

*July 2008*

*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/Activities**

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### **Revised Office Hours**

We wish to inform members that with effect from Tuesday, July 1, 2008, the office hours of the Institute will be as follows:

- Monday to Friday: 8:30 a.m. to 6:00 p.m.

### **MICPA Annual Report 2007**

The Institute's Annual Report 2007 has been posted on the MICPA website [www.micpa.com.my](http://www.micpa.com.my) in the Home page.

### **MICPA Turned 50 on July 26, 2008**

The Institute turned 50 years old on Saturday, July 26, 2008. To commemorate the event, the Institute's 50<sup>th</sup> Gala Dinner with the theme *A Golden Celebration on the Red Carpet* was held at Mandarin Oriental Kuala Lumpur which was attended by over 600 members, invited guests and staff of the Institute. The event was officiated by YB Dato' Hj Hasan Malek, Deputy Minister in the Prime Minister's Department who also launched the Institute's 50<sup>th</sup> Anniversary Logo.

### **Anugerah Presiden 2008**

During the 50<sup>th</sup> Gala Dinner, the Institute presented *Anugerah Presiden 2008* to a member of the Institute who has made exceptional contributions to society, the accountancy profession and the Institute which can be emulated by others.

YBhg Tan Sri Dato' Seri Mohd Hasan Marican, President and CEO of Petronas received Anugerah Presiden 2008 from YB Dato' Hj Hassan Malek, Deputy Minister in the Prime Minister's Department. Tan Sri Mohd Hassan was admitted as a member of MICPA in February 1992 and has built a distinguished and eminent career spanning a period of over 35 years, both in the UK and in Malaysia.

### **Long Service Award**

The Institute presented *Long Service Award* to two Secretariat Staff in recognition of their loyalty, diligence and dedicated service during the 50<sup>th</sup> Gala Dinner. The recipients were Ms Irene Ng, Personal Assistant to the Institute's Executive Director and Encik Ruslan A Hamits, Office Guard.

### **Special Supplement in The STAR**

To commemorate the 50<sup>th</sup> Anniversary, the Institute has produced a 4 page supplement in The STAR which was published on Saturday, July 26, 2008.

### **Schedule of MICPA Events for 2008**

We are pleased to inform members that the schedule of events for 2008 has been identified and has been made available on the MICPA website [www.micpa.com.my](http://www.micpa.com.my) under Events/CPD in the Homepage.

### **Young CPA Malaysia Symposium 2008**

The Young CPA Malaysia Symposium 2008 will be held on Wednesday, August 6, 2008 at the Sime Darby Convention Centre with the theme *Charting the Future of Accounting and Finance Professionals*. For further information on the Symposium, please contact Ms Jenny Chua, Education and Research Manager on Tel: 03-2698 9622 or e-mail: [jenny.edu@micpa.com.my](mailto:jenny.edu@micpa.com.my) or click [here](#) to download the brochure.

### **MICPA-Bursa Malaysia Business Forum 2008**

The MICPA-Bursa Malaysia Business Forum 2008 featuring the theme *Reinventing for Success* will be held on October 20 & 21, 2008 (Monday and Tuesday) at the Shangri-La Hotel Kuala Lumpur. Please block your dates now. For further information on the Business Forum, please contact Ms Evelyn Lim, Marketing Manager on Tel: 03-2698 9622 or e-mail: [bizforum08@micpa.com.my](mailto:bizforum08@micpa.com.my)

### **NACRA 2008**

The National Annual Corporate Report Awards (NACRA) 2008 was launched on Tuesday, June 10, 2008. Featuring the theme *Towards Accountability and Excellence*, the objective of NACRA is to promote greater corporate accountability and more effective communication by organisations to their stakeholders through the publication of timely, informative, factual and reader-friendly annual reports. NACRA is an annual event jointly organised by Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA), Malaysian Institute of Management (MIM) and The Malaysian Institute of Certified Public Accountants (MICPA).

The NACRA 2008 brochure can be downloaded at the MICPA website [www.micpa.com.my](http://www.micpa.com.my) in the Homepage. The Awards Presentation Ceremony for NACRA 2008 will be held on Wednesday, November 19, 2008 at Shangri-La Hotel Kuala Lumpur.

