

June 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.

Announcements

Appointment of President and Vice-President

At the recent Council meeting held immediately after the Institute's 52nd Annual General Meeting on Saturday, June 19, 2010, YBhg Dato' Johan Raslan was elected as President and Mr Ken Pushpanathan as Vice-President of the Institute for the term 2010/2011.

Appointment of New Council Member

We are pleased to announce that Mr Gary Yong Yoon Shing, a Partner with SSY Partners has been appointed as a Council Member of the Institute with effect from Saturday, June 19, 2010.

Resignation of Council Member

We wish to announce that with effect from June 19, 2010, En Ahmad Mustapha Ghazali has resigned as a Council Member of the Institute. He was first elected to the MICPA Council in 2004 and served on the Institute's Technical Committees.

The MICPA would like to extend their sincere gratitude to En Ahmad Mustapha Ghazali for his contributions to the Institute during the past 6 years. Our good wishes are with him.

Condolence

It is with deep sadness that we inform members that the Immediate Past President of the Institute, YBhg Dato' Nordin Baharuddin passed away peacefully on Saturday, June 5, 2010. Our deepest condolence is extended to Datin Nurhayati and family on the demise of her beloved husband.

MICPA Annual Report 2009

The Institute's Annual Report 2009 has been posted on the MICPA website www.micpa.com.my in the Home page.

MICPA 52nd Annual Dinner

The Institute's 52nd Annual Dinner will be held on Friday, July 16, 2010 at Sheraton Imperial I Kuala Lumpur Hotel. The dinner will be officiated by YB Dato' Seri Hj Ahmad Husni bin Mohamad Hanadzlah, Minister of Finance II.

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

MICPA Education & Training

Reciprocal Membership to ICAA

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

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

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

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

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

[Frequently Asked Questions](#)

[MICPA to ICAA Flowchart](#)

[Application Form](#)

Revised MICPA Programme - Tuition Provider: Sunway-TES

We are pleased to inform that the Institute has appointed Sunway-TES as the sole tuition provider to provide tuition for the Revised MICPA Programme. For further information, please contact Sunway-TES on Tel: 03-7491 8622 / 7491 8623.

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](#).

Activities of the Institute

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](#).

Streams of Training

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

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

MICPA Technical Updates

MEMBERS' HANDBOOK SUPPLEMENT NO.116

Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services

Further to Circular No. TEC/038/05/2010/W dated May 31, 2010, members' are informed that the Council of the Institute has adopted the following International Standards on Assurance Engagements (ISAE) as approved assurance standards in April 2010:

- ISAE 3402, *Assurance Reports on Controls at a Service Organisation*

The above approved standard on assurance reports is effective for service auditors' assurance reports covering periods ending on or after June 15, 2011.

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

INLAND REVENUE BOARD (IRB)

Response to Issues for Desire Working Group Meeting

Further to Circular No. TEC/039/06/2010/W dated June 2, 2010, members' are informed that in response to the operational issues submitted for the Desire Working Group meeting, members are informed that the Inland Revenue Board (IRB) has recently sent a reply to the Institute on issues related to increase in tax under Section 107C(9) of the Income Tax Act, 1967 and penalty imposed on late submission of Form CKHT 1A.

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

Public Ruling No. 2/2010 – Allowable Pre-Operational and Pre-Commencement of Business Expenses

Further to Circular No. TEC/041/06/2010/W dated June 14, 2010, members' are informed that the IRB has issued Public Ruling No. 2/2010: Allowable Pre-Operational and Pre-Commencement of Business Expenses on June 3, 2010.

Public Ruling No. 2/2010 provides clarification on the treatment of pre-operational or pre-commencement of business expenses allowable when a person commences his operations or his business under the provisions of the Income Tax Act, 1967 and the Rules that have been issued by the Minister of Finance.

Public Ruling No. 2/2010 is effective from Year of Assessment 2010 and subsequent years. It supersedes the Public Ruling No. 2/2002 issued on July 8, 2002.

The above Public Ruling can be downloaded from the IRB's website at:
http://www.hasil.gov.my/lhdnv3e/documents/KetetapanUmum/2010/PR02_2010.pdf.

