

June 2009

The CPA e-Newsline is a monthly electronic newsletter designed to provide members, and the public with quick updates on recent developments at the Institute and in the business environment.

Announcements / Activities

President and Vice President

At the recent Council meeting held immediately after the 51st Annual General Meeting on Saturday, June 20, 2009, YBhg Dato' Nordin Baharuddin was re-elected as President and YBhg Dato' Ahmad Johan Mohammad Raslan as Vice-President of the Institute for the term 2009/2010.

Appointment of New Council Member

We are pleased to announce that Mr Tan Theng Hooi, Country Managing Partner, Deloitte KassimChan has been appointed as a Council Member of the Institute.

MICPA Annual Report 2008

The Institute's Annual Report 2008 has been posted on the MICPA website www.micpa.com.my in the Home page.

Anugerah Presiden 2009

During the 51st Annual Dinner held on Friday, June 19, 2009, the Institute presented *Anugerah Presiden 2009* 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.

The recipient of *Anugerah Presiden 2009* is YB Senator Tan Sri Amirsham A Aziz, who has vast expertise and experience in the financial aspects and economic planning and has recently been appointed as Chairman of the National Economic Advisory Council (NEAC), a position he assumed on June 1, 2009. YB Senator Tan Sri Amirsham A Aziz was admitted as a member of MICPA in June 1976 (Membership No.1353). A true bred CPA, he undertook his 3 years practical training with Hanafiah, Raslan & Mohamad. On February 24, 2009, Tan Sri was awarded an Honorary Fellowship by The Institute of Chartered Accountants in Australia (ICAA).

To read the full citation, please click [here](#) and to read YB Senator Tan Sri Amirsham A Aziz Acceptance Speech, please click [here](#)

ICAEW Recognition

We are pleased to announce that the CPA Malaysia qualification was recognised by The Institute of Chartered Accountants of England and Wales (ICAEW) in 2004 where exemptions were granted. Recently, ICAEW have undertaken further assessment of the CPA Malaysia qualification in comparison with the ACA qualification introduced in 2007.

Members of MICPA are now able to gain credit from ICAEW's Professional Stage comprising of 12 Papers and the Advanced Stage Technical Integration Business Reporting paper. In order to gain the ACA qualification, members of MICPA will need to pass the Advanced Stage Technical Integration Business Change paper and Case Study, as well as complete the Structured Training in Ethics programme.

Members of MICPA will no longer be required to acquire three years' work experience in an ICAEW authorised training employer, which further simplifies the process for MICPA members to become ICAEW members.

The exemption awarded by ICAEW to the CPA qualification offered by the MICPA further endorses the close co-operation between the two bodies in the education and training of professional accountants.

Schedule of MICPA Events for 2009

We are pleased to inform members that the schedule of events for 2009 has been made available on the MICPA website under Events/CPD in the Homepage. For further information, please visit www.micpa.com.my

Presentation of 2009 MICPA Excellence Awards, Examination Certificates, Prizes, Membership & Practising Certificates

The presentation of the Most Outstanding CPA Student Award, Examination Certificates, Prizes, Membership & Practising Certificates will be held on Saturday, October 24, 2009 at 10:00 a.m. at Best Western Premier Seri Pacific Hotel Kuala Lumpur. It is also the occasion for the presentation of Excellence Awards for Best Accounting Graduates.

We are pleased to inform that YB Dato' Seri Mohamed Khaled Nordin, Minister of Higher Education will officiate the event.

For further information, please contact the Institute's Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my

Visits to Members' Firms and Approved Training Organisations

The Institute continues in its efforts to make courtesy visits to members' firms and ATOs as a means of further enhancing the synergistic partnership which already exists between both parties and to identify ways to collaborate and strengthen professional relationship.

On June 16, 2009, the Institute gave a corporate presentation to Malaysia Airlines, an Approved Training Organisation of the Institute.

Collaboration with Universities

With the signing of the Memorandum of Understanding with The Institute of Chartered Accountants in Australia (ICAA), the Institute has embarked on an active programme to promote the revised CPA programme to Universities and Institutions of higher learning by making scheduled visits and participating in road-shows.

