvements to FRSs* issued in September 2009 as they are related to some of the above revised FRSs. For the Amendments to FRS 139 an additional transitional provision is added in view of the comments from the financial service industry and the development currently taking place in IASB.

These pronouncements are available at MASB website [www.masb.org.my](http://www.masb.org.my).

For further information, please refer to the Circular which can be downloaded from the MICPA website [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

***Exposure Draft 71, Additional Exemptions for First-Time Adopters (Amendments to FRS 1)***

Further to Circular No. TEC/006/01/2010 (W) dated January 22, 2010, members' are informed that the MASB has recently issued Exposure Draft 71, *Additional Exemptions for First-time Adopters (Amendments to FRS 1)* (MASB ED 71). MASB ED 71 is identical with Additional Exemptions for First-time Adopters (Amendments to FRS 1), which was issued by the International Accounting Standards Board (IASB) in July 2009.

The amendments address the retrospective application of IFRSs to particular situations and are aimed at ensuring that entities applying IFRSs will not face undue cost or effort in the transition process.

Members are encouraged to study the Exposure Draft and provide feedback to MASB, The Exposure Draft is available on MASB website [www.masb.org.my](http://www.masb.org.my). Members who wish to provide their comments electronically may do so through ED online on MASB website. The deadline for the submission of comments to MASB is February 19, 2010.

For further information, please refer to the Circular which can be downloaded from the MICPA website [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

## **JOINT TAX WORKING GROUP ON FINANCIAL REPORTING STANDARDS**

### ***JTWG-FRS***

Further to Circular No. TEC/008/01/2010 (W) dated January 27, 2010, members' are informed that following the establishment of the Joint Tax Working Group on Financial Reporting Standards (JTWG-FRS) in April 2009, the JTWG-FRS has reviewed and prepared the Discussion Papers on tax implications related to the implementation of the following Financial Reporting Standards (FRSs). The draft Discussion Papers on tax implications related to the implementation of the following FRSs were also circulated to members for comments:

- FRS 2            Share-based Payment
- FRS 5            Non-current Assets Held for Sale and Discontinued Operations
- FRS 102        Inventories
- FRS 116        Property, Plant and Equipment
- FRS 117        Leases
- FRS 121        The Effects of Changes in Foreign Exchange Rates
- FRS 139        Financial Instruments: Recognition and Measurement
- FRS 140        Investment Property

The JTWG-FRS has now finalised the Discussion Papers and is pleased to issue them for members' information. The Discussion Papers can be downloaded from the Institute's website at [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

The JTWG-FRS will be having dialogues with Tax Authorities on the tax implications highlighted in the Discussion Papers. Members will be informed of the outcome in due course.

### ***Membership Data Update***

Further to Circular No. MEM/01/11/2009 dated November 20, 2009 members 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: +603-26989403. You may also send an e-mail to [membership@micpa.com.my](mailto:membership@micpa.com.my) for the change of correspondence and e-mail address.

### ***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](mailto: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](http://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](http://www.micpa.com.my).

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## **Continuing Professional Development (CPD) Programmes**

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### **Practical Application of FRS 139**

A one-day Workshop on *Practical Application of FRS 139* will be held on February 4, 2010 at Best West Premier Seri Pacific Hotel Kuala Lumpur.

On January 1, 2010, FRS 139 *Financial Instruments: Recognition and Measurement* will become operative. The workshop aims to provide insights into practical aspects on applying and implementing FRS 139 for non-financial institutions.

After a brief introduction on FRS 139 requirements, the workshop leader will identify the common challenges faced by many corporations in Malaysia, with sharing of lessons learnt, benefits realised and the drawbacks observed.

The Workshop will end with a latest update on what will happen next: current development of the replacement project of IAS 39 that is the formulation of IFRS 9 including the analysing of material differences between FRS 139 and IFRS 9.

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

### ***Preparation for GST***

The MICPA is organising a one-day Workshop on *Preparation for GST* on March 3, 2010 at Concorde Hotel Kuala Lumpur.

Goods and Services Tax (GST) is a broad-based consumption tax levied on wide range of goods and services. It is set to replace the current sales tax and services tax as well as exemption will be granted to the low-income group. Being the consumption tax, businesses and people will be affected.

The workshop will provide a platform for participants to engage interactively with a panel of tax experts and to gain an understanding on the aspects on GST implementation with lessons learnt from other countries.

For further information, please contact the Institute's Education & Research Manager on Tel: 03-2698 9622 or email: [chtan.edu@micpa.com.my](mailto:chtan.edu@micpa.com.my) or [salmiah.edu@micpa.com.my](mailto:salmiah.edu@micpa.com.my).