Petroleum Income Tax Guidelines

Further to Circular No. TEC/045/06/2010/W dated June 25, 2010, members' are informed that the IRB has issued the Petroleum Income Tax Guidelines on June 3, 2010.

The purpose of the Guidelines is to explain the amendments to the Petroleum Income Tax Act 1967 (PITA) as announced in Budget 2010 as follows:

- i. changes from preceding year basis to current year basis;
- ii. changes from Official Assessment System to Self-Assessment System;
- iii. payment of petroleum income tax; and
- iv. transitional provisions for the year of assessment 2010 in respect of basis period ending in the year 2010 and the subsequent years of assessment.

The above Guidelines can be downloaded from the IRB's website at:
http://www.hasil.gov.my/lhdnv3e/documents/maklumat_terkini/Garis%20Panduan%20PITA%20%20final%203.6.pdf.

COMPANIES COMMISSION OF MALAYSIA (SSM)

Practice Note 9/2010 – Application for Extension of Time:

- To Convene the Annual General Meeting of a Company; and

- To Lay the Profit and Loss Accounts of a Company

Further to Circular No. TEC/040/06/2010/W dated June 11, 2010, members' are informed that the Companies Commission of Malaysia (SSM) has issued Practice Note 9/2010 (PN 9) to explain and facilitate the understanding of officers of companies in the application for extension of time in relation to:

- (i) the convening of the annual general meeting (AGM) of a company; and
- (ii) the laying of the profit and loss accounts during the AGM of a company.

Pursuant to Section 143(1) of the Companies Act 1965 (CA 1965), a company is required to convene its AGM once in every calendar year and not more than 15 months after the holding of the last AGM, A newly incorporated company is required to hold its first AGM within 18 months of its incorporation.

As stated under Section 169(1) of CA 1965, directors of a company are required to lay before the company at its AGM the profit and loss account for the period since the date of the preceding account made up to a date of not more than six (6) months before the date of such AGM.

Sections 143(2) and 169(2) of CA 1965 confer the Registrar with the discretionary powers to allow extension of time to hold the AGM and to lay the profit and loss accounts.

The Registrar may exercise his discretion to grant the extension of time under Sections 143(2) and 169(2) of CA 1965 even beyond a calendar year. Such discretion may be exercised by the Registrar upon his satisfaction that there exist special reason for such extension to be granted.

The PN 9 has outlined the procedure and circumstances amounting to "special reason" which justifies the granting of the extension of time by the Registrar.

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

Addendum to Practice Note 1/2008

- Guiding Policies on the Submission of Annual Return Following the Issuance of Practice Note 1/2008

Further to Circular No. TEC/043/06/2010/W dated June 17, 2010, members' are informed that the SSM has issued an Addendum to Practice Note (PN) 1/2008 to address the implementation issues faced by the public to ensure uniformed interpretation and application of PN 1/2008.

The Addendum has set out the policies on the submission of annual returns (AR) following the issuance of PN 1/2008 under different scenarios as follows:

- Submission of AR with multiple sets of audited accounts;
- Submission of AR for previous years (prior to June 13, 2008);
- Submission of audited accounts for previous years (prior to June 13, 2008); and

- Late submission of audited accounts of previous years (prior to June 13, 2008).

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

Notice on Tendering of Company Registration Number

Further to Circular No. TEC/046/06/2010/W dated June 30, 2010, members' are informed that the SSM has issued a notice on the tendering of company registration number. The company registration numbers which are opened for tender starting from June 28, 2010 until July 30, 2010 have been posted in the website.

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

MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB)

MASB Exposes Draft Interpretations

Further to Circular No. TEC/044/06/2010/W dated June 18, 2010, members' are informed that the MASB has recently issued [draft] IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* and [draft] *Prepayments of a Minimum Funding Requirement* (Amendments to IC Interpretation 14).

These Draft Pronouncements are word for word of those issued by the International Accounting Standards Board (IASB), i.e. IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* and of a *Minimum Funding Requirement* (Amendments to IFRIC 14) respectively.

[draft] IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments

[draft] IC Interpretation 19 addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. Accounting by a creditor is not addressed in the pronouncement.

[draft] IC Interpretation 19 proposes that the equity instruments issued to be measured at their fair value. If their fair value cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. Any difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in the entity's profit or loss for the period.