During the career talks, our distinguished speakers communicate the value of our home-grown CPA Malaysia as the preferred choice for prospective accountants, share the ingredients for success with the students and highlighted that the Institute has a strong pool of successful luminaries and business professionals in our fold of CPAs and the diverse roles they undertake in their careers. The aim is to also attract the younger generation to join the CPA programme.

Sponsorship of Student Activities

The Institute continues to sponsor student activities organised by the Accounting Clubs:

Universiti Putra Malaysia (UPM)

National Accounting Career Conference

Universiti Putra Accounting Club (UPAC) is organising the National Accounting Career Conference which will be held on July 24 - 26, 2009 at UPM. The aim of the conference is to promote and increase awareness of the various career paths and options of accountancy to the students. The MICPA is a Silver sponsor for the event.

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 Principles of Accounting subject has been planned.

The Business Development Manager of the Institute has presented a talk on *Career in Accountancy* to:

- 80 students of SMK (P) Methodist on June 23, 2009

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.

Members Update

MICPA Technical Updates

Royal Malaysian Customs

Amendments to the Malaysian Customs Law and Subsidiary Legislations

Further to Circular No. TEC/026/05/2009W dated May 27, 2009 members are informed that the Royal Malaysian Customs has issued a notice on the amendments to the Malaysian Customs Law and Subsidiary Legislations for the period from January to April 2009.

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

Companies Commission of Malaysia

Vacation of Office by Company Secretary

As members may be aware, MICPA is a member of the Corporate Practice Consultative Forum (CPCF), which is chaired by the Companies Commission of

Malaysia (SSM). We are pleased to inform that SSM had requested members of the CPCF to obtain information on the frequency of vacation of office by company secretaries where the directors did not communicate to SSM via Form 49, regarding the resignation of the company secretary. In this regard, the computer print-out from the SSM system will still show the name of the company secretary who had already resigned.

Inland Revenue Board of Malaysia (IRB)

Further to Circular No. TEC/027/06/2009/W dated June 9, 2009 members are informed that the Inland Revenue Board has issued the following Public Rulings on May 22, 2009:

- ***Public Ruling No. 1/2009 – Property Development***

The Ruling explains the basis of determining gross income for the purpose of computing adjusted income derived from the business of property development. The provisions of the Income Tax Act 1967 (ITA) related to this Public Ruling are paragraphs 4(a) and 23(a), section 24, subsections 33(1) and 33(2), sections 35, 39 and 91 of the ITA.

- ***Public Ruling No. 2/2009 – Construction Contracts***

This Ruling explains the basis of determining gross income for the purpose of computing adjusted income derived from the business of construction contracts. The provisions of the Income Tax Act 1967 (ITA) related to this Public Ruling are paragraphs 4(a) and 23(a), section 24, subsections 33(1) and 33(2), sections 35, 39 and 91 of the ITA.

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

Malaysian Accounting Standards Board

Proposed Amendments to Financial Reporting Standards MASB EDS 64, 65, 66 and IC Interpretations 15, 16 and 17

Further to Circular No. TEC/0028/06/2009/W dated June 23, 2009 members are informed that the Malaysian Accounting Standards Board (MASB) has recently issued three (3) Exposure Drafts and three (3) Draft Interpretations for comment. The Exposure Drafts and Draft Interpretations, which are virtually identical to those issued by the International Accounting Standards Board (IASB) as follows:

- MASB ED 64 *Business Combinations*
- MASB ED 65 *Amendments to FRS 127 Consolidated and Separate Financial Statements*
- MASB ED 66 *First-time Adoption of Financial Reporting Standards*
- [draft] IC Interpretation 15 *Agreements for the Construction of Real Estate*
- [draft] IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*
- [draft] IC Interpretation 17 *Distribution of Non-cash Assets to Owners*

Members are encouraged to study the exposure drafts and provide feedback to MASB. The Exposure Drafts are available on MASB website 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 July 17, 2009. For further information, please refer to the Circular which can be downloaded from the MICPA website at www.micpa.com.my in the Members' Area.