### **Certified Financial Accountant (CFIA) Qualification**

We are pleased to announce that registration is now open for the workshop sessions for the *CFIA Professional Competence Programme*. The workshop sessions are scheduled to be held from May 31 to September 21, 2008. The examination for the CFIA will be held on September 27, 2008. For further information, please contact Ms Lee How Lai, Examination Officer on Tel: 03-2698 9622 or e-mail: [hl.exam@micpa.com.my](mailto:hl.exam@micpa.com.my)

### **Career Talks at Secondary Schools**

Accountancy has become one of the more popular courses being pursued by young Malaysians. The Institute is always seeking opportunities to foster closer relationship with the secondary schools, to promote accountancy as a career and in particular to create awareness of the CPA Malaysia qualification. In this respect, a series of scheduled career talks at secondary schools to Forms 4, 5 and 6 students undertaking the accounting subjects has been planned for February-July 2008 in the Klang Valley. For the month of July, the Institute presented a talk on *Career in Accountancy* to:

- SMK TTDI Jaya, Shah Alam on Tuesday, July 1, 2008;
- SMK Alam Megah 2, Shah Alam on Wednesday, July 2, 2008;

- *SMK Sultan Abdul Samad on Thursday, July 3, 2008;*
- *SMK Seafield, Subang Jaya on Tuesday, July 8, 2008; and*
- *SMK Bandar Utama on Wednesday, July 16, 2008.*

### **Collaboration with Universities**

As part of the Institute's efforts to foster closer collaboration with the 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.

To date the Institute has made visits to UPM, UKM, USM, UUM, IIUM, UM, UiTM (Shah Alam, Sri Iskandar & Arau), UNITEN, MMU and Politeknik Ungku Omar and Politeknik Tuanku Sultanah Bahiyah.

Mr Foo Yoke Pin, Executive Director of the Institute presented a Career Talk to Universiti Putra Malaysia accounting students on Thursday, July 31, 2008.

### **IIUM Exhibition on Job Market and Career Week 2008**

The MICPA participated as an Exhibitor in the *Exhibition on Job Market and Career Week 2008* being held in conjunction with *IIUM E-Fest 2008* from July 14-18, 2008 at the Cultural Activity Centre at IIUM. The objective was to increase awareness and profile the CPA Malaysia qualification to IIUM students. Other exhibitors who have been invited include professional bodies, banking institutions and Government agencies.

### **UM Interaction Week 2008**

The Accounting Club of Universiti Malaya organised *Interaction Week 2008* with the theme "Dream Ignites Passion, Passion Creates Reality" from July 18 – 19, 2008. The MICPA was a sponsor for the event and presented a *Career Talk* to UM accounting students on Saturday, July 19, 2008. The talk was presented by Dr Veerinderjeet Singh, Council Member of MICPA.

### **Getting a Professional Accounting Qualification**

The Faculty of Business and Accountancy of Universiti Malaya is organised a talk on *Getting an Accounting Professional Qualification* for students enrolled for the Bachelor of Accounting and Bachelor of Business Administration programme for the new semester which begins in July 2008.

The MICPA has been invited to present a talk to the students on Saturday, July 26, 2008. The aim is to profile the CPA Malaysia qualification to undergraduates. Mr Foo Yoke Pin, Executive Director of the Institute presented the talk.

### **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 respect, 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 and CFiA qualification.

The Institute welcomes participation from young CPA members' who would like to support and participate in these activities. For further information, please contact Ms Evelyn Lim, Marketing Manager on Tel: 03-2698 9622 or e-mail: [evelyn.mktg@micpa.com.my](mailto:evelyn.mktg@micpa.com.my)

### ***Sponsorship of Student Activities***

The Institute has also sponsored a number of student activities organised by the accounting clubs of the various public universities. For January-July, 2008, the Institute has sponsored various activities organised by UiTM, USM, UKM, UM, UTAR, IIUM and UNITEN.

