

September 2007

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

Announcements/Activities

Hari Raya Greetings

The President, Council, Management and Staff of the MICPA would like to wish all our Muslim members, students, friends, clients and suppliers *Selamat Hari Raya Aidil Fitri. Maaf Zahir dan Batin*. The Institute will be closed for the festivities from Friday, October 12, 2007 and will resume operations on Wednesday, October 17, 2007.

MICPA presents Excellence Awards to Best Accounting Graduates and The Most Outstanding CPA Student

The Institute presented the Excellence Awards for *Best Accounting Graduates* and *The Most Outstanding CPA Student Award* at a presentation ceremony held on August 25, 2007. The Excellence Awards were presented by YBhg Datuk Ali Abdul Kadir, Chief Executive Officer and Head of Asia, Dubai Investment Group Asia Sdn Bhd.

The first category of awards were conferred on the best accounting graduates from the local universities that offer the *Bachelor of Accountancy programme* namely UM, UKM, USM, UUM, UPM, UiTM, Uniten, IIUM and MMU whilst the second award was bestowed on the best all-round CPA student who has recently completed the MICPA examinations. The recipients of the Excellence Awards are not only outstanding in their academic performance but also in extra-curricular activities and personal development.

The *2007 Most Outstanding CPA Student Award* was presented to Ms Rosalind Tay Swee Pei who is currently attached to Ernst & Young Kuala Lumpur. Rosalind joined the MICPA training programme in August 2005 under articleship with Ernst & Young. She passed each module of the Advanced Stage Examination of the MICPA Examination at the first attempt.

A *Certificate of Meritorious Achievement* was also presented to all the finalists for the two categories of Excellence Awards. *Congratulations to all Recipients!*

Appreciation Award to Approved Training Organisation

As members are aware, the MICPA provides for two Streams of training. The MICPA students may undertake their training in accounting firms or in approved training organizations in commerce, industry or the public sector. The Institute presented an Appreciation Award to West Synergy Sdn Bhd in recognition of the organisation's commitment and support for the MICPA training programme under Stream II.

MACPA Educational Trust Fund

A token of Appreciation was presented to two kind-hearted individuals in recognition of their support towards the accountancy profession by donating all the royalties collected from the sales of their newly published book titled "*Practical Auditing in Malaysia*" to the MACPA Educational Trust Fund. The recipients were YBhg Puan Sri Datin Mary Lee Siew Cheng and Ms Tong Seuk Ying.

The MACPA Educational Trust Fund (ETF) was set up in 1981 to promote education and research in accountancy and related fields. The Trust Fund continues to provide financial assistance to young Malaysians with outstanding academic record but who are financially disadvantaged to pursue a higher accountancy qualification.

MICPA participates in Career Fairs and Exhibitions

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 Malaysia CPA programme.

The Institute will be participating in the following upcoming Career Talks:

- *Universiti Utara Malaysia on September 29, 2007;*
- *Taylor's Business School in conjunction with their Accounting Day with the theme Accountancy: The Revolution to be held on October 4, 2007.*

Members Update

ACCA-MICPA Mutual Recognition Agreement (MRA)

The recent MRA between ACCA and MICPA provides a route for qualified members of either body to become a member of the other body, and to enjoy the benefits which both bodies can offer. Strong and meaningful international alliances such as this one are a very positive development for the profession as a whole and for the CPA Malaysia designation in particular. For further information, please click link [here](#) to refer to the FAQs or you may call Pn Adzlyn Aladzimy, Membership Services Officer at Tel: 03-2698 9622 for further information or e-mail: membership@micpa.com.my

Young CPA Group

As members are aware, the *Young CPA Group* was established in 2004 with the aim to 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 and suggestions and recommendations. If you are a CPA below the age of 40, please register yourself online at www.micpa.com.my

Be Different, and join the Young CPA Group Today!