The Draft Interpretation may impact entities that have previously recognised the equity instruments issued in a debt for equity swap at the carrying amount of the financial liability. It will also apply to partial extinguishments of the financial liability by the issue of equity instruments to the creditor and the modification of the terms of the financial liability that remains outstanding.

[draft] Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)

The proposed amendments apply in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of

contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such early payment as an asset.

Interested parties, including the business communities, are encouraged to study the Exposure Draft and provide feedback to MASB. The exposure period expires on **July 15, 2010**.

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

BURSA MALAYSIA SECURITIES BERHAD

Amendments to the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market

- Callable Bull or Bear Certificates

Further to Circular No. TEC/042/06/2010/W dated June 14, 2010, members' are informed that pursuant to Section 9 of the Capital Markets and Services Act 2009 ("CMSA"), amendments have been made to the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") to allow the issuance and listing of callable bull or bear certificates ("CBBC") on Bursa Securities.

The amendments aim to enhance the attractiveness of listing of structured warrants ("SW") by allowing the issuance and listing of CBBCs on the Main Market, thus enhancing the market framework by:

- (a) increasing the depth and breadth of the capital market by offering a wider variety of SWs listed on Bursa Securities;
- (b) meeting the demands of SW issuers and enhancing the attractiveness of listing of SWs on Bursa Securities; and
- (c) providing wider options to investors on the choice of investment on Bursa Securities.

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

UNIVERSITI KEBANGSAAN MALAYSIA (UKM)

2010 Tuanku Ja'afar Law Conference

Members are informed that Universiti Kebangsaan Malaysia (UKM) is organising the 2010 Tuanku Ja'afar Law Conference (TJLC) in association with the Companies Commission of Malaysia (SSM) on October 19 – 20, 2010 at Menara SSM @ Sentral, Kuala Lumpur.

The 2010 TJLC will deliberate on the subjects of corporate governance and corporate responsibility consistent with the recent developments in the 21st century business environment.

Members who wish to present their papers at the Conference are invited to submit the abstract and complete working papers on the above subject matters by May 15, 2010 and July 1, 2010 respectively to tjc2010@ukm.my.

Members who are interested to attend the Conference are eligible for the early bird registration fee of RM900 if they register for the Conference on or before June 30, 2010.

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

Members Updates

Membership Data Update

Members are duly 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: +603-2698 9403. You may also send an e-mail to 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 or call +603-2698 9622.

CPD On-Line Record

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

An on-line CPD Record functionality has been added to the MICPA website, which facilitates members to update their CPD records on-line in the format provided. Please visit the MICPA website at www.micpa.com.my, login as a Member, click on 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.

News from Regulatory Bodies

BANK NEGARA MALAYSIA (BNM)

Issuance of New Licences

Following the announcement made on April 27, 2010 on the liberalisation of the financial services sector, Bank Negara Malaysia has received strong interest from financial institutions to establish a presence in Malaysia.

In this regard, Bank Negara Malaysia wishes to announce that pursuant to the Banking and Financial Institutions Act 1989, five commercial banking licences will be issued to the wholly-owned subsidiaries of the following banking institutions:

1. BNP Paribas SA, France;
2. Mizuho Corporate Bank, Japan;
3. National Bank of Abu Dhabi, United Arab Emirates;
4. PT Bank Mandiri (Persero) Tbk., Indonesia; and
5. Sumitomo Mitsui Banking Corporation, Japan.

The presence of these banks will also further enhance Malaysia's international linkages through facilitating international trade and investment flows between Malaysia and other parts of the world. For further information, please visit www.bnm.gov.my.

Appointment of Deputy Governor, Special Adviser and Assistant Governor of BNM

In a press release dated June 15, 2010, Bank Negara Malaysia announced the following appointments:

- YBhg Dato' Muhammad Ibrahim as Deputy Governor for a three year tenure effective June 16, 2010;
- YBhg Dato' Ooi Sang Kuang as Special Adviser for a one year tenure following the completion of his term of eight years as Deputy Governor; and
- Puan Jessica Chew Cheng Lian as Assistant Governor for the regulation sector effective June 16, 2010.