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## **Updates from Regulatory Bodies**

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### **SECURITIES COMMISSION OF MALAYSIA (SC)**

#### ***SC Grants Stock-broking Licence to Citigroup***

The Securities Commission Malaysia (SC) has approved Citigroup's application to establish a stock-broking company in Malaysia. The license is one of the three stockbroking licences that were available for leading foreign firms following the Budget 2008 measures to strengthen Malaysia's capital market and encourage greater intermediation of investment flows between the Middle East and Malaysia. Nomura, which was granted the first of the three licenses last year, has commenced its operations.

Citigroup will complement the existing broking firms in enhancing the intermediation services industry in Malaysia. Citigroup is also expected to play an important role in bringing in greater flows of funds from the Middle East, given its strong presence in the Gulf. For further information, please visit [www.sc.com.my](http://www.sc.com.my).

#### ***Malaysia and India Sign Agreement to Enhance Capital Market Collaboration***

The SC and the Securities and Exchange Board of India (SEBI) on January 20, 2010 signed a landmark agreement that will further augment the relationship between the two authorities and identify future cross-border opportunities through the capital market.

The signing, held in New Delhi, was witnessed by the Prime Minister of Malaysia YAB Dato' Sri Mohd Najib Tun Abdul Razak and the Prime Minister of India Dr. Manmohan Singh. The 'India - Malaysia Capital Market Collaborative Agreement' was signed by the SC Chairman Tan Sri Zarinah Anwar and SEBI Chairman Mr C.B. Bhave, on the first day of Dato' Sri Najib's official visit to India.

The Agreement will strengthen the regulatory co-operation between SC and SEBI further, including among others examining the establishment of a framework for mutual recognition in key segments of the capital market to facilitate enhanced cross-border market oversight and exchange of technical knowledge. For further information, please visit [www.sc.com.my](http://www.sc.com.my).

### ***SC Appoints PricewaterhouseCoopers Advisory Services Sdn Bhd as Swisscash Administrator***

In a press release dated January 25, 2010, the SC announced the appointment of PricewaterhouseCoopers Advisory Services Sdn Bhd as the Administrator to manage the restitution process for eligible investors in the Swisscash Internet investment scam.

The Administrator will assess and review the claims and will then make its recommendations to the SC on the appropriate eligibility criteria for payments to be made. The criteria will then be submitted by the SC to the High Court for its approval. For further information, please visit [www.sc.com.my](http://www.sc.com.my).

## **BURSA MALAYSIA BERHAD**

### ***Malaysia is World's Top Sukuk Listing Destination***

Bursa Malaysia topped the world's exchanges in terms of value of sukuk programme listings in 2009, recording a total of USD17.6 billion. Since its inaugural sukuk listing in August 2009, the Exchange listed 12 sukuk by end of December 2009 which contributed towards this development.

Malaysia has over 30 years of experience in Islamic finance and is the world's largest sukuk origination centre driven largely by an investor-friendly regime, as well as a robust regulatory and Shari'ah framework propelled by heightened promotional efforts under the Malaysia International Islamic Financial Centre (MIFC) initiative.

The first sukuk listing on Bursa Malaysia was registered in August 2009 with the inaugural US Dollar (USD) listing led by Petroliam Nasional Bhd (PETRONAS) Al-Ijarah Sukuk and Ringgit Malaysia (RM) listing by Cagamas MBS Bhd (Cagamas MBS) Islamic papers. For further information, please visit [www.bursamalaysia.com](http://www.bursamalaysia.com).

### ***Bursa Malaysia and Bahrain Financial Exchange in Collaboration Talks***

Bursa Malaysia Berhad and Bahrain Financial Exchange (BFX) on January 24, 2010 inked a Memorandum of Understanding (MoU) to develop a commercial agreement between the two exchanges to provide financial products to Islamic market participants and strengthen bilateral ties between both organisations. Among others, the MoU will involve a feasibility study to identify products and market channels based on an already completed needs assessment for this market.

Additionally, the MoU also lays the foundation for both exchanges to jointly work on increasing awareness on investment opportunities in the respective Islamic markets as well as assist each other in further developing the Islamic investment framework across multiple geographies. For further information, please visit [www.bursamalaysia.com](http://www.bursamalaysia.com).

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## News from IFAC and IASB

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### INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

#### **“Enterprise Governance” Winner of IFAC’s Articles of Merit for Professional Accountants in Business**

*Enterprise Governance* was chosen as the top article published in 2009 for Professional Accountants in Business (PAIB) by the member bodies of the International Federation of Accountants (IFAC).

The Articles of Merit Award Program identifies and promotes outstanding articles on financial and management accounting topics that have previously appeared in the publications of IFAC's 159 member bodies and associates. The articles were selected by IFAC's PAIB Committee and visitors to IFAC's International Centre for Professional Accountants in Business (PAIB).