2008 Budget Commentary & Tax Information

The Malaysian Institute of Accountants (MIA), The Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Taxation (MIT) have once again put their resources together to publish the annual *Budget Commentary & Tax Information* booklet. The 7th edition of the highly demanded 2008 Budget Commentary & Tax Information contains an exclusive summary and commentary on the 2008 national budget proposals as well as other tax information for quick and easy reference. A practical and informative guide, the booklet is a useful tool that no

financial or taxation professional should do without. Each member from MICPA, MIA and MIT would have received a complimentary copy of the booklet. Should you require additional copies, please click [here](#) to order. The cost is RM9.00 per copy.

CPA Tax and Investment Review 2007

The *CPA Tax and Investment Review*, an annual publication of the Institute is intended to serve as a quick source of reference on the latest changes in tax laws and regulations as well as Government's policies and guidelines on investment and incentives. The publication is a handy source of reference on the latest changes and developments in tax laws, investment policies, incentives and other relevant information on doing business in Malaysia. All members would have received a complimentary copy of the booklet. Should you require additional copies, please click [here](#) to order. The cost is RM28.00 per copy

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.

A CPD On-Line 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. For further information, please contact Mr Joseph Leong, Education & Training Manager at 03-2698 9622 or E-mail: joseph.edu@micpa.com.my

MICPA Practising Certificate

The Membership Affairs Committee of the Institute in considering applications for practising certificates, 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 the bye-laws of the Institute, 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 Cik Adzlyn at membership@micpa.com.my or Cik Ruhaizah at ri.stud@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 link here to download the form and fax the completed form to the MICPA Secretariat at Fax No. 03-2698 9403.

Upcoming Continuing Professional Development (CPD) Programmes

Audit Guide for Practitioners

The Institute is conducting a series of two-day Workshop on *Audit Guide for Practitioners* during July to December 2007 in the major cities. 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. For further information, please click [here](#)

All participants at the Workshop will receive a complimentary copy of the MICPA Audit Guide for Practitioners. The Audit Guide is also available for sale at RM250 for MICPA members and at RM350 for others.

Forum on Implementation and Application of Financial Reporting Standards – Key Issues Impacting Professional Accountants

The Public Practice Committee of the Institute is organising a Forum cum hi-tea on *Implementation and Application of Financial Reporting Standards – Key Issues Impacting Professional Accountants*. The event will be held on September 28, 2007 at The Legend Hotel Kuala Lumpur. The Forum is intended to highlight the implementation and application issues relating to the Financial Reporting Standards currently faced by professional accountants, in particular auditors. For further information, please click [here](#)

Impact of the 2008 Budget on Business and Tax Updates

A one-day Seminar on *Impact of the 2008 Budget on Business and Tax Updates* will be held on October 9, 2007 at Seri Pacific Hotel Kuala Lumpur. The Seminar will highlight some of the key Budget proposals relating to tax incentives and its impact on Malaysian businesses. It will also update participants on the issues relating to Advance Rulings, the recent gazette orders and case law developments and factoring taxation into mergers and acquisitions. For further information, please click [here](#)

Risk-Based Auditing

A one-day Workshop on *Risk-Based Auditing* will be held on October 31, 2007 at Seri Pacific Hotel Kuala Lumpur.

The workshop aims to provide participants with a thorough understanding of the risk-based auditing and the application of the following standards – ISA 300 (Revised), *Planning an Audit of Financial Statements*, ISA 315, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, ISA 320, *Audit Materiality*, ISA 330, *The Auditor's Procedures in Response to Assessed Risks* and ISA 402, *Audit Considerations Relating to Entities Using Service Organisations*. For further information, please contact Mr Joseph Leong, Education & Training Manager on Tel: 03-2698 9622 or E-mail: joseph.edu@micpa.com.my

Updates from Regulatory Bodies

BURSA MALAYSIA BERHAD

Best Practices Guidelines in Islamic Stockbroking Services launched

Bursa Malaysia Berhad urged stockbroking companies to offer Islamic stockbroking business or services in an effort to broaden the development of overall Islamic financial services in Malaysia as well as bring in new global funds to the capital market.

