

September 2008

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

Announcements/Activities

Hari Raya Greetings



The President, Council, Management and Staff of the MICPA would like to wish all our Muslim members and students

Selamat Hari Raya Aidil Fitri, Maaf Zahir dan Batin.

The Institute will be closed for the festivities from Tuesday, September 30, 2008 to Friday, October 3, 2008. We will resume operations on Monday, October 6, 2008.

Revised Office Hours

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

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

Schedule of MICPA Events for 2008

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

November 2008 Workshop Sessions Schedule

The Workshop Sessions for the November 2008 Examination commenced on August 16 and will end on October 19, 2008.

November 2008 Examination

The November 2008 examination of the Institute will be held from November 24 – 27, 2008.

MICPA-Bursa Malaysia Business Forum 2008

The 5th MICPA-Bursa Malaysia Business Forum 2008 will be held on October 20 & 21, 2008 at the Shangri-La Hotel Kuala Lumpur. Featuring the theme, ***Reinventing for Success***, the Business Forum will provide an invaluable platform for the exchange of ideas and experiences on the strategies and measures undertaken to promote reinvention and to strengthen the growth of businesses in light of the

changing landscape and trends of global business. For further information on the Business Forum, please contact the Marketing Manager on Tel: 03-2698 9622 or e-mail: bizforum08@micpa.com.my.

To download brochure, please click [here](#)

Presentation of 2008 MICPA Excellence Awards, Examination Certificates, Prizes, Membership & Practising Certificates

We are pleased to inform that the presentation of the Most Outstanding CPA Student Award, Examination Certificates, Prizes, Membership & Practising Certificates will be held on Saturday, October 25, 2008 at 10:00 a.m. at Best Western Premier Seri Pacific Hotel Kuala Lumpur. YB Datuk Ir Hj Idris bin Hj Haron, Deputy Minister of Higher Education I will officiate the presentation ceremony.

The event is also the occasion for the presentation of Excellence Awards for Best Accounting Graduates. For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my

NACRA 2008

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

The Adjudication process is currently underway and the Awards Presentation Ceremony for NACRA 2008 will be held on Wednesday, November 19, 2008 at Shangri-La Hotel Kuala Lumpur.

The NACRA 2008 brochure can be downloaded at the MICPA website www.micpa.com.my

Collaboration with Universities

As part of the Institute's efforts to foster closer collaboration with the academic staff of universities in a positive and mutually beneficial manner, the Institute has scheduled meetings with the Deans of the Faculty of Accountancy of the various public universities. The aim is to promote the CPA and CFiA qualifications to university students and lecturers. To date the Institute has made visits to UPM, UKM, USM, UUM, IIUM, UM, UiTM (Shah Alam, Sri Iskandar & Arau), UNITEN, MMU and Politeknik Ungku Omar, Politeknik Tuanku Sultanah Bahiyah and Universiti Terengganu Malaysia.

Career Fairs and Exhibitions

The Institute continues to embark on a more aggressive marketing strategy to position the CPA and CFiA as the designated choice. In this respect, the Institute participates actively in career fairs and exhibitions across the country to promote accountancy as a career, and in particular to create greater awareness of the CPA Malaysia and CFiA qualification. The Institute welcomes participation from young CPA members' who would like to support and participate in these activities. For further information, please contact the Marketing Manager on Tel: 03-2698 9622 or e-mail: evelyn.mktg@micpa.com.my.

Appointment of New Approved Training Organisation

We are pleased to announce that Prokhas Sdn Bhd has been appointed as an Approved Training Organisation of the Institute under Stream II.

Practical training is an integral part of the Institute's CPA programme. Under the Stream II training, candidates may undertake the CPA examinations prior to the start of practical training or during the training period and are not required to enter into a training contract but must maintain a training log book as a record of their practical experience, which must be obtained in an approved training organisation (ATO) under the supervision of a member of MICPA or approved professional body.

To date, 76 approved training organisations (ATOs) are registered with the Institute where students can undertake training. To view the list of ATOs, visit the MICPA website www.micpa.com.my, click on List of CPA Firms in the Homepage and then click on commercial firms.

Practical Auditing in Malaysia

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

Veerinder on Taxation

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

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

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

Job Opportunities on MICPA Website

As part of the Institute's service to members', Members' Firms who wish to advertise any job opportunities in their respective firms are welcome to send in the job vacancy to the Institute. The opening will be posted on the MICPA website for 1 month from the date of posting. **This service is done on an FOC basis.** 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

Issues for Discussion by Consultative Panel Between Customs and Private Sector

Members are informed that the Institute serves on the Consultative Panel between Customs and Private Sector. The Panel provides a forum for the discussion of practical issues and suggestions relating to customs and excise submitted by the private sector. Members were requested to submit any suggestions or practical problems that they have encountered in the course of their work or practice relating to customs and excise. **Kindly refer to Circular No.TEC/031/09/2008W** posted in the Members' Area on the MICPA website www.micpa.com.my

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.