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

Issuance of Sukuk 1Malaysia 2010

In a press release dated June 23, 2010, the Ministry of Finance announced the issuance of Sukuk 1Malaysia 2010 on June 21, 2010. Sukuk 1Malaysia 2010 amounted to RM2.4 billion was allocated to 74,781 investors. Successful investors will be notified by their agent banks.

Sukuk 1Malaysia 2010 which is scripless and based on Shariah principles, is an additional investment instrument for Malaysian citizens who are 21 years and above. The sukuk, which has a 3-year tenure, offers a return of 5% per annum. Sukuk 1Malaysia 2010 has a resaleable feature which provides the flexibility for investors to sell and purchase the sukuk before the maturity date.

Beginning June 22, 2010, investors can sell and purchase the sukuk at agent banks. The purchase of sukuk is based on a first-come first-served basis, with no maximum limit, subject to the availability of the sukuk sold by existing sukuk holders. The selling and buying prices are calculated based on principal at par plus accrued profit.

For further information on Sukuk 1Malaysia 2010, please contact BNMTELELINK at 1-300-88-5465 or by visiting www.treasury.gov.my and www.bnm.gov.my.

Foreign Electronic Brokers Allowed to Offer Electronic Broking Platforms in the Malaysian Foreign Exchange Market

In a press release dated June 25, 2010, BNM announced that foreign electronic brokers would be allowed to offer electronic broking platforms for wholesale interbank trading in the Malaysian foreign exchange market with effect from July 1, 2010.

This initiative is aimed towards enhancing the participation of new players in the foreign exchange market to further increase the dynamism and competitiveness of this market. This flexibility will promote greater trading activities as electronic broking platform increases transparency, improves market efficiency and lowers transaction costs for the market participants.

Foreign electronic brokers who are interested to provide such service in Malaysia may submit the application to Bank Negara Malaysia in accordance with the requirements of the Banking and Financial Institutions Act 1989. For further information, please visit www.bnm.gov.my.

SECURITIES COMMISSION MALAYSIA (SC)

SC Amends Guidelines to Facilitate Multi-Class Structure for Unit Trust Funds

The Securities Commission Malaysia (SC) has amended the Guidelines on Unit Trust Funds (GUTF) to facilitate a multi-class structure for unit trust funds, giving investors more flexibility as well as helping the growth of cross-border offerings of Malaysian unit trusts.

With the amendments, which take effect on June 1, 2010, a single unit trust fund will now be able to offer multiple classes of units over a single investment pool, with each class of units having different features such as the fees and charges imposed and the currency in which it is denominated.

As such, investors will be able to choose the class that best suit their preferences and investment objectives. For example, investors may have the choice of paying an upfront fee with lower annual fees or higher annual management fees in lieu of an upfront fee. This enables better matching of the investment preferences for different investor groups.

The amendments are also envisaged to facilitate the growth of cross-border offerings of Malaysian unit trust funds under the Mutual Recognition Agreements (MRAs) which the SC has signed with the Dubai International Financial Centre and Hong Kong. Investors holding foreign currencies can now invest directly into a class of units denominated in that foreign currency as opposed to converting their investment sum into Ringgit Malaysia. For further information, please visit www.sc.com.my.

Malaysia Launches Global Search for Most Outstanding Contributor to Islamic Finance

Spearheaded by the Malaysia International Islamic Financial Centre (MIFC) initiative, Malaysia on June 3, 2010, launched a global search to recognise and honour the outstanding contribution of an exceptional individual in Islamic finance.

A special taskforce, headed by the Securities Commission Malaysia Chairman YBhg Tan Sri Zarinah Anwar, has been established to spearhead the implementation of this effort.

Unlike commercial awards that are based on deals, this award is unique as it focuses on the individual's record of achievement and outstanding contribution towards the development and advancement of Islamic finance globally. The selection process of this award will be rigorous and based on an independent international jury.

With immediate effect, nominations from the global finance community can be made via the website www.mifc.com/award. The closing date for nominations is July 15, 2010.

For further information, please visit www.sc.com.my.

SC to host 2nd World Capital Markets Symposium

The Securities Commission Malaysia (SC) will host the second *World Capital Markets Symposium (WCMS)* on September 27 – 28, 2010 in Kuala Lumpur, with the main agenda focusing on leadership and governance in transforming the future landscape of the global capital markets.