The new Bursa Malaysia's Best Practices Guidelines in Islamic Stockbroking Services is a set of voluntary guidelines that outline key areas covering the operations and compliance aspects of an Islamic stockbroking business. The framework sets out the recommended best practices in carrying out stockbroking services in accordance with Shariah principles.

Bursa Malaysia Berhad's Chief Executive Officer, Dato' Yusli Mohamed Yusoff commented, "The establishment of the Best Practices in Islamic Stockbroking Services further affirms Bursa Malaysia's drive in positioning itself as a destination for the global Islamic investment dollars. The availability of high-quality intermediation services is critical to the next phase of growth of the Islamic capital market. Therefore, it is imperative for the intermediaries to offer a comprehensive suite of services that cover both conventional and Islamic trading. The expertise that they will develop can go a long way in helping to expand the size of the global Islamic capital market."

Dato' Yusli added, "As announced in Budget 2008, existing stockbroking companies which set up Islamic stockbroking business on a full-fledge basis will be granted tax exemption. It is hoped that with this tax incentive, stockbrokers in Malaysia will take the opportunity to attract more investments from global investors, including the Middle East, who are keen on Shariah-compliant investments in Asian markets."

The Best Practices in Islamic Stockbroking Services can be used to assist intermediaries in setting up Islamic stockbroking businesses through either a full-fledge basis or 'window' basis. It is widely recognized that over 86% of listed securities on Bursa Malaysia are classified Shariah-compliant. The Islamic securities form a market cap of RM615.04 billion or 62.45% of total market capitalization. "This positions Malaysia as having great potential to be a world-leading Islamic financial hub as we already lead the way in the development of Islamic finance in ASEAN. These developments certainly give market players more opportunities to meet investors' needs on the Islamic front, both local and international," added Dato' Yusli.

For those interested in knowing more about Bursa Malaysia Best Practices in Islamic Stockbroking Services, please visit the website www.bursamalaysia.com for further details

RM500,000 Worth of prizes up for grabs in stock challenge

The Bursa Pursuit online stock challenge game will run from October 1, 2007 to 30 November 2007 and will give participants the opportunity to win prizes valued up to RM500,000, including three grand prizes worth RM100,000 each. This online game starts with a virtual capital of RM250,000 and is open to Malaysians above the age of 18 years. Bursa Pursuit features educational elements such as trading tools and analyst reports and most importantly, engages participants in the actual analyzing, buying, selling and monitoring aspects of stock trading.

The event is sponsored by HLeBroking (HLG Securities Berhad), i*trade@CIMB (CIMB Investment Bank), OSK188 (OSK Investment Bank Berhad) and RHBIInvest (RHB Investment Bank Berhad).

For more information on this online investment challenge, please visit www.bursamalaysia.com and click on Bursa Pursuit.

Bursa Station Basic helping traders make better investment decisions

Bursa Malaysia Information Sdn Bhd, a subsidiary of Bursa Malaysia Berhad, together with SI Portal.com Sdn Bhd on September 5, 2007 announced the immediate availability of Bursa Station Basic - a powerful, web-based stock information services incorporating live share prices, fundamental data and Bursa News specifically targeted to retail investors.

Bursa Station Basic is an entry level product of the Bursa Station family that allows users to access stock information online through internet browsers. In April 2006, both partners launched Bursa Station Professional which is currently used by sophisticated investors, remisiers and financial institutions.

Bursa Malaysia continuously searches for ways to improve investor education in order for investors to make informed investment decisions. Bursa Station Basic reaffirms the proactive approach to the industry by creating a trading tool that provides timely market analytic services in a user-friendly manner.

