

March 30, 2016

Circular No: Stu/03/03/16

To: ALL REGISTERED STUDENTS

**PROFESSIONAL STAGE EXAMINATION  
ACCOUNTING STANDARDS**

The Institute's Examination Regulations and Syllabus state that:

- (a) Questions involving knowledge of accounting and auditing should be answered in accordance with the requirements of approved accounting standards and the relevant legislation;
- (b) Questions involving knowledge of new approved accounting standards and exposure drafts will not be set until at least 6 months have elapsed since the last day of the month in which the statement became effective or was published.

The list of accounting standards and other technical pronouncements, which are currently examinable in the Institute's Professional Stage examination, are set out below.

**I. Approved Accounting Standards**

The Companies Act 1965 requires that approved accounting standards are to be applied to the financial statements of all companies. Approved accounting standards are issued by the Malaysian Accounting Standards Board (MASB), which is established under the Financial Reporting Act 1997.

For the purposes of the MICPA examination, the following accounting pronouncements are examinable:

- (i) MASB approved accounting standards and other pronouncements issued by MASB;
- (ii) Malaysian Accounting Standards (MAS) issued by MICPA, which have not been replaced by MASB approved accounting standards;
- (iii) Technical Bulletins (TB) issued by MICPA, which are to be regarded as the best current practice in the area in question.

The MASB has issued four sets of accounting standards as follows:

(a) Malaysian Financial Reporting Standards (MFRS)

These standards are mandatory for all entities other than private entities for annual periods beginning on or after January 1, 2012, with the exception of entities subject to the application of MFRS 141, *Agriculture*, and/or IC Interpretation 15, *Agreements for the Construction of Real Estate*. Public listed companies, their subsidiaries, associates, or companies jointly controlled by them are required to comply with MFRS in the preparation of their financial statements.

(b) Financial Reporting Standards (FRS)

These standards may be applied by Transitioning Entities that are within the scope of MFRS 141 and/or IC Interpretation 15 for annual periods beginning on or after January 1, 2015, including a parent, significant investor and venture of such entities. These entities will be required to comply with MFRS for annual periods beginning on or after January 1, 2018.

(c) Private Entity Reporting Standards (PERS)

These standards are applicable to private entities. A private entity is a private company incorporated under the Companies Act, 1965 that:

- is not itself required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia; and
- is not a subsidiary or associate of, or jointly controlled by, an entity which is required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia.

Essentially, PERS are MASB Standards issued by the MASB prior to January 1, 2005.

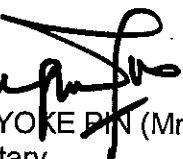
(d) Malaysian Private Entities Reporting Standard (MPERS)

The Malaysian Private Entities Reporting Standard (MPERS) is word-for-word the IFRS for SMEs issued by the IASB International Financial Reporting Standard in July 2009 except for the requirements on property development activities and certain terminology changes.

Private Entities currently applying PERS will adopt the MPERS for annual periods beginning on or after 1 January 2016 and Private Entities currently applying the FRS Framework will adopt either the MFRS Framework or the MPERS for annual periods beginning on or after 1 January 2018. Early adoption of the MPERS is permitted.

The MASB also issued Technical Releases and Statements of Principles.

The list of approved accounting standards and other pronouncements examinable in the Term 1, 2016 examination are set out in Annexure I.

  
FOD YOKE PIN (Mr)  
Secretary

**THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**  
**(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)**

**EXAMINABLE ACCOUNTING STANDARDS AND GUIDELINES**

The Conceptual Framework for Financial Reporting

**A1 *Malaysian Financial Reporting Standards (MFRSs)***

MFRS 3	Business Combinations
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations Amendment to MFRS 5 (Annual Improvements to MFRSs 2012–2014 Cycle)*
MFRS 8	Operating Segments
MFRS 10	Consolidated Financial Statements  Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)*  Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)*
MFRS 11	Joint Arrangements  Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS 11)*
MFRS 12	Disclosure of Interests in Other Entities  Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)*
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of Financial Statements  Disclosure Initiative (Amendments to MFRS 101)*
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events After the Reporting Period
MFRS 111	Construction Contracts
MFRS 112	Income Taxes