***Bursa Malaysia Berhad
Main Market Listing Requirements (Main LR) and ACE Market Listing
Requirements (ACE LR)***

Members are informed that further to Circular No. TEC/024/05/2009/W, dated May 25, 2009, Bursa Malaysia Securities Berhad has clarified some matters as listed below:

- **Practice Note 7/Guidance Note 1
Classification of Applicants and Listed Issuers**
Reference is made to the amended Practice Note 7 of the Main LR (PN7) and Guidance Note 1 (GN1) of the ACE LR issued on May 8, 2009, which will come into effect on August 3, 2009.
- **Undertaking Letters to Comply with Listing Requirements**
Reference is made to the undertaking letters by listed issuers, directors, advisers and any other relevant persons (Existing Undertakings), which have been executed and submitted to Bursa Securities pursuant to the Listing Requirements for the Main and Second Boards (LR) and the Listing Requirements for the MESDAQ Market (MMLR) respectively.
- **Questions and Answers**
Bursa Malaysia has set out a list of Questions and Answers (Q&A) to facilitate better understanding and compliance (where applicable) with the Main and ACE LR.

Members are requested to refer to Circular No. TEC/029/06/2009/W dated June 26, 2009 which has been posted on the website www.micpa.com.my in the Members' area.

***Minority Shareholder Watchdog Group
Pool/ Database of Independent Directors for
Public-Listed Companies (PLCs)***

Further to Circular No. MEM/03/06/09 (W) dated June 30, 2009 we are pleased to inform members that the Minority Shareholder Watchdog Group (MSWG) is in the midst of compiling a pool/ database of independent directors that Public-Listed Companies (PLCs) can tap. There are minimum criteria for members who are interested to have their names included in the pool/ database.

Members are requested to refer to the Circular which has been posted on the website www.micpa.com.my in the Members' area.

MICPA Practising Certificate

The Membership Affairs Committee of the Institute in considering applications for practising certificate has frequently come across cases where a member has commenced public practice before he is issued with a practising certificate by the Institute. The Committee would like to remind members that in accordance with **bye-law 56 of the Institute's bye-laws**, a member shall be entitled to engage in public practice in Malaysia only if he holds a practising certificate issued by the Institute. If members need clarification on the above requirement, you may forward your inquiry to membership@micpa.com.my or call 03-2698 9622.

CPD On-Line Record

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

An On-Line CPD Record functionality has been added to the MICPA website, which facilitates members to update their CPD records on-line in the format provided. Please visit the MICPA website at www.micpa.com.my, login as a Member, click on Members Update on the Left-hand Menu and go to Section F to update your CPD records.

Young CPA Group

As members are aware, the *Young CPA Group* was established in 2004 with the aim of encouraging our younger members to take part in the Institute's work and activities. Young members can play an important role in identifying the professional needs of its members and provide valuable feedback, suggestions and recommendations to the Institute. If you are a CPA below the age of 40, please register yourself online at www.micpa.com.my.

Change of Correspondence and E-mail Address

Members and Students are reminded that they should inform the Institute of any change in their correspondence and e-mail addresses. This is to ensure that you receive all circulars, publications, correspondences and e-mail broadcasts promptly. Please click [here](#) to download the form and fax the completed form to the MICPA Secretariat at Fax No. 03-2698 9403. You may also send an e-mail to membership@micpa.com.my for the change of correspondence and e-mail address.

Continuing Professional Development (CPD) Programmes

Forensic Accounting

A one-day Workshop on *Forensic Accounting* will be held on July 16, 2009 at The Legend Hotel, Kuala Lumpur.

This Workshop will provide an insight on corporate failures and the lessons to be learned as well as on commonly used fraud schemes and how a proper and effective fraud investigation should be handled in a legal setting. The workshop will also discuss how you can build a fraud prevention programme including introducing a whistle-blowing programme. There will also be a special skills training on profiling suspects and witnesses in an investigation.