The 2009 winning article challenges conventional business thinking: Businesses should be more circumspect *during* a boom and be better prepared to *take risks* under harsh conditions. It was first published in *Financial Management*, the monthly members' magazine of the Chartered Institute of Management Accountants.

"Enterprise Governance" and the other top articles form the basis of an annual publication, also called *Articles of Merit*, which covers the important issues affecting the work of professional accountants worldwide. The publication's nine runner-up articles offer additional advice and insights for professional accountants in business on such topics as capital grants, investment appraisal, and shared services, with useful ideas on matters such as governance and risk management, accounting for Sustainability and writing board reports.

The 2009 *Articles of Merit*, together with previous publications, can be downloaded free of charge from the Publications & Resources section of the IFAC website. Each of the ten articles may also be downloaded individually. For further information, visit [www.ifac.org](http://www.ifac.org).

#### **IFAC Survey Shows Accountants as Advocates for Small Business and Global Standards, Highlights Corporate Governance Reforms**

As world economies recover from the global financial crisis, the *Third Annual Global Leadership Survey* of the IFAC revealed its membership as vocal advocates for small and midsize businesses, as well as for the adoption of global accounting and auditing standards. It also highlighted corporate governance enhancements in jurisdictions around the world.

"Survey respondents believe that continued emphasis on effective implementation of international accounting and auditing standards and good corporate governance principles are critical issues for the future." The full report is available in the Policy Position Papers and Reports section of IFAC's Publications and Resources site. For further information, visit [www.ifac.org](http://www.ifac.org).

### ***IPSASB Publishes Three New Standards on Financial Instruments***

The International Public Sector Accounting Standards Board (IPSASB) has published three new standards that cover all aspects of the accounting for and disclosure of financial instruments: International Public Sector Accounting Standard (IPSAS) 28, *Financial Instruments: Presentation*; IPSAS 29, *Financial Instruments: Recognition and Measurement*; and IPSAS 30, *Financial Instruments: Disclosures*. They fill a significant gap in the IPSASB literature.

These new IPSASs provide a coherent set of requirements that enhance accountability for financial instruments in the public sector; this need was reinforced by the global financial crisis, and the scale and range of interventions made by governments.

The three new IPSASs are primarily drawn from the International Accounting Standards Board's standards, but address a number of public sector-specific issues:

- IPSAS 28, *Financial Instruments: Presentation*, primarily draws on IAS 32 and establishes principles for presenting financial instruments as liabilities or equity, and for offsetting financial assets and financial liabilities.
- IPSAS 29, *Financial Instruments: Recognition and Measurement*, primarily draws on IAS 39, establishing principles for recognizing and measuring financial assets, financial liabilities, and some contracts to buy or sell non-financial items.
- IPSAS 30, *Financial Instruments: Disclosures*, draws on IFRS 7 and requires disclosures for the types of loans described in IPSAS 29. It enables users to evaluate: the significance of the financial instruments in the entity's financial position and performance; the nature and extent of risks arising from financial instruments to which the entity is exposed; and how those risks are managed.

These IPSASs address some key public sector issues, including financial guarantee contracts provided for nil or nominal consideration and concessionary loans.

- *Financial guarantee contracts provided for nil or nominal consideration* have been a feature of government interventions during the global crisis--often, they are for very large amounts and could not be provided by private sector guarantors. IPSAS 29 provides guidance on the accounting treatment of such guarantees, both at initial recognition and subsequently.
- *Concessionary loans* are granted or received at below market terms, often for social policy objectives. IPSAS 29 provides guidance on the determination of fair value. It also addresses the treatment of the difference between the fair value of a loan and the loan proceeds. IPSAS 30 requires disclosures relating to such loans.

For further information, visit [www.ifac.org](http://www.ifac.org).

### ***IPSASB Publishes New Standard on Intangible Assets: Improvements to Standards***

The IPSASB has published a new International Public Sector Accounting Standard (IPSAS) that covers the accounting for and disclosure of intangible assets: IPSAS 31, *Intangible Assets*. It fills a gap in the IPSASB literature and adds some guidance on public sector-specific issues, including intangible heritage assets.

“Until this new IPSAS, there has been no direct guidance to address intangible assets that exist in the public sector. The new standard will enhance consistency in accounting for intangible assets, while also laying the groundwork for dealing with some of the more complex public sector-specific issues going forward,” states Andreas Bergmann, IPSASB Chairman.

IPSAS 31 is primarily drawn from the International Accounting Standards Board's (IASB) IAS 38, *Intangible Assets*. It also contains extracts from the IASB's Standing Interpretations Committee Interpretation 32 (SIC 32), *Intangible Assets—Web Site Costs*, adding application guidance and illustrations that have not yet been incorporated into the IAS. At this point, IPSAS 31 does not deal with uniquely public sector issues, such as powers and rights conferred by legislation, a constitution, or by equivalent means; the IPSASB will reconsider the applicability of the standard to these powers and rights in the context of its conceptual framework project, which is currently in progress.