### ***Visits to Members' Firms***

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.

### ***Visits to Approved Training Organisations***

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 approved training organisation (ATO) under the supervision of a member of MICPA or approved professional body.

To date, 75 approved training organisations (ATOs) are registered with the Institute where students can undertake training. 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 Institute has visited, UEM World Bhd, West Synergy Sdn Bhd. We will be visiting Permodalan Nasional Berhad on Monday, August 4, 2008.

To view the list of ATOs, visit the MICPA website [www.micpa.com.my](http://www.micpa.com.my), click on List of CPA Firms in the Homepage and then click on commercial firms.

The Institute also made visits to Prokhas Sdn Bhd and Tenaga Nasional Berhad, potential ATOs.

### ***Practical Auditing in Malaysia***

YBhg Puan Sri Datin Dr Mary Lee and Ms Tong Seuk Ying, both members of the MICPA have published a book titled *Practical Auditing in Malaysia*. The book has been written in a clear and comprehensive manner for students to understand and to grasp the subject matter without any difficulty. It starts with the regulatory, legal, ethical, moral and governance issues that an auditor should consider when he is carrying out his duties as a professional. The book gives value to readers in covering areas on internal auditing, examination of prospective financial information, compilation of financial information and assurance engagements as well as issues to consider in the audit of small business entities. Royalties from the sale of the book are being donated to the MACPA Educational Trust Fund.

### ***Veerinder on Taxation***

Dr Veerinderjeet Singh, Council Member of MICPA has published a book titled *Veerinder on Taxation* [Vol I & II]. The book provides a comprehensive coverage of Malaysian tax matters from the legal provisions, case law decisions, Inland Revenue Board practice and guidelines as well as administrative aspects relating to the tax system and reforms.

It also provides an in-depth review of the major aspects of Malaysian tax legislation and is highly recommended for accountants, tax practitioners, accounting and law students and those seeking a deeper understanding of the law and practice of Malaysian taxation.

The book is published by Arah publications and is priced at RM249.00 for both volumes. To get your personal copy, please contact customer service at Arah Pendidikan at 03-7652 9888.

### ***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 further information, please contact Ms Vicky Rajaretnam, Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: [vic.pr@micpa.com.my](mailto:vic.pr@micpa.com.my)

### ***SME Recognition Award (SMERA) 2008***

We are pleased to inform members that the Institute is a supporting organisation of the *SME Recognition Award (SMERA) 2008*. The objective of this coveted business award is to honor SMEs with unique winning qualities and to enhance their intellectual property while enforcing brand image in the global market place. The theme for this year's award is "Strategic Positioning Towards Global Competitiveness". For further information on the awards, please visit [www.smisme.com](http://www.smisme.com). The closing date for nomination is August 31, 2008.

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## **Members Update**

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### ***MICPA Technical Updates***

#### ***Members' Handbook Supplement No.110***

We are pleased to inform that the following Supplement to the Members' Handbook has been posted on the MICPA website:

Supplement No. 110 issued in June 2008 – Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services

- Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services (2006)
- ISA 230 (Redrafted) - Audit Documentation
- ISA 260 (Revised and Redrafted) - Communication with Those Charged with Governance
- ISA 240 (Redrafted) - The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
- ISA 300 (Redrafted) - Planning an Audit of Financial Statements

- ISA 315 (Redrafted) - Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment
- ISA 330 (Redrafted) - The Auditor's Responses to Assessed Risks

The Supplement is available for members' to view / download at the MICPA website [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

### ***CPD On-Line Record***

Effective January 1, 2007, it is mandatory for all members to complete at least 120 hours of relevant Continuing Professional Development (CPD) activity in each rolling three-year period, of which 60 hours should be verifiable. Members are required to submit an annual declaration as to compliance with the CPD requirements prescribed in the CPD Statement.

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).

### ***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 03-2698 9622.

### ***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](mailto:membership@micpa.com.my) for the change of correspondence and e-mail address.