The workshop will be conducted by Mr Ranjit Singh, Managing Director of Columbus Circle Advisory Sdn Bhd. 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 July 22-23, 2009 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 Mr Yung Chuen Seng, Associate Consultant and a free-lance trainer. For further information, please click [here](#)

Understanding Deferred Taxation (FRS 112)

A one-day Workshop on Understanding Deferred Taxation (FRS 112) will be held on July 27, 2009 at the Concorde Hotel, Kuala Lumpur.

The workshop aims to provide basic understanding of the complex rules contained in FRS 112 by using easy to understand charts and illustrations. It explains the fundamental features of balance sheet liability method and how this is different from income statements liability method.

The workshop uses a case study to provide a systematic approach to the computation of deferred tax assets and deferred tax liabilities. Mr Danny Tan Boon Wooi will lead the workshop session. For further information, please click [here](#)

Updates from Regulatory Bodies

SECURITIES COMMISSION OF MALAYSIA (SC)

SC Revises Guidelines to Allow Cross-Listing of Foreign ETFs

As part of its on-going efforts to enhance the depth and breadth of the capital market, the SC on June 11, 2009 issued the revised Guidelines on Exchange-traded Funds (ETF Guidelines) to allow exchange-traded funds from recognised jurisdictions to be cross-listed on Bursa Malaysia.

The revision involves, among others, the addition of two new chapters into the existing ETF Guidelines specifically on *Offering of Foreign ETFs on Bursa Securities* and *Application Procedures for Offering of Foreign ETFs on Bursa Securities*. These chapters stipulate the application procedure and submission requirements for a foreign fund manager interested in offering their ETFs in Malaysia, and include the approval criteria, requirements of an offering document, the appointment and functions of a representative.

Under the revised Guidelines, a fund manager may seek secondary listing of a foreign ETF on Bursa Malaysia if it is from a recognised jurisdiction (as listed in the Guidelines for the Offering, Marketing & Distribution of Foreign Funds). It is also possible now to cross list a foreign ETF from a non-recognized jurisdiction with a

regulatory regime comparable to Malaysia's.

The SC consulted selected fund managers in formulating the revision. In line with the recent reviews of the *Guidelines on Unit Trust Funds* and the *Guidelines on Real Estate Investment Trusts*, the provisions of the ETF Guidelines have also been streamlined for easier reference.

Currently, there are three ETFs listed on Bursa Malaysia Securities Berhad and they are ABF Malaysia Bond Index Fund, FBM 30 ETF and MyETF Dow Jones Islamic Market Malaysia Titans 25.

The revised ETF Guidelines which comes into effect on June 12, 2009. For further information, please visit www.sc.com.my.

Malaysia, Singapore and Thailand First to Implement ASEAN and Plus Standards Scheme

In a press release dated June 12, 2009, the SC announced that it had implemented the ASEAN and Plus Standards Scheme (the Scheme) for the cross-border offering of securities within ASEAN. Malaysia, Singapore and Thailand are the first three ASEAN countries to put the Scheme into effect.

The Scheme, which was developed by the ASEAN Capital Markets Forum, will facilitate multi-jurisdictional offerings of equity and debt securities in the region. Multi-jurisdictional offerings are the offering of securities by an issuer (who is either based in ASEAN or outside ASEAN) to more than one country within ASEAN.

The Securities Commission Malaysia (SC), together with securities regulators in Singapore and Thailand, announced today that it has implemented the ASEAN and the Scheme now enables issuers in Malaysia, Singapore and Thailand to comply with just one set of common disclosure standards (ASEAN Standards), with limited additional requirements prescribed by the respective jurisdictions (Plus Standards). Prior to this, issuers had to comply with different disclosure standards in the three markets.

The Scheme will further promote the integration of the ASEAN capital markets, facilitate greater efficiency in cross-border capital raising and provide cost savings to issuers making securities offerings beyond their domestic markets.

The ASEAN Standards are based on the standards on cross-border offerings developed by the International Organization of Securities Commissions (IOSCO). The Standards also fully adopt the accounting and auditing standards of the International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA).

The SC has adopted the ASEAN Standards through its Prospectus Guidelines - Equity and Debt (Prospectus Guidelines) published in May 2009. Issuers undertaking a cross-border offering to Malaysians are required to comply with the requirements of the Prospectus Guidelines.