Mr Christopher Lee, Managing Director of SI Portal.com Sdn Bhd said, "SI Portal is proud to jointly develop and launch Bursa Station Basic with Bursa Malaysia. This product is designed for investors who are new to the stock market but desire more information instead of just basic trading data. The features of Bursa Station Basic are designed with the fundamental investor in mind where immediate access to detailed information will enable investors to make an informed investment decision." As part of the promotion campaign for Bursa Station Basic, users can sign up for a 1-week trial. The promotion runs until December 31, 2007 and users can subscribe to Bursa Station Basic for only RM20 per month during this period.

To learn more about Bursa Station Basic, log on to www.BursaStation.com or contact Tel: 603 – 2166 4518

Securities Commission (SC)

SC Blocks new Swisscash website – Remind investors of the need for continued vigilance

As part of its on-going efforts to combat illegal investment schemes, the Securities Commission (SC), together with the Malaysian Communications and Multimedia Commission and CyberSecurity Malaysia (formerly known as NISER), has blocked access to a new Swisscash website which offered an illegal investment scheme promoted by Swiss Mutual Fund on September 13, 2007.

The new website, www.swisscashguide.com, has recently surfaced on the Internet amidst the SC's proactive and on-going efforts to block such illegal investment websites. This latest move brings to four the number of websites related to Swisscash that have been blocked. Earlier in June, the SC had blocked three such websites namely www.swisscash.net, www.swisscash.biz and www.swissmutualfund.biz

Investors are again reminded that neither Swiss Mutual Fund nor Swisscash are licensed by the SC. In fact the activities of Swiss Mutual Fund/Swisscash have also been declared illegal in several other countries such as Jamaica and China.

Members of the public are also urged not to be taken in by assurances of the scam's operators and agents that the promised returns will be paid through SMS or mail, or once the websites are unblocked.

The SC will continue to take all measures to combat investment scams including blocking access to more websites, and taking appropriate enforcement action against its operators and agents.

Meanwhile, in the civil suit filed by the SC against the persons behind Swisscash, the court is scheduled to hear on September 24, 2007 the *inter parte* Mareva injunction together with an application filed by the SC for orders directing one of the defendants, Amir Hassan to transfer his overseas monies back to Malaysia.

The SC had on June 21, 2007 obtained a worldwide Mareva injunction against persons involved in the Swisscash investment scam, preventing them from disposing their assets in and outside of Malaysia. The Mareva requires the defendants to disclose information pertaining to all their assets in and outside of Malaysia, the companies they have incorporated, and the bank accounts they operate. For further information, please visit www.sc.com.my

Change of Department Name

The Securities Commission is pleased to announce that the SC Complaints Department has changed its name to the Investor Affairs & Complaints Department to better reflect the department's focus and scope of work. The Investor Affairs & Complaints Department of the Securities Commission (SC) inquires into complaints on improper conduct and other irregularities in the securities and futures markets to assess whether they disclose offences under the securities laws. The SC welcomes all types of related complaints since the complaints can assist in alerting the SC of irregular activities occurring within the industry or new trends involving investment scams for public money. For more information, please visit www.sc.com.my

The department's contact details remain unchanged – Tel: 603-6204 8999, Fax: 603-6204 8991 or E-mail: aduan@seccom.com.my

Inland Revenue Board of Malaysia (IRB)

Submission of Borang C and Borang R by Companies with Financial Years Ended December 31, 2006 and March 31, 2007

Members are informed that the Inland Revenue Board has agreed to extend the deadline for submission of Borang C and Borang R of companies with financial years ended December 31, 2006 and March 31, 2007 until August 14, 2007 and November 14, 2007 respectively. All Borang C and Borang R must be submitted to Pusat Pemprosesan at Pandan Indan on or before the dates mentioned above.

The extension of time also applies to the payment of the balance of tax payable under Section 103(1) of the Income Tax Act 1967.