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.

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

The Power to Design and Produce Business Reports

- *Pivot Table (PT1)*

A one-day Workshop on *The Power to Design and Produce Business Reports – Pivot Table (PT1)* will be held on September 29, 2008 at the Charleston Management Centre, Kuala Lumpur. Pivot Table is the single most powerful tool in Excel to create summary reports with just a few short steps without ever typing a formula. The workshop will take you from the basic of Pivot Table and progress rapidly to give you insights into the inner workings of Pivot Table, enabling you to prepare reports to solve your most pressing business needs. The case studies will provide you with the basic tools and concepts to solve specific business requirements. Mr Tang Kok Wai, Managing Director of Business Excel Pte Ltd, a leading financial consultancy and training company will lead discussions. For further information, please click [here](#)

Impact of the 2009 Budget on Business and Tax Updates

A one-day Seminar on *Impact of the 2009 Budget on Business and Tax Updates* will be held on October 14, 2008 at Best Western Premier Seri Pacific Kuala Lumpur. The 2009 Budget focused on enhancing the well-being of all Malaysians. With the theme A Caring Government, and in line with the five thrusts of the National Mission, the 2009 Budget focuses on three specific strategies, i.e. ensuring the well-being of Malaysians, developing quality human capital and strengthening the nation's resilience. The budget provides incentives to various sectors of the economy to support the country's industrial growth. The seminar will highlight some of the key budget proposals relating to tax incentives and its impact on Malaysian businesses. For further information, please click [here](#)

Financial Reporting Standards (FRS)

- *FRS 139 Financial Instruments: Recognition & Measurement*

A one-day Workshop on *Financial Reporting Standards (FRS) – FRS 139 Financial Instruments: Recognition & Measurement* will be held on October 29, 2008 at The Legend Hotel Kuala Lumpur. The workshop aims to provide an overview to the requirements of FRS 139, which has the potential to cause significant volatility to the reported earnings of financial and non-financial institutions. The workshop will also provide an appreciation of the complexity of FRS 139, and their implications on companies' financial results. For further information, please click [here](#)

A Practical Guide to Auditing

A two-day Workshop on *A Practical Guide to Auditing* will be held on December 1 & 2, 2008 at the Legend Hotel, Kuala Lumpur. The objective of the workshop is to equip participants with the technical knowledge and skills in conducting an audit of financial statements in accordance with international standards on auditing, which have been adopted for application in Malaysia.

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

Updates from Regulatory Bodies

SECURITIES COMMISSION MALAYSIA

SC Introduces New Measures to Boost Growth of REITs

In a Press Release dated August 21, 2008, the Securities Commission (SC) issued the revised *Guidelines on Real Estate Investment Trusts* (REITs Guidelines) to enhance the attractiveness of Bursa Malaysia as a destination for REIT listings and promote a vibrant and competitive REIT industry domestically and regionally.

The Guidelines, which are in line with internationally accepted standards and practices, address several practical issues affecting industry players in the management and promotion of REITs as an attractive investment vehicle. They also include measures to promote higher standards of conduct by market intermediaries. For further information, please visit www.sc.com.my

BURSA MALAYSIA BERHAD

Bursa Malaysia Announces Appointment of New Chief Information Officer

In a press release dated September 15, 2008, Bursa Malaysia Bhd announced the appointment of Mr Lim Jit Jee as its Chief Information Officer (CIO) who will head the Technology Group effective September 15, 2008. For further information please visit www.bursamalaysia.com

Karachi Stock Exchange Signs MOU with Bursa Malaysia to Establish Cooperative Opportunities

In a press release dated September 16, 2008, Bursa Malaysia announced the signing of a Memorandum of Understanding (MoU) with the Karachi Stock Exchange (KSE) to establish cooperation ties between Pakistan and Malaysia in relation to the development of each party's capital markets. The two parties have also agreed to partner in efforts that will increase awareness on the investment opportunities available in both markets as well as assist in the maintenance of orderly markets in each country. For further information, please visit www.bursamalaysia.com

MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB)

Malaysia's Convergence with IFRS in 2012

In a press release dated August 1, 2008, the Financial Reporting Foundation (FRF) and the Malaysian Accounting Standards Board (MASB) issued a statement about their plans to bring Malaysia to full convergence with *International Financial Reporting Standards (IFRS)* by January 1, 2012.