A set of FAQs to facilitate the understanding of the ASEAN and Plus Standards Scheme is available on the website at www.sc.com.my

BANK NEGARA MALAYSIA (BNM)

Premium Rebates for Purchasing Insurance Covers Directly From Insurers

As part of the Government's efforts to enhance productivity, efficiency and access to financial products and services, the financial sector has over the years developed more cost-efficient delivery channels. This is also to enhance the ability of consumers to have wider access to financial products and services.

In line with this, insurance companies have also increasingly introduced direct delivery channels to market their products and services which provide consumers with the options that will best suit their needs. Policy owners who purchase insurance cover directly will receive premium savings in arranging their own insurance through dealings directly with the insurance companies.

Effective July 1, 2009, individuals who purchase general insurance covers directly from insurance companies will be eligible to receive premium rebates. The quantum of the rebates will depend on the type of insurance covers purchased. For motor insurance, individuals will receive 5% premium rebate in the first year of implementation and 10% thereafter. For others including businesses, insurance companies have the flexibility of providing the rebates. The direct purchase includes walk-in, through the internet, direct mailing and the telemarketing channel.

To facilitate agents to move up the value chain and enter this new area, the Government and the insurance industry have and will continue to provide the necessary training and capacity building opportunities. Among the initiatives undertaken by Bank Negara Malaysia and the insurance sector include putting in place appropriate training programmes and requiring agency training expenses be part of the minimum training expenditure required for the insurance company.

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

COMPANIES COMMISSION OF MALAYSIA (SSM)

SSM International Conference on "Malaysia: Discovering New Business Frontier"

The Companies Commission of Malaysia is organising a 2-day International Conference with the theme *Malaysia: Discovering New Business Frontier* on August 11 & 12, 2009 at Shangri-La Hotel Kuala Lumpur.

The Keynote Address will be delivered by the Honourable Prime Minister of Malaysia, YABhg Dato' Sri Mohd Najib Tun Abdul Razak.

For further information on the Conference and registration details, please download brochure [here](#)

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IFAC Board Organises G-20 Accountancy Summit; Focuses on Initiatives to Strengthen the Profession

During its meeting in Dublin, Ireland, the Board of the International Federation of Accountants (IFAC) agreed to hold a G-20 Accountancy Summit on July 23-24 in London to obtain the perspectives of accountancy institutes on how the profession can best contribute to strengthening the global financial system.

During the meeting, Board members considered the implications of the financial crisis and heard reports from the chairs of IFAC's independent standard-setting boards on their initiatives to update and develop new international auditing, education, ethics, and public sector accounting standards, particularly in those areas that would help the profession to address issues related to the financial crisis, and to adopt and promote their adoption and use by a wide group of stakeholders. Such adoption and implementation is vital to improving the transparency of the financial system and is consistent with G-20 recommendations.

In addition, the Board discussed how IFAC can best support small and medium practices, including assisting them in addressing issues emerging from the financial crisis and increasing awareness of the role of professional accountants in business in risk management, corporate governance, and transparent financial reporting. In addressing the current financial crisis, IFAC has remained focused on its commitment to serving the public by strengthening the profession and working together with other constituencies-business leaders, governments, international organisations, and regulators-to strengthen financial reporting and auditing. For further information, please visit www.ifac.org

IFAC Welcomes IOSCO Support of New Clarity ISAs and their Role in Building Investor Confidence

The IFAC and the International Auditing and Assurance Standards Board (IAASB) welcome the statement released by IOSCO on International Standards on Auditing (ISAs) that recognises the important role of ISAs "in facilitating cross-border securities offerings and listings." The IOSCO statement also welcomes the achievement of the completion of the Clarity Project, noting the improvements that have been made as a result of clarifying the ISA requirements.

IFAC, in its letter to the G-20 Working Group 1 in March 2009 expressed its view that the global adoption of ISAs will improve the quality and consistency of the audit of financial information. Currently, more than 100 jurisdictions around the world use ISAs or base their national standards on them. Increased adoption of ISAs will facilitate greater transparency and result in higher standards of accountability.