Update of Assessment and Settlement of Balance of Tax Payable for New Applicants and Applicants for Renewal of Approval as Tax Agents under Subsection 153(3) of the Income Tax Act 1967

Members are informed that it is the policy of Inland Revenue Board (IRB) that all new applicants and applicants for renewal of approval as tax agents must update all their assessments and settle the balance of their tax payable before approvals are given, despite an earlier arrangement with the IRB to allow for tax to be paid in installments. This is to ensure that every tax agent sets a good example for their clients in complying with the laws and regulations required by IRB.

2007 Taxation Seminar Schedule

The IRB will be organising a series of 2007 taxation seminars in various states. To view the schedule, please click here www.hasil.org.my

Companies Commission of Malaysia (SSM)

Lodgement of Annual Return and Financial Statements/ Accounts Under Section 165 of the Companies Act 1965

The Companies Commission of Malaysia (SSM) requires that the financial statements/ accounts (Balance Sheet and Profit and Loss Accounts) be submitted with the annual return (AR) in accordance with SSM's Subsection 165(2) of the Companies Act 1965.

SSM will reject a lodgement of the annual return if it is not accompanied with the financial statements/ accounts of the company unless:

- a. A written confirmation from the company that the accounts will be tabled at the adjourned Annual General Meeting (written confirmation in the cover letter/ a separate letter) or;
- b. The annual return is attached to the Certificate for Exempt Private Companies and Auditor's Statement in accordance with Section 165A of the Companies Act 1965.

Notice of Application of Form E for Renewal of Registration of Businesses

The SSM have informed that with effect from May 16, 2007, the new Form E on the Declaration for Renewal of Registration of Businesses shall be used in accordance with the amendments to the Methods for Registration of Businesses 1957 via the Methods of Registration of Businesses (Amendments) 2007 – P.U (A) 162 (Amendment Methods).

The new Form E is to replace Form D as the Declaration for Renewal of Registration of Businesses. This is to avoid any confusion relating to Form D, which is now applicable to the new application for Declaration of Registration of Businesses only. Please click [here](#) to download the new Form E

News from Other Professional Bodies

International Federation of Accountants (IFAC)

IFAC'S Public Sector Accounting Standards Board Proposes Updates to Improve the Clarity of Foreign Exchange Rates Standard

The International Public Sector Accounting Standards Board (IPSASB), an independent standard-setting board within the IFAC, is seeking comments on an exposure draft (ED) developed as part of its project to enhance the clarity and usability of its International Public Sector Accounting Standard (IPSAS) that addresses accounting for fluctuations in exchange rates. *ED 33, Amendments to IPSAS 4, The Effects of Changes in Foreign Exchange Rates*, proposes updates to IPSAS 4 to reflect, as appropriate for the public sector, the latest revisions to the corresponding International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB). Key proposals in ED 33 reflect amendments made by the IASB to International Accounting Standard 21, *The Effects of Changes in Foreign Exchange Rates*.

Converging IPSASs with IFRSs, where appropriate for the public sector, is one of the key objectives of IPSASB's standards development program. The exposure draft proposes a number of changes to IPSAS 4, most notably, to clarify and amend the existing guidance for situations where the public sector entity has an interest in a foreign operation.

Comments on the ED are requested by December 31, 2007. The ED may be viewed by going to <http://www.ifac.org/EDs>. Comments may be submitted by email to publicsectorpubs@ifac.org. They can also be faxed to the attention of the IPSASB Technical Director at +1 (416) 977-8585, or mailed to the IPSASB Technical Director at 277 Wellington Street West, 6th Floor, Toronto, Ontario M5V 3H2, Canada. All comments will be considered a matter of public record and will ultimately be posted on the IFAC website.