MASB's chairman, YBhg Dato' Zainal Abidin Putih said, "Since 1978, we have been incorporating the provisions of the international standards into our local accounting standards; and today we are convinced that by becoming fully IFRS compliant, Malaysia's capital and financial market will be further enhanced". Compliance with IFRS, which are used by more than a hundred countries around the world, will facilitate comparability and increase transparency. "However, he added, "we're not jumping on the bandwagon for the sake of joining the crowd. IFRS is really a robust set of standards. Because of the international consultative approach to standard-

setting, a lot of thought has gone into IFRS. It gets input from literally hundreds of people with diverse expertise, from diverse jurisdictions". For further information, please visit www.masb.org.my

SURUHANJAYA SYARIKAT MALAYSIA (SSM)

The Closure of Information Service Counters at SSM Kuala Lumpur, Selangor and Negeri Sembilan

In a notification release dated September 22, 2008, the Companies Commission of Malaysia (SSM) announced that with effect from October 6, 2008, SSM will only open 1 (one) counter for supply of company and business information. This counter is for acquisition of more than 20 (twenty) applications and for less than 20 applications, customers are required to use the SSM e-info service kiosk.

This new directive will take effect at SSM Head Office KL, SSM Selangor and SSM Negeri Sembilan before it will be implemented nationwide in stages. There would be a transition period of 3 months to enable the customer to familiarize with the new system/procedure. The full closure of the service counters would take effect on January 1, 2009 in these three locations.

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

BANK NEGARA MALAYSIA

BNM Guidelines & Circulars

Bank Negara Malaysia's Guidelines and Circulars are now available for public viewing. For further information, please visit www.bnm.gov.my

Statement by Governor of BNM on the Exchange Rate Regime

In a statement issued on September 22, 2008, the Governor of BNM said that what is needed now is stability, not rigidity. The floating exchange rate regime provides Malaysia with the flexibility to adjust to international economic and financial developments. The regime also accords exchange rate stability against our main trading partners. A fixed exchange does not eliminate volatility. It merely transfers that volatility to domestic prices such as asset prices and inflation. Therefore, a re-pegging of the ringgit has never been a consideration. To do so would be very harmful to the Malaysian economy. The ringgit will continue to operate under a managed float regime with its value being determined by the market. The Central Bank operations will continue to aim at ensuring orderly market conditions, in particular, to deal with excessive disruptions to the market. Since the unpegging of the ringgit in 2005, it has been on a gradual appreciating trend, reflecting the fundamentals of the economy. Going forward, it is expected that this underlying trend will continue. For further information, please visit www.bnm.gov.my

PEMBANGUNAN SUMBER MANUSIA BERHAD

Training Incentive Scheme for Small Enterprises

Pembangunan Sumber Manusia Berhad in an Employer's Circular No.8/2008, announced that additional fund had been allocated to enable PSMB to continue the Training Incentive Scheme for small employers registered under the Human Resources Development Fund (HRDF). Registered employers from the manufacturing and the services sectors with 10-49 workers and a paid-up capital of

less than RM2.5 million are eligible for the training incentive at the rate of RM1.00 for every RM1.00 spent on retraining and skills upgrading of their employees. For further information, please visit www.hrdnet.com.my

News from Other Regulatory / Professional / Bodies

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IFAC's IPSASB Proposes Modifications to Borrowing Cost Accounting

The International Public Sector Accounting Standards Board (IPSASB), an independent standard-setting board within the International Federation of Accountants (IFAC), is seeking comments on its proposed changes to IPSAS 5, *Borrowing Costs*, set forth in exposure draft (ED) 35, *Borrowing Costs (Revised 2008)*.

"Public sector entities borrow for a variety of reasons, most of which are unrelated to asset acquisition," said Mike Hathorn, Chair of the IPSASB. "The IPSASB concluded that requiring public sector entities to capitalize borrowing costs as part of the cost of qualifying assets would not satisfy the qualitative characteristics of general purpose financial reporting, particularly related to the reliability of information reported. The immediate expensing of these borrowing costs instead will enhance the accountability of public sector entities."

Most notably, ED 35 proposes amendments to reflect that in many circumstances the capitalization of borrowing costs as part of the cost of an asset is not appropriate for public sector entities. This view, a departure from both IPSAS 5 and International Accounting Standards Board's International Accounting Standard 23, *Borrowing Costs*, is an evolution from public sector consideration of the issue. The ED proposes that entities recognize borrowing-related expenses, such as interest or loan origination fees, during the period in which they are incurred. The ED also proposes, however, that where entities borrow funds specifically to acquire, construct or produce a qualifying asset, the entity has the option to capitalize those costs as part of the cost of that asset.

ED 35 may be viewed and downloaded, free-of-charge, by going to <http://www.ifac.org/EDs>. The IPSASB values the public's opinion and welcomes comments on its decision to require entities to expense borrowing costs, except in the circumstances outlined.