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## Continuing Professional Development (CPD) Programmes

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### ***The Power to Design and Produce Business Reports***

#### **- *Pivot Table (PT1)***

A one-day Workshop on *The Power to Design and Produce Business Reports – Pivot Table (PT1)* will be held on August 27, 2008 at the Charleston Management Centre, Kuala Lumpur. Pivot Table is the single most powerful tool in Excel to create summary reports with just a few short steps without ever typing a formula. The workshop will take you from the basic of Pivot Table and progress rapidly to give you insights into the inner workings of Pivot Table, enabling you to prepare reports to solve your most pressing business needs. The case studies will provide you with the basic tools and concepts to solve specific business requirements. Mr Tang Kok Wai, Managing Director of Business Excel Pte Ltd, a leading financial consultancy and training company will lead discussions. For further information, please click [here](#)

### ***A Practical Guide to Auditing***

A two-day Workshop on *A Practical Guide to Auditing* will be held on December 1 & 2, 2008 at the Legend Hotel, Kuala Lumpur. 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 international standards on auditing, which have been adopted for application in Malaysia.

The workshop will cover the fundamental auditing principles, the development of an audit plan, performance of audit procedures, documentation, audit conclusions and reporting. The workshop will be conducted by audit professionals drawn from the accounting firms, who have had extensive audit experience in a wide range of industries. For further information on the workshop, please click [here](#)

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## Updates from Regulatory Bodies

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### **SECURITIES COMMISSION MALAYSIA**

#### ***Leading Institutions to Establish Islamic Fund Management Operations in Malaysia – SC Approves 3 New Licences***

The Securities Commission (SC) has approved the applications of three leading financial institutions to establish Islamic fund management companies (IFMCs) in Malaysia. The three are Kuwait Finance House (Malaysia) Berhad, DBS Asset Management Ltd and CIMB-Principal Islamic Asset Management Sdn Bhd. The establishment of the three new IFMCs follows on from the measures announced in Budget 2008 to strengthen Malaysia's position as an international Islamic financial centre. In granting the approval, the SC had considered, amongst others, the scope of operations that will be established by these companies in Malaysia, their fund management and banking experience, brand value, expertise and geographical presence, as well as compliance and risk management capabilities. For further information, please visit [www.sc.com.my](http://www.sc.com.my)

#### ***Continuing Interest in Capital Raising – SC Issues Q2 08 Scorecard***

Interest in IPO applications continues to be maintained, with seven new applications received in the second quarter of 2008, bringing the total to fifteen since the start of the year. The Securities Commission (SC) approved five applications in the second

quarter, comprising two each for the Main Board and MESDAQ Market, and one for the Second Board. The full series of capital market statistics released by the SC is available on the SC website [www.sc.com.my](http://www.sc.com.my)

### ***Practice Note on Stamp Duty Exemption***

The Securities Commission (SC) has issued a Practice Note on Stamp Duty Exemption relating to mergers and acquisitions (M&A) among companies listed on Bursa Malaysia Securities Berhad. In order to encourage more listed companies to undertake M&As, the stamp duty exemption has been extended to December 31, 2010 for corporate proposals which are approved by the SC from January 1, 2008 to December 31, 2010 as announced in Budget 2008. This extension is reflected in the Stamp Duty (Exemption) (No.8) Order 2007 which was gazette on November 29, 2007. The Practice Note and Frequently Asked Questions (FAQs) on the Practice Note on Stamp Duty Exemption is now available on the SC's website [www.sc.com.my](http://www.sc.com.my)

## **BURSA MALAYSIA MALAYSIA**

### ***Appointment of New Non-Executive and Public Interest Director***

In a press release issued on July 15, 2008, Bursa Malaysia Berhad announced the appointment of YBhg Dato' Tajuddin bin Atan as a Non-Executive and Public Interest Director of Bursa Malaysia Berhad with effect from July 14, 2008.