IFAC Seeks Proposals to Develop Practice Management Guide for Small and Medium Accounting Firms

The IFAC is requesting proposals for the development of a practice management guide for use by small and medium accounting practices (SMPs). The purpose of the guide will be to assist SMPs in managing their practices in an efficient, profitable and professional manner. It is intended that the guide will cover a range of topics, such as strategic planning, management structure, client relationships, managing finances and risk, partnership issues, networking and succession planning.

The development of this practice management guide is part of the SMP Committee's plan to provide a series of explanatory guides aimed at helping SMPs to comply efficiently with international standards and to deliver high quality, cost-effective services.

The guide will be made available to all IFAC member bodies at no charge for end use by practitioners, in particular, those managing the practice. The specifications for the *Request for Proposal: Development of a Practice Management Guide for use by Small and Medium Practices* are available on the IFAC website at http://web.ifac.org/download/Practice_Management_Guide_RFP.pdf.

International Accounting Standards Board (IASB)

IASB proposes improvements to the accounting for joint arrangements

The International Accounting Standards Board (IASB) has published for public comment a proposal to improve the accounting for joint arrangements. ED 9 Joint Arrangements proposes a replacement to the existing standard IAS 31 Interests in Joint Ventures, and represents the first major revision to the standard since it was first issued in 1990.

The review also forms part of the IASB's short-term project with the US Financial Accounting Standards Board (FASB) to reduce differences between International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (US GAAP).

The main focus of the proposals is on the two aspects of the current accounting for joint arrangements that the IASB considers are an impediment to high quality reporting.

- The current accounting for joint arrangements follows the legal form in which the activities take place. This does not always reflect the contractual rights and obligations agreed to by the parties. Shifting the focus to these rights and obligations will provide a more realistic reflection of the joint arrangement in the financial reports of the parties involved.
- The existing standard gives preparers a choice when accounting for interests in jointly controlled entities, making it difficult to compare financial reports. ED 9 Joint Arrangements proposes to remove that choice by requiring parties to recognise both the individual assets to which they have rights and the liabilities for which they are responsible, even if the joint arrangement operates in a separate legal entity. If the parties only have a right to a share of the outcome of the activities their net interest in the arrangement will be recognised using the equity method.

The proposals are designed to provide users with more information about the operations an entity conducts through joint arrangements - including a description of the nature of joint arrangements and summarised financial information relating to its interests in joint ventures.

ED 9 Joint Arrangements will be freely available on the website from September 27, 2007. It is open for comment until January 11, 2008. For further information, please visit www.iasb.co.uk

The IASB proposes additional guidance on hedge accounting

The IASB published for public comment an exposure draft of proposed amendments to IAS 39 *Financial Instruments: Recognition and Measurement*. The amendments are intended to clarify what can be designated as a hedged item in a hedge accounting relationship.

The exposure draft specifies the risks that qualify for designation as hedged risks when an entity hedges its exposure to a financial instrument. In addition it clarifies when an entity may designate a portion of the cash flows of a financial instrument as a hedged item.

The proposals respond to requests for additional guidance on what IAS 39 permits to be designated as a hedged item. Although the IASB is undertaking research that will

ultimately lead to the replacement of IAS 39, that work is at an early stage. The IASB therefore decided to propose the amendments contained in the exposure draft. The exposure draft of proposed amendments to IAS 39—*Exposures Qualifying for Hedge Accounting* is available for eIFRS subscribers from today and will be freely available on the Website from September 17, 2007 and it is open for comment until January 11, 2008.

About the exposure draft

The main two issues in the exposure draft on which the IASB hopes to receive respondents' comments are:

- whether they agree with the proposed amendments regarding qualifying risks for designation as hedged risks of a financial instrument, and the situations that an entity can designate a portion of the cash flows of a financial instrument as a hedged item; and
- whether they believe that the proposed amendments would result in a significant change to existing practice, and if so, what those changes would be.

For further information, please visit www.iasb.co.uk

IASB issues revised standard on the presentation of financial statements

The IASB issued a revised version of IAS 1 *Presentation of Financial Statements*. The revision is aimed at improving users' ability to analyse and compare the information given in financial statements.