<b>A1</b>	<b>MFRS (Cont.)</b>
MFRS 116	Property, Plant and Equipment  Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138)*  Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)*
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits  Amendment to MFRS 119 (Annual Improvements to MFRSs 2012–2014 Cycle)*
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 124	Related Party Disclosures
MFRS 127	Separate Financial Statements  Equity Method in Separate Financial Statements (Amendments to MFRS 127)*
MFRS 128	Investments in Associates and Joint Ventures  Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)*  Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)*
MFRS 132	Financial Instruments : Presentation
MFRS 133	Earnings Per Share
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets  Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138)*
MFRS 140	Investment Property

**A1 MFRS (Cont.)**

MFRS141 Agriculture  
Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)\*

**A2 Financial Reporting Standards (FRSs)**

FRS 3 Business Combinations [Superseded with effect from 1 July 2010 by FRS 3 issued in January 2010]  
Business Combinations [Compiled Apr 2011]  
Amendments to FRS 3 (Annual Improvements to FRSs 2010 – 2012 Cycle)  
Amendments to FRS 3 (Annual Improvements to FRSs 2011 – 2013 Cycle)

FRS 5 Non-current Assets Held for Sale and Discontinued Operations  
Amendments to FRS 5 [Improvements to FRSs (2009)]  
Amendments to FRS 5 – Non current assets held for Sale and Discontinued Operations  
Amendment to FRS 5 (Annual Improvements to FRSs 2012-2014 Cycle)\*

FRS 8 Operating Segments  
Amendment to FRS 8 [Improvements to FRSs (2009)]  
Amendment to FRS 8 (Annual Improvements to FRSs 2010 – 2012 Cycle)

FRS 10 Consolidated Financial Statements  
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12)  
Investment Entities (Amendments to FRS 10, FRS 12 and FRS 127)  
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to FRS 10 and FRS 128)\*

FRS 11	<p>Joint Arrangements</p> <p>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12)</p> <p>Accounting for Acquisitions of Interests in Joint Operations (Amendments to FRS 11)*</p>
FRS 12	<p>Disclosure of Interests in Other Entities</p> <p>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12)</p> <p>Investment Entities (Amendments to FRS 10, FRS 12 and FRS 127)</p> <p>Investment Entities: Applying the Consolidation Exception (Amendments to FRS 10, FRS 12 and FRS 128)*</p>
FRS 13	<p>Fair Value Measurement</p> <p>Amendment to FRS 13 (annual Improvements to FRSs 2011-2013 Cycle)</p>
FRS 101	<p>Presentation of Financial Statements</p> <p>Amendments to FRS 101 [Improvements to FRSs (2010)]</p> <p>Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)</p> <p>Amendments to FRS 101 [Improvements to FRSs (2012)]</p> <p>Disclosure Initiative (Amendments to FRS 101)*</p>
FRS 102	Inventories [Compiled Aug 2010]
FRS 107	Statement of Cash Flows [Compiled May 2010]
FRS 108	<p>Accounting Policies, Changes in Accounting Estimates and Errors</p> <p>Amendment to FRS 108 [Improvements to FRSs (2009)]</p>
FRS 110	Events After the Reporting Period [Compiled May 2010]
FRS 111	Construction Contracts [Compiled Sept 2010]
FRS 112	<p>Income Taxes [Compiled Feb 2011]</p> <p>Deferred Tax: Recovery of Underlying Assets (Amendments to FRS 112)</p>

FRS 116	Property, Plant and Equipment [Compiled May 2010] Amendment to FRS 116 [Improvements to FRSs (2012)] Amendment to FRS 116 [Annual Improvements to FRSs (2010 -2012 Cycle)] Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to FRS 116 and FRS 138)*
FRS 117	Leases [Compiled Feb 2011]
FRS 118	Revenue [Compiled May 2010]
FRS 119	Employee Benefits [Compiled Feb 2011] [Superseded with effect from 1 January 2013 by FRS 119 issued in November 2011 ]
FRS 119 (2011)	Employee Benefits  Defined Benefit Plans: Employee Contributions (Amendment to FRS 119)
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance (Compiled Aug 2011)
FRS 121	The Effects of Changes in Foreign Exchange Rates (Compiled Sept 2010)  Amendments to FRS 121 [Improvements to FRSs (2010)]
FRS 123	Borrowing Costs  Consolidated and Separate Financial Statements [Compiled Jan 2011] [Superseded with effect from 1 January 2013 by FRS 127 Separate Financial Statements and FRS 10 Consolidated Financial Statements]  Amendment to FRS 123 [Improvements to FRSs (2009)]
FRS 124	Related Party Disclosures [Superseded with effect from 1 Jan 2012 by FRS 124 issued in November 2010]  Related Party Disclosures  Amendment to FRS 124 (Annual Improvement to FRSs 2010-2012 Cycle)
FRS 127	Consolidated and Separate Financial Statements [Superseded with effect from 1 July 2010 by FRS 127 issued in January 2010]  Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Joint Controlled Entity or Associate