## **BANK NEGARA MALAYSIA**

### ***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](http://www.bnm.gov.my)

### ***Reduction of Transaction Fees for Electronic Payments***

In a press release issued on July 7, 2008, Bank Negara Malaysia announced the reduction in transaction fee for payments made by the financial institutions on behalf of their customers using the real time gross settlement system (RENTAS). In addition, the banking industry would review its fee structure for funds transfer to a fixed fee instead of the existing Inland Exchange Commission of 0.03%. This is part of the initiatives to promote greater use of electronic payments and to reduce the cost of doing business. For further information, please visit [www.bnm.gov.my](http://www.bnm.gov.my)

### ***International Reserves***

In a press release issued on July 7, 2008, Bank Negara Malaysia announced that international reserves of Bank Negara Malaysia amounted to RM410.9 billion (equivalent to USD125.8 billion) as at June 30, 2008. The reserves level as at June 30, 2008 has taken into account the quarterly adjustment of the foreign exchange revaluation gain, following the strengthening of the major currencies against ringgit during the quarter. The reserves position is sufficient to finance 10 months of retained imports and is 5.1 times the short-term external debt. For further information, please visit [www.bnm.gov.my](http://www.bnm.gov.my)

## **INLAND REVENUE BOARD**

### ***National Tax Seminar***

The Inland Revenue Board is organising the *National Tax Seminar 2008* in the month of September 2008 in various cities focusing on the *Budget Proposal 2009* and



*Public Ruling: Reinvestment Allowance.* The dates of the seminar can be downloaded from the IRB's website [www.hasil.gov.my](http://www.hasil.gov.my)

## **COMPANIES COMMISSION OF MALAYSIA**

### ***Appointment of Deputy Chief Executive Officer***

In a press release issued on July 1, 2008, the Companies Commission of Malaysia announced the appointment of Hajah Rokiah Mohd Noor as the new Deputy Chief Executive Officer in charge of Operations with effect from July 5, 2008. She succeeds Mr Khoo Beng Chit who retired from service on July 4, 2008.

### ***Extension of Payment Counter Operating Hours***

The Companies Commission of Malaysia has recently announced the extension of operating hours for the lodgement of annual returns and financial statements in order to facilitate the high volume of lodgement of these documents in July and August 2008.

The extension of operating hours is only available at 13<sup>th</sup> Floor payment counters of SSM's headquarters in Kuala Lumpur.

The extension of the payment counters operating hours will be for the period July 21, 2008 to August 7, 2008 as follows:

- Monday to Friday – extended time until 6:30 p.m.; and
- Saturday – from 8:30 a.m. to 5:00 p.m.

## **PEMBANGUNAN SUMBER MANUSIA BERHAD**

### ***Payment of Training Grants Through e-Disbursement System***

Pembangunan Sumber Manusia Berhad in an Employers Circular No. 6/2008 dated June 2, 2008 announced the payment of training grants through the e-disbursement system, effective August 1, 2008 for employers and training providers registered with PSMB. The e-disbursement system was first introduced in 2003 as part of PSMB's initiatives to improve its delivery system. For further information, please visit [www.hrdnet.com.my](http://www.hrdnet.com.my)

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## **News from Other Regulatory / Professional / Bodies**

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### **INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)**

#### ***Arnold Schilder to Lead IFAC's International Auditing and Assurance Standards Board***

In a press release issued on July 7, 2008, the IFAC announced the appointment of Prof. Dr. Arnold Schilder, RA, to lead the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board under the auspices of IFAC, beginning January 1, 2009. Prof. Schilder's appointment to a three-year term as IAASB Chair was approved by the Public Interest Oversight Board

(PIOB), which oversees the IAASB's activities. For further information, please visit [www.ifac.org](http://www.ifac.org)

### ***IFAC Program Sparks Initiatives to Strengthen the Accountancy Profession and Achieve Convergence to International Standards***

The IFAC Member Body Compliance Program, launched four years ago, has reached a major milestone in its mission to encourage accountancy organisations worldwide to work together with their members, regulators, standard setters, and other key stakeholders to strengthen the profession. The Compliance Program is comprised of a three-part process:

- A member organisation's assessment of its country's regulatory and standard-setting framework;
- A self-assessment of the extent to which a member body has committed to international convergence of standards and promoted the implementation of strong quality assurance and enforcement regimes as specified in IFAC membership requirements; and
- The development of action plans to further the convergence process and meet other IFAC membership requirements.