"The IOSCO statement is testimony to the success of the standard-setting process for International Standards on Auditing, in which responsibility is shared between the public sector and the private sector," states IFAC President Robert Bunting. "It is vital that the standard-setting process operates in, and is seen to operate in, the public interest. Oversight of the IAASB's work by the Public Interest Oversight Board (PIOB) and the role of the IAASB's Consultative Advisory Group play critical roles in ensuring that the standards do reflect the public interest."

The IOSCO statement echoes support for the clarified ISAs expressed by the World Bank and the Basel Committee on Banking Supervision." For further information, please visit www.ifac.org

IFAC Applauds US Administration's Support for Global Accounting Standards in US Financial Reform Proposal

The IFAC applauds the call by the US President for urgent progress toward the "development of a single set of high-quality global accounting standards." These standards were one element of the proposal for regulatory reform, issued at a press conference on Wednesday, that Mr. Obama called "necessary to avoid another financial crisis.

"The President's acknowledgment of the importance of developing a high-quality set of global accounting standards reflects the importance of global standards and a level playing field in financial reporting," says Ian Ball, Chief Executive Officer, IFAC. He also noted that the US position is consistent with the G-20's call for "substantial progress by year-end 2009." IFAC wrote to the G-20 in support of convergence to global standards before their meeting in London last April.

Convergence to global standards is an idea that IFAC supports strongly-not only in accounting but also in auditing, ethics, and public sector accounting standards, all of which are important to the functioning of global capital markets.

The complete White Paper issued by Mr Obama's Office, prepared by the US Treasury Department can be found at:

http://www.financialstability.gov/docs/regs/FinalReport_web.pdf.

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

Sign Up for Email Updates on Replacement of IAS 39 Project

The IASB is carrying out a comprehensive review of its standard on the recognition and measurement of financial instruments, IAS 39 that will result in IAS 39 being replaced. The objective of this project is to improve the decision-usefulness of financial statements for users by simplifying the classification and measurement requirements for financial instruments.

An updated overview of this project has been set out on a new Financial Instruments: Replacement of IAS 39 project webpage and an email alert system is now being offered that lets subscribers know when an update is posted to this page.

If you would like to subscribe to this service and are already a registered IASB web user then please click here. If you are not already a registered IASB web user then click here.

Email alerts will be text only. The number of updates sent will vary over the term of the project but we anticipate that they should occur two or three times a month in the near term. You can unsubscribe at any time by using the link above.

For further information, please visit www.iasb.org

Japan Takes Major Step Towards IFRS Adoption

On June 12, 2009, the Business Accounting Council (BAC), a key advisory body to the Commissioner of the Financial Services Agency (FSA), approved a roadmap for the adoption of International Financial Reporting Standards (IFRSs) in Japan.

The roadmap still requires the formal approval of the FSA which is expected to take place by the end of the month. If adopted, the roadmap would permit early adoption of IFRSs by listed companies for fiscal years beginning April 1, 2009. The roadmap proposes mandatory adoption of IFRSs from 2016, subject to a final decision being taken by 2012.

An English version of the BAC's announcement and an unofficial summary of the interim report of the BAC are available on the Japanese FSA's website.

This is a landmark decision, both for Japan and for IFRSs. For Japan, it signals the eventual adoption of IFRSs. For the IASB, adoption of IFRSs by the world's second largest national economy underscores the truly global nature of IFRSs and the acceptance of these standards by all major economies.

For further information, please visit www.iasb.org

IASB Seeks Views on Accounting for 'Own Credit Risk'

The IASB on June 18, 2009 published for public comment a discussion paper on the role of credit risk in liability measurement. The paper is accompanied by a staff paper that describes the most common arguments for and against including credit risk in measuring liabilities.

Credit risk in liability measurement is often referred to as 'own credit risk'. Existing International Financial Reporting Standards (IFRSs) require profit or loss resulting from changes in 'own credit' to be booked when debt is fair valued. From an accounting perspective there are good reasons for applying fair value measurement to both assets and liabilities. However, some see the outcome as counter-intuitive. Recent developments in the financial markets have led to increased concerns about gains that result from changes in the value of an entity's liabilities.