World Accountancy Week

IFAC has announced that *World Accountancy Week* will be held from December 7-13, 2008. IFAC has announced that it will not be holding any special events during the week but will be issuing the Global Leadership Survey and also reporting on the progress of other major initiatives such as the Clarity project, which will be culminating about the same time. The aim of organising the week is to give visibility to the global profession and to draw attention to its role in contributing to sound financial systems and economic growth. For further information, please contact helenekennedy@ifac.org

2008 Global Leadership Survey

This year's survey, which is currently being finalised and tested, seeks input on questions related to the attractiveness of the profession and current and future areas

of focus, with an emphasis on sustainability and corporate social responsibility. The survey will be sent to chief executives and presidents of member bodies, associates and regional accountancy organisations in early October with an early November deadline. The results will be sent to member bodies in advance and IFAC will announce the results during World Accountancy Week. For further information, please contact helenekenedy@ifac.org

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

ASBJ and IASB Meet to Review Progress in Achieving Convergence in Accounting Standards

The Accounting Standards Board of Japan (ASBJ) and the International Accounting Standards Board (IASB) held their eighth meeting on September 8-9, 2008 in London to accelerate convergence between Japanese generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs). As part of this meeting, representatives of the IASB provided an update on plans to complete the Memorandum of Understanding (MOU) agreed in 2006 between the IASB and US Financial Accounting Standards Board (FASB), and the progress of the projects including medium- and long-term items. For further information, please visit www.iasb.org

IASB and FASB Publish Update to 2006 Memorandum of Understanding

The IASB and the US Financial Accounting Standards Board (FASB) on September 11, 2008 published an update of their 2006 Memorandum of Understanding (MoU). The boards are issuing this update to report the progress they have made since 2006 and to set the goal of completing their major joint projects by 2011.

In giving a report of the progress of projects laid out in the MoU, the boards have again affirmed their commitment to developing a common set of high quality standards. Each believes that such standards would improve the quality, consistency and comparability of financial information for investors and capital markets around the world. For further information, please visit www.iasb.org

IASB Provides Update on Response to the Credit Crisis, Issues Draft Report from Expert Advisory Panel

The IASB on September 16, 2008 released an update on a range of projects that collectively address issues highlighted by the current dislocation in credit markets, commonly referred to as the credit crisis. It has also published a draft report of the discussions of the expert advisory panel set up by the IASB to consider the application of fair value when markets are no longer active.

Commenting on the update and the draft report, Sir David Tweedie, Chairman of the IASB, said that "accounting is not the cause of the credit crisis, but it is important that market participants should have confidence in the information presented within financial statements. It is for this reason that the IASB has been monitoring the performance of IFRSs and has moved swiftly to deal with issues highlighted by the credit crisis. He added that the IASB had made good progress in meeting the goals set out in the Financial Stability Forum report of April 2008 and will continue to synchronise our response with that of the global regulatory community. For further information, please visit www.iasb.org

Additional Board Meeting on October 2, 2008

At its recent meeting held in September, the IASB has decided to hold an additional Board meeting on October 2, 2008 to discuss potential amendments to IFRS 7 *Financial Instruments: Disclosures* and a revised version of the staff draft of the forthcoming exposure draft of a proposed IFRS on consolidation. For further information, please visit www.iasb.org

Prabhakar Kalavacherla Appointed to the IASB

In a press release dated September 24, 2008, the International Accounting Standards Committee (IASC) Foundation announced the appointment of Prabhakar Kalavacherla to the International Accounting Standards Board. He will join the IASB as a full time member on January 1, 2009 for the period ending on June 30, 2013. For further information, please visit www.iasb.org

MALAYSIAN INSTITUTE OF ACCOUNTANTS

National Accountants Conference 2008

The Malaysian Institute of Accountants (MIA) will be holding the National Accountants Conference 2008 with the theme *Driving a Credible Profession: Enhancing the Value Chain* on November 25-26, 2008 at the Kuala Lumpur Convention Centre. For further information on the conference, please visit www.mia.org.my or email: nac@mia.org.my

MARCUS EVANS KUALA LUMPUR

3rd Annual SME Banking & Financing Conference 2008

The 3rd Annual SME Banking & Financing Conference being organised by Marcus Evans Kuala Lumpur, will be held on October 15-16, 2008 at the Prince Hotel & Residences Kuala Lumpur. The conference will look at strategic insights and in-depth processes on how banks can successfully formulate and develop their SME banking portfolios to increase market share and generate more revenue.

The MICPA is a supporting organisation of the conference and MICPA members who register for the conference will be able to enjoy a 10% discount off the registration fee and earn 16 CPD Hours. For further information on the conference and registration details, please contact Ms Catherine Foo at Tel: 03-2723 6757 or email: CatherineF@marcusevanskl.com

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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