The Compliance Program is now in its third phase and, on July 9, 2008, the action plans of IFAC members from six countries were publicly released on the IFAC website. To view the actions plans of IFAC member bodies as well as the responses to Parts 1 and 2 of the Compliance Program, go to: <http://www.ifac.org/ComplianceAssessment/published.php>.

### ***IAASB Issues Auditing Standard on Related Parties; Makes Further Progress on Clarity Standards***

Following the consideration and approval of due process by the Public Interest Oversight Board (PIOB), the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board under the auspices of the IFAC, on July 14, 2008 released International Standard on Auditing (ISAs) 550 (Revised and Redrafted), *Related Parties* and three clarity redrafted ISAs.

#### **The Three Clarity Redrafted ISAs include:**

- ISA 250 (Redrafted), *Consideration of Laws and Regulations in an Audit of Financial Statements*;
- ISA 510 (Redrafted), *Initial Audit Engagements-Opening Balances*; and
- ISA 570 (Redrafted), *Going Concern*.

They form part of the IAASB's ambitious 18-month program to redraft existing standards following the clarity drafting conventions. To date, the IAASB has released 15 final clarity redrafted ISAs. The IAASB is on track to finalise its complete set of clarified ISAs by the end of this year.

The complete set of clarified ISAs, including newly revised standards such as ISA 550 (Revised and Redrafted), will be effective for audits of financial statements for periods beginning on or after December 15, 2009.

The ISAs can be downloaded free-of-charge from the IFAC online bookstore at <http://www.ifac.org/store>.

### ***IFAC's International Auditing and Assurance Standards Board Issues Strategy and Work Program for 2009 - 2011***

The International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board under the auspices of the IFAC, on July 14, 2008, released its *Strategy and Work Program, 2009-2011*. The three-year strategy includes an emphasis on the development of standards that contribute to the effective operation of the world's capital markets and that address the needs of small- and medium-sized entities and small and medium practices.

The *Strategy and Work Program*, issued following consideration and approval of its completeness from a public interest perspective by the Public Interest Oversight Board (PIOB), is consistent with the IAASB's overall objectives. It builds on the strong base of standards developed by the IAASB to date and focuses on three areas:

- The development of standards;
- The facilitation and monitoring of adoption of those standards; and
- Responding to concerns about the implementation of the standards by activities designed to improve the consistency with which they are applied in practice.

The *Strategy and Work Program, 2009-2011* can be downloaded free-of-charge from the IFAC online bookstore (<http://www.ifac.org/store>). To access the related Basis for Conclusions and other information on the IAASB's work, visit its home page at <http://www.iaasb.org/>.

### ***IFAC's International Ethics Standards Board Issues Proposals to Clarify Code of Ethics for Accountants***

To further promote and facilitate accountants' adherence to high ethical and independence standards, the International Ethics Standards Board for Accountants (IESBA), an independent standard-setting board within the IFAC, has proposed changes to the IFAC *Code of Ethics for Professional Accountants*. The changes outlined in an exposure draft with the same title focuses on enhancing the clarity of the Code. The proposed changes make clear the specific requirements that are contained in the Code and refine the application of the Code's conceptual framework.

Comments on the exposure draft are requested by October 15, 2008. The exposure draft may be viewed by going to <http://www.ifac.org/eds>. Comments may be submitted by email to [edcomments@ifac.org](mailto:edcomments@ifac.org).

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

### ***IFRIC Issues Clarification on Agreements for the Construction of Real Estate***

The International Financial Reporting Interpretations Committee (IFRIC) on July 3, 2008 issued an Interpretation, IFRIC 15 *Agreements for the Construction of Real Estate*. The Interpretation will standardise accounting practice across jurisdictions for the recognition of revenue among real estate developers for sales of units, such as apartments or houses, 'off plan', i.e. before construction is complete.

The Interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 *Construction Contracts* or IAS 18 *Revenue* and when revenue from the construction should be recognised.

The main expected change in practice is a shift for some entities from recognising revenue using the percentage of completion method (i.e. as construction progresses, by reference to the stage of completion of the development) to recognising revenue at a single time (i.e. at completion upon or after delivery).