The discussion paper responds to this concern. The issue of 'own credit risk' has relevance to other IASB projects, in particular in the accounting for financial instruments, insurance, fair value measurement and provisions, contingent liabilities and contingent assets.

The staff paper is open for comment until September 1, 2009 and can be accessed free of charge on eIFRS or on the 'Open for comment' section on the IASB's website www.iasb.org

IASB Clarifies the Accounting for Group Cash-Settled Share-Based Payment Transactions

The IASB on June 18, 2009 issued amendments to IFRS 2 *Share-based Payment* that clarify the accounting for group cash-settled share-based payment transactions.

The amendments respond to requests the IASB received to clarify how an individual subsidiary in a group should account for some share-based payment arrangements in its own financial statements. In these arrangements, the subsidiary receives goods or services from employees or suppliers but its parent or another entity in the group must pay those suppliers

The IASB revised its initial proposals in the light of comments received. The amendments issued clarify the following:

- the scope of IFRS 2. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.
- the interaction of IFRS 2 and other standards. The Board clarified that in IFRS 2 a 'group' has the same meaning as in IAS 27 *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its subsidiaries.

The amendments to IFRS 2 also incorporate guidance previously included in IFRIC 8 Scope of IFRS 2 and IFRIC 11 IFRS 2—*Group and Treasury Share Transactions*. As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11.

For further information, please visit www.iasb.org

IASB Proposes Guidance for the Preparation and Presentation of Management Commentary

The IASB on June 23, 2009 published for public comment a proposed non-mandatory framework to help entities prepare and present a narrative report, often referred to as management commentary.

Management commentary is an opportunity for management to outline how an entity's financial position, financial performance and cash flows relate to management's objectives and its strategies for achieving those objectives.

The information contained in management commentary is therefore of keen interest to investors and other users of financial statements. However, while management commentary-type reporting is mandatory in many jurisdictions, some do not have guidance for this type of narrative report. Many preparers and users therefore indicated a need for the IASB to provide such guidance.

The proposals draw upon international best practice in the preparation and presentation of management commentary. The IASB believes that providing non-mandatory guidance will improve the consistency and the comparability of management commentary across jurisdictions.

The exposure draft Management Commentary is open for comment until March 1, 2010. It can be accessed on the 'Open for Comment' section on www.iasb.org. Respondents' comments will help the IASB in the development of final guidance on management commentary.

IASB Seeks Input on Feasibility of Expected Loss Model

The IASB on June 25, 2009 published a Request for Information on the feasibility of an expected loss model for the impairment of financial assets. Impairment is one of the issues that the IASB is addressing in the second phase of its comprehensive review of IAS 39 *Financial Instruments: Recognition and Measurement*

The Request seeks input on the practical issues that would arise, if an expected loss model was required. The input will assist the IASB in developing formal proposals that it plans to publish in an exposure draft in October 2009.

The current model in IAS 39 requires an entity to account for credit losses in financial assets only if an event (or a combination of events) has occurred that has a negative effect on future cash flows and that effect can be reliably estimated (this is known as the incurred loss model). A feature of that model is that an entity is not permitted to consider the effects of future expected losses. The financial crisis has highlighted this as an area of concern. Responding to the request of the G20 leaders and others the IASB is reviewing that approach and examining the expected loss model as an alternative.

The expected loss model requires an entity to make an ongoing assessment of expected credit losses, which may require earlier recognition of credit losses. This would better reflect the way that financial assets are priced and the way some companies manage their business.

The IASB welcomes responses to its Request for Information by September 1, 2009. The Request for Information can be downloaded from the 'Open for Comment' section on www.iasb.org

News from Other Professional Bodies

MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

World Congress of Accountants 2010

As members are aware, Malaysia will host the 18th World Congress of Accountants 2010 which will be held in Kuala Lumpur on November 8-11, 2010 at the Kuala Lumpur Convention Centre. For further information, please click [here](#)

THE MALAYSIAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS (MAICSA)

MAICSA Annual Conference 2009

MAICSA will be organising its annual conference 2009 on July 6 – 7, 2009 at Hotel Istana Kuala Lumpur with the theme *Shaping the Future Corporate Professionals*.