This year's WCMS, with the theme "*Transforming Capital Markets: Leadership, Change and Governance*," will focus on the opportunities afforded to the global community to change international practices, rules and regulations as well as governance structures to make financial markets and systems more resilient.

For further information, please visit www.sc.com.my.

SC Warns PLCs on Destruction of Company Documents

The SC has issued a stern reminder to directors and principal officers of PLCs of the severe consequences of destroying or causing loss of company documents.

Under the Capital Markets and Services Act 2007, it is an offence to destroy, conceal, mutilate or alter any record or account with the intent to defraud any person, or to prevent, delay or obstruct investigations. Upon conviction, offenders are liable to a fine of up to RM10 million or imprisonment for up to 10 years or both.

The SC is extremely concerned that in some of the cases under investigation, documents that are central to the investigations have been reported lost, destroyed or even stolen.

The SC would also like to remind auditors that they have a duty to report any breaches of securities laws or rules of the stock exchange or any matters which may adversely affect the financial situation of a PLC to the authorities. This is a critical role of auditors who are expected to bring a level of independence and professionalism to the process of financial disclosures. The SC will not hesitate to take action against anyone who is responsible for the destruction, loss or removal of any company records. For further information, please visit www.sc.com.my.

Malaysia Recognised as Approved Investment Destination by China

China has recognised Malaysia as an approved investment destination under China's Qualified Domestic Institutional Investor (QDII) scheme administered by the China Banking Regulatory Commission (CBRC).

The recognition marks a major step forward for the Malaysian capital market as it will facilitate the flow of Chinese funds into Malaysia and open up business opportunities for the Malaysian capital market intermediaries.

QDII is a scheme which enables Chinese nationals to invest in overseas markets through approved institutions. With the recognition, approved institutions regulated by CBRC and CSRC may now invest funds pooled from their clients into Malaysian securities, including equities, fixed income products and collective investment schemes approved by the SC.

Such Chinese institutions may also engage the services of licensed Malaysian fund managers to assist with QDII investment matters. The potential inflows of Chinese funds will contribute to increased liquidity in the Malaysian market.

With the designation, Malaysia now joins the ranks of 10 other QDII recognised jurisdictions under the CBRC. They are Australia, Canada, Hong Kong, Germany, Japan, Luxembourg, Singapore, South Korea, the United Kingdom and the United States.

For further information, please visit www.sc.com.my.

News from IFAC and IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IFAC SMP Committee Releases Practice Management Guide

On June 25, 2010, the Small and Medium Practices (SMP) Committee of the IFAC issued the *Guide to Practice Management for Small and Medium-Sized Practices*, which provides guidance on how this sector can better manage their practices and ultimately operate in a safe, profitable, and professional manner.

The publication includes practice management principles and best practices on a comprehensive range of topics, including strategic planning, managing staff, client relationship management, and succession planning. It features case studies to illustrate the concepts, checklists and forms, a list of further readings, and modules that may be used for training and education.

The guide was developed with CPA Australia, which was commissioned by the SMP Committee. The guide will help SMPs cope with an increasingly complex and competitive environment by providing them with information to help them operate with greater proficiency and professionalism.

The PDF print version of the guide can be downloaded free of charge from the Publications and Resources section of the IFAC website at web.ifac.org/publications/small-and-medium-practices-committee/good-practice-guidance-1.

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

IASB and FASB Issue Statement on their Convergence Work

On June 2, 2010, the IASB and the FASB announced their intention to prioritise the major convergence projects to permit a sharper focus on issues and projects that they believe will bring about significant improvement and convergence between IFRSs and US GAAP.

The IASB and the FASB are in the process of developing a modified strategy that would:

- prioritise the major projects in the MoU to permit a sharper focus on issues and projects that we believe will bring about significant improvement and convergence between IFRS and US GAAP;
- stagger the publication of Exposure Drafts and related consultations (such as public round table meetings) to enable the broad-based and effective stakeholder participation in due process that is critically important to the quality of their standards. We are limiting to four the number of significant or complex Exposure Drafts issued in any one quarter; and
- issue a separate consultation document seeking stakeholder input about effective dates and transition methods.