Agreements that will be affected will be mainly those currently accounted for in accordance with IAS 11 that do not meet the definition of a construction contract as interpreted by the IFRIC and do not transfer to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses. For further information, please visit [www.iasb.org](http://www.iasb.org)

### ***IFRIC Issues Guidance on Hedges of a Net Investment in a Foreign Operation***

The International Financial Reporting Interpretations Committee (IFRIC) on July 3, 2008 issued an Interpretation, *IFRIC 16 Hedges of a Net Investment in a Foreign Operation*.

The IFRIC was asked for guidance on accounting for the hedge of a net investment in a foreign operation in an entity's consolidated financial statements. Practice has diverged as a result of differing views on which risks are eligible for hedge accounting according to International Financial Reporting Standards (IFRSs).

Constituents asked for clarification of three main issues as follows:

- First, whether risk arises from the foreign currency exposure to the functional currencies of the foreign operation and the parent entity, or from the foreign currency exposure to the functional currency of the foreign operation and the presentation currency of the parent entity's consolidated financial statements;
- Secondly, which entity within a group can hold a hedging instrument in a hedge of a net investment in a foreign operation and in particular whether the parent entity holding the net investment in a foreign operation must also hold the hedging instrument; and
- Thirdly, how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item when the entity disposes of the investment.

IFRIC 16 clarifies these issues, stating that:

- the presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.
- the hedging instrument(s) may be held by any entity or entities within the group.

- while IAS 39 *Financial Instruments: Recognition and Measurement* must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 *The Effects of Changes in Foreign Exchange Rates* must be applied in respect of the hedged item.

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

### ***Trustees Announce Conclusions from July Meeting***

The IASC Foundation, the oversight body of the IASB, on July 18, 2008 announced the conclusions reached at their meeting in Washington, DC on July 8 and 9, 2008. For further information, please visit [www.iasb.org](http://www.iasb.org)

## **MALAYSIAN INSTITUTE OF ACCOUNTANTS**

### ***Regional Conference 2008***

The Malaysian Institute of Accountants (MIA) will be organising its Regional Conference 2008 on August 18 & 19, 2008 at Sutera Harbour Resort, Kota Kinabalu. The main objective of the conference is to showcase the latest business trends and opportunities, regional economic developments, management best practices and standards, professional development aspects and other value added information, while providing an excellence platform for networking and socialising. For further information on the Conference, please contact Lim Chia Lee at Tel: 03- 2279 9336 or Hani at 03-2279 9324 (Sponsorship & Exhibition).

## **MALAYSIAN INSTITUTE OF TAXATION**

### ***National Tax Conference 2008***

The Malaysian Institute of Taxation and the Inland Revenue Board Malaysia (IRB) will be jointly organising the *National Tax Conference 2008* on August 19 & 20, 2008 at the Kuala Lumpur Convention Centre. The MICPA is a supporting organisation of the Conference. For further information on the conference, please contact Pn Nursalmi Haslina, Manager, CPD Department at MIT on Tel: 03-2162 8989 x 106 or e-mail: [nur@mit.org.my](mailto:nur@mit.org.my)

### ***2009 Budget Seminar – Highlights and Implications***

The Malaysian Institute of Taxation is organising a series of *2009 Budget Seminars* commencing September 5, 2008 at various locations throughout Malaysia. The purpose of the Budget Seminar is to update and share the recent developments in tax, the implications of the Budget proposals and to provide valuable insight and suggestions on how businesses can leverage on the various opportunities offered by the budget initiatives. For further information on the budget seminars and schedules, please visit [www.mit.org.my](http://www.mit.org.my).

*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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**The Malaysian Institute of Certified Public Accountants**

No 15, Jalan Medan Tuanku, 50300 Kuala Lumpur, Malaysia. Tel: 03-26989622 Fax: 03-26989403  
Email: [micpa@micpa.com.my](mailto:micpa@micpa.com.my) Website: [www.micpa.com.my](http://www.micpa.com.my)