The MICPA is a supporting partner of the conference and MICPA members who register for the conference will be able to enjoy a preferential rate of registration fee of RM1,180 for the two-day conference.

For further information on the conference and registration, please contact Ms Linda Tey at Tel: 03-2282 9276 ext 609 or Pn Syahida Ahmad Imran at ext 606.

MAICSA Business Leaders Meet 2009

In conjunction with MAICSA's 50th Anniversary celebrations, the inaugural *Business Leaders Meet (BLM) 2009* will be held on October 7, 2009. BLM will be the forum where corporate leaders and professionals converge to discuss and share their business and corporate adventures, explore opportunities in the global financial crisis and learn about corporate misdemeanours, fraud detection and prevention.

The MICPA is a supporting partner of the BLM 2009 and Members of MICPA who register for the one-day Conference will be able to enjoy a preferential rate of registration fee of RM960 (before August 31, 2009) and RM1,060 (after August 31, 2009).

For further information on the conference and registration, please contact Ms Thashi Shan or Ms Maggie Chong on Tel: 03-2282 9276 ext 614 and ext 608 respectively or email: thashikala@maicsa.org.my & chongsm@maicsa.org.my

THE CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS (CIMA)

CIMA World Conference 2009

In conjunction with CIMA's 90th Anniversary, CIMA Malaysia Division is organising the *CIMA World Conference 2009* with the theme *The Global Village – No Boundaries, No Limits*. The event will be held on July 13 – 14, 2009 at the Kuala Lumpur Convention Centre.

The MICPA is a supporting partner of the Conference and Members of MICPA who register for the Conference will be able to enjoy a preferential rate of registration fee of RM1,700. For those who register online, are kindly requested to insert the following registration code: 'CWCMICPA03'.

For further information on the conference and registration, please visit www.cimaglobal.com/worldconference

THE CHARTERED TAX INSTITUTE OF MALAYSIA (CTIM)

National Tax Conference (NTC) 2009

The Chartered Tax Institute of Malaysia (CTIM) and the Inland Revenue Board of Malaysia (IRB) are jointly organising the *National Tax Conference (NTC)* to be held on August 4 & 5, 2009 at the Kuala Lumpur Convention Centre.

The MICPA is a supporting partner of the Conference and Members of MICPA who register for the Conference will be able to enjoy a preferential rate of registration fee of RM1,000 for early bird registration (payment to be received before or on June 30, 2009) and RM1,200 for normal registration (closing date is July 14, 2009).

For further information on the conference and registration, please visit www.ctim.org.my

THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA (IIA MALAYSIA)

2009 Asian Confederation of Institutes of Internal Auditors (ACIIA) Conference on Internal Auditing

The Institute of Internal Auditors Malaysia is hosting the regional 2009 Asian Confederation of Institutes of Internal Auditors (ACIIA) Conference which will be held from October 19 – 21, 2009 at the Kuala Lumpur Convention Centre. The theme of the regional conference is *Towering Experience: Towards Sustainable Success*.

The MICPA is a supporting partner of the conference and Members of MICPA who register for the Conference will be able to enjoy a preferential rate of registration fee of RM1,780 (early bird registration before August 15, 2009) and RM1,980 for normal registration.

For further information on the conference and registration details, please visit www.iiam.com.my

News from Universities

Universiti Kebangsaan Malaysia

International Management Accounting Conference (IMAC V)

The Faculty of Economics and Business, Universiti Kebangsaan Malaysia is pleased to announce that they will be organising and hosting the fifth International Management Accounting Conference (IMAC V) on October 19 – 21, 2009 to be held in Kuala Lumpur. The theme of the conference is *Emergent Theories and Practices in Accounting*. For further details on the conference, please visit <http://www.ukm.my/imac5>.

CPA e-Newsline is prepared by MICPA's Public Affairs & Communications Department. Please contact Ms Vicky Rajaretnam at Tel: 03-2698 9622 or e-mail vic.pr@micpa.com.my for further information.

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The Malaysian Institute of Certified Public Accountants

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