The changes made are to require information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners in their capacity as owners (such as dividends and share repurchases) separately from 'non-owner' changes (such as transactions with third parties). In response to comments received through the consultation process the revised standard gives preparers of financial statements the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income).

The revisions include changes in the titles of some of the financial statements to reflect their function more clearly (for example, the balance sheet is renamed a statement of financial position). The new titles will be used in accounting standards, but are not mandatory for use in financial statements.

The revised standard will come into effect for the annual periods beginning on or after January 1, 2009, but early adoption is permitted.

The publication of IAS 1 marks the completion of the first phase of the IASB's joint initiative with the US Financial Accounting Standards Board (FASB) to review and harmonise the presentation of financial statements. The second phase, which has already begun, is examining more fundamental questions about the presentation of information in financial statements and the IASB expects to publish a discussion paper on the subject within the next six months.

Introducing the revised IAS 1, Sir David Tweedie, Chairman of the IASB, said “Any changes to the way financial information is presented will quite rightly attract much interest. With the first phase of this project now completed we look forward to addressing the more fundamental questions as part of a broad consultation that will start at the beginning of next year. I would strongly encourage all those who have an interest in financial reporting to participate in this consultation in order to ensure that the best ideas available are given due consideration by the Board”.

For further information, please visit www.iasb.co.uk

IFRIC publishes proposed Guidance on Hedges of a Net Investment in a Foreign Operation

The International Financial Reporting Interpretations Committee on July 19, 2007, released for public comment a draft Interpretation, IFRIC D22 *Hedges of a Net Investment in a Foreign Operation*. The proposal is open for public comment until October 19, 2007.

IFRIC D22 clarifies two issues that have arisen on two accounting standards - IAS 21 *The Effects of Changes in Foreign Exchange Rates* and IAS 39 *Financial Instruments: Recognition and Measurement* - about the accounting for hedging foreign currency risk within a company and its foreign operations. The IFRIC proposal clarifies what qualifies as a risk in the hedge of a net investment in a foreign operation and where within a group the instrument that offsets that risk may be held. For further information, please visit www.iasb.co.uk

**The IFRIC is the interpretative arm of the International Accounting Standards Board*

Malaysian Institute of Taxation (MIT)

2nd AOTCA International Convention 2007

MIT will be hosting the 2nd AOTCA International Convention with the theme *Tax Challenges in a Globalised Environment* to be held on November 22 – 23, 2007 at the Kuala Lumpur Convention Centre.

The Asia Oceania Tax Consultants' Association is a professional body representing 20 member organisations from 16 countries. AOTCA's main purpose is to provide a forum for the exchange of information, knowledge and experiences among member bodies, to promote studies on taxation, and to exert for the expansion and development of the tax profession primarily in this region. For further information and registration details, please contact Cik Nur or Ms Anusha at 03-2162 8989 ext 106 or E-mail at nur@mit.org.my or publications@mit.org.my or visit www.mit.org.my

MIT Tax Handbook

The newly updated MIT Tax Handbook is now available in CD ROM. Indexed clearly, user friendly and following a similar format as the original hard copy, users can access, print or download material without having to wade through pages and pages of paper. This CD ROM will enable you to get to reference materials at the click of a mouse. You can even copy & paste portions you need to create your own notes. For enquiries on how to get a copy, please contact Ms Mani at 03-2162 8989 ext 115 or e-mail communications@mit.org.my or visit www.mit.org.my

Other News

The Malaysian Accountant Journal

Contribution of Articles

If you have any article, which in your view, is suitable for inclusion in our columns, please send the article to the Editorial Board at vic.pr@micpa.com.my. We will be happy to review the article for possible publication in *The Malaysian Accountant*.

Advertisement Space

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Contact: vic.pr@micpa.com.my for further information.