The IPSASB has also published *Improvements to IPSASs*, to conform with minor changes to International Financial Reporting Standards (IFRSs) that were made since the related IPSASs were originally released. These are part of a series of annual improvements that is modeled on a successful IASB annual update program.

IPSAS 31 and *Improvements to IPSASs* are available to download free of charge from the IPSASB section of IFAC's Publications and Resources site ([web.ifac.org/publications](http://web.ifac.org/publications)). The IPSASB encourages IFAC members, associates, regional accountancy bodies, and firms to use these materials and to promote their availability to members and employees.

For further information, visit [www.ifac.org](http://www.ifac.org).

## **INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)**

### ***IASB Re-Exposes Proposals on Measuring Liabilities for asset decommissioning, legal disputes and similar items***

The International Accounting Standards Board (IASB) on January 5, 2010 published for public comment an exposure draft of one section of a replacement for IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The section contains revised proposals for measuring liabilities within the scope of IAS 37.

IAS 37 applies to liabilities not covered by other accounting standards, such as liabilities to decommission assets and liabilities arising from legal disputes. The IASB previously published proposals to amend IAS 37, including revised measurement requirements. In the light of the comments received the IASB identified a need to develop more guidance on one part of those proposals: the measurement of these liabilities. The proposals published today seek public comment on that draft guidance.

To enable interested parties to see the proposed measurement section in the context of the proposed standard as a whole, the IASB is preparing a working draft of the entire standard and aims to post a copy on its website in February 2010. Until that working draft becomes available, the Liabilities - Amendments to IAS 37 project page on <http://go.iasb.org/Liabilities> provides a link to a decision summary that contains both the measurement proposals and the other decisions that will appear in the new standard.

The IASB aims to complete the standard, including final guidance resulting from today's proposals, in 2010. An IASB '**Snapshot**', a high level summary of the proposals, is available to download free of charge from the project section of the IASB website.

The IASB invites comments on the exposure draft, *Measurement of Liabilities in IAS 37*, by April 12, 2010. For further information, please visit [www.iasb.org](http://www.iasb.org).

### ***IASC Foundation Publishes Free Training Material for IFRS for SMEs***

The International Accounting Standards Committee Foundation (IASC Foundation) has published the first part of its comprehensive set of training materials for the IFRS for SMEs.

The free-to-download training material forms part of a range of initiatives undertaken by the IASC Foundation and the International Accounting Standards Board (IASB) to support the widespread adoption of the IFRS for SMEs.

The IFRS for SMEs was published by the IASB in July 2009 following an extensive development programme, including widespread consultation with interested parties. The standard is designed for use by small and medium-sized entities (SMEs), which are estimated to constitute more than 95 per cent of all companies.

The training material is designed to assist companies and accounting practitioners in applying the standard. It will also assist educators in teaching how to apply the IFRS for SMEs. Once completed, the training material will comprise 35 separate modules—one for each section of the IFRS for SMEs. The first twelve modules are now available for download from the IASB website ([www.iasb.org](http://www.iasb.org)).

The remaining modules will be published in the course of this year as they are completed. Each module guides the learner through the official text, develops the learner's understanding of the requirements through the use of examples, and points out where significant judgements are required. It also includes questions designed to test the learner's knowledge of the requirements as well as case studies to develop the learner's ability to apply the IFRS for SMEs.

For further information, please visit [www.iasb.org](http://www.iasb.org).

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## **News from Other Professional Bodies**

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### **MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)**

#### ***Accountancy Career and Education Fair (ACEF) 2010***

The Malaysian Institute of Accountants will be organising the Accountancy Career and Education Fair 2010 on April 16 - 18, 2010 at the Mid-Valley Exhibition Centre, Kuala Lumpur. The MICPA in collaboration with The Institute of Chartered Accountants in Australia (ICAA) will be participating as an Exhibitor in the fair. Do come along and visit us at booth No.391.

## **World Congress of Accountants 2010**

Malaysia will host the 18<sup>th</sup> 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](#)

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## **Members' Firms Update**

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### **Horwath KL Office**

#### **Change of Name**

With effect from December 15, 2010, Horwath has changed its name to Crowe Horwath.

### **Deloitte KassimChan**

#### **Change of Name**

With effect from January 1, 2010, Deloitte KassimChan and Deloitte KassimChan Tax Services Sdn Bhd are now known as Deloitte Malaysia.

*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](mailto:vic.pr@micpa.com.my) for further information.*

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