The modified strategy retains the target completion date of June 2011 for many of the projects identified by the original MoU, including those projects, as well as other issues not in the MoU, where a converged solution is urgently required. The target completion dates for a few projects have extended into the second half of 2011. The nature of the comments received on the Exposure Drafts will determine the extent of the re-deliberations necessary and the timeline required to arrive at high quality, converged standards.

The IASB and the FASB have begun discussions on this proposed strategy with their respective oversight bodies and regulators, including members of the IASC Foundation Monitoring Board.

It is expected that this action by the FASB and IASB will not negatively impact the Securities and Exchange Commission's work plan, announced in February, to consider in 2011 whether and how to incorporate IFRS into the US financial system. The boards expect to publish shortly a progress report that includes a revised work plan.

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

IASC Foundation Annual Report 2009 Published

The 2009 Annual Report of the International Standards Committee (IASC) Foundation has been published. The annual report comprises three sections:

- an overview of the IASC Foundation activities in 2009 including the Chairman's report;
- an overview of the activities of the International Accounting Standards Board (IASB); and

- the report of the Chairman of the Board, including the financial statements and Report of the independent auditors.

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

IASB and FASB Propose a New Joint Standard for Revenue Recognition

The IASB and the US Financial Accounting Standards Board (FASB) published for public comment a draft standard to improve and align the financial reporting of revenue from contracts with customers and related costs.

If adopted, the proposal would create a single revenue recognition standard for International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP) that would be applied across various industries and capital markets. The publication of this joint proposal represents a significant step forward toward global convergence in one of the most important and pervasive areas in financial reporting.

The proposed standard would replace IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations. In US GAAP, it would supersede most of the guidance on revenue recognition in Topic 605 of the *FASB Accounting Standards Codification*.

The core principle of the draft standard is that an entity should recognise revenue from contracts with customers when it transfers goods or services to the customer in the amount of consideration the entity receives, or expects to receive, from the customer. The proposed standard would improve both IFRSs and US GAAP by:

- removing inconsistencies in existing requirements;
- providing a more robust framework for addressing revenue recognition issues;
- improving comparability across companies, industries and capital markets;
- requiring enhanced disclosure; and
- clarifying the accounting for contract costs.

The exposure draft *Revenue from Contracts with Customers* is open for comment until October 22, 2010. For further information, please visit www.iasb.org.

News from Professional Bodies

MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

World Congress of Accountants 2010

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 MICPA will be participating as an Exhibitor in WCOA 2010

THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA

2010 Corporate Fraud Conference

The Institute of Internal Auditors Malaysia is organising the *2010 Corporate Fraud Conference* with the theme "Managing Fraud Risk" July 5 – 6, 2010 at Crowne Plaza Mutiara Kuala Lumpur. For further information on the conference and registration details, please click [here](#).

THE CHARTERED TAX INSTITUTE OF MALAYSIA (CTIM)

National Tax Conference (NTC) 2010

The Chartered Tax Institute of Malaysia (CTIM) in collaboration with the Inland Revenue Board of Malaysia (IRB) will be hosting the *National Tax Conference (NTC) 2010* with the theme "Driving Towards a High Income Economy" to be held on July 6 & 7, 2010 at the Kuala Lumpur Convention Centre.

The MICPA is a supporting body of the conference and MICPA members for register for the conference will be able to enjoy a preferential rate of registration fee. For further information, please contact Cik Nursalmi at 03-2162 8989 ext 106 or email: nur@ctim.org.my or click [here](#).

THE MALAYSIAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS (MAICSA)

MAICSA Annual Conference 2010

The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) will be holding the *MAICSA Annual Conference 2010* with the theme Governance and Ethical Practices in the Boardroom on July 19 – 20, 2010 at Hilton Sentral Hotel Kuala Lumpur.

The MICPA is a supporting body of the conference and MICPA members will be able to enjoy a preferential rate of registration fee. For further information, please contact Ms Maggie Chong/ Pn Noorshafika Hassan at 03-2282 9276 ext 612/ 611 or email: chongsm@maicsa.org.my / shafika@maicsa.org.my or click [here](#).

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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