	Amendment to FRS 127 [Improvements to FRSs (2009)]
	Consolidated and Separate Financial Statements [Superseded with effect from Jan. 1, 2013 by FRS 127 Separate Financial Statements and FRS 10 Consolidated Financial Statements]
FRS 127 (2011)	Separate Financial Statements
	Investment Entities (Amendments to FRS 10, FRS 12 and FRS 127)
	Equity method in Separate Financial Statements (Amendments to FRS 127)*
FRS 128	Investment in Associates [Compiled Sept 2010] [Superseded with effect from 1 January 2013 by FRS 128 Investment in Associates and Joint Ventures ]
	Amendments to FRS 128 [Improvements to FRSs (2010)]
FRS 128 (2011)	Investment in Associates and Joint Ventures
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to FRS 10 and FRS 128)*
	Investment Entities: Applying the Consolidation Exception (Amendments to FRS 10, FRS 12 and FRS 128)*
FRS 131	Interests in Joint Ventures [Compiled Sept 2010] [Superseded with effect from 1 January 2013 by FRS 11 issued in November 2011]
	Amendment to FRS 131 [Improvements to FRSs (2010)]
FRS 132	Financial Instruments: Presentation [Compiled Jan 2011]
	Amendment to FRS 132 [Improvements to FRSs (2012)]
	Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 132)
FRS 133	Earnings Per Share [Compiled Sept 2010]
FRS 136	Impairment of Assets [Compiled May 2010]
	<i>Recoverable Amount Disclosures for Non-Financial Assets</i> (Amendments to FRS 136)
FRS 137	Provisions, Contingent Liabilities and Contingent Assets [Compiled Aug 2010]



FRS 138	Intangible Assets [Compiled June 2011] Amendment to FRS 138 (Annual Improvements to FRSs 2010 – 2012 Cycle) Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to FRS 116 and FRS 138)*
FRS 140	Investment Property [Compiled Jun 2010] Amendment to FRS 140 (Annual Improvements to FRSs 2011 – 2013 Cycle)

**IC Interpretations**

		<b>MFRS</b>	<b>FRS</b>
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓	✓
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	✓	✓
	Amendment to IC Int. 2 [Improvements to FRSs (2012)]	✓	✓
IC Interpretation 4	Determining whether an Arrangement contains a Lease	✓	✓
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✓	✓
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	✓	✓
IC Interpretation 12	Service Concession Arrangements	✓	✓
IC Interpretation 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓	✓
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	✓	✓
IC Interpretation 17	Distributions of Non-cash Assets to Owners	✓	✓
IC Interpretation 107	Introduction of the Euro	✓	✓
IC Interpretation 110	Government Assistance – No Specific Relation to Operating Activities	✓	✓
IC Interpretation 115	Operating Leases – Incentives	✓	✓
IC Interpretation 125	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	✓	✓
IC Interpretation 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓	✓
IC Interpretation 129	Disclosures - Service Concession Arrangements	✓	✓
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services	✓	✓
IC Interpretation 132	Intangible Assets – Web Site Costs	✓	✓
IC Interpretation 201	Preliminary and Pre-operating Expenditure	-	✓

**A3 MASB Approved Accounting Standards for Private Entities (PERS)****1. Framework for the Preparation and Presentation of Financial Statements**

MASB 1	Presentation of Financial Statements
MASB 2	Inventories
MASB 3	Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies
MASB 4	Research and Development Costs
MASB 5	Cash Flow Statements
MASB 6	The Effects of Changes in Foreign Exchange Rates
MASB 7	Construction Contracts
MASB 9	Revenue
MASB 10	Leases
MASB 11	Consolidated Financial Statements and Investments in Subsidiaries
MASB 12	Investments in Associates
MASB 14	Depreciation Accounting
MASB 15	Property, Plant & Equipment
MASB 16	Financial Reporting of Interests in Joint Ventures
MASB 19	Events After the Balance Sheet Date
MASB 20	Provisions, Contingent Liabilities and Contingent Assets
MASB 23	Impairment of Assets
MASB 25	Income Taxes
MASB 27	Borrowing Costs
MASB 28	Discontinuing Operations
MASB 29	Employee Benefits
MASB 31	Accounting for Government Grants and Disclosure of Government Assistance
MASB 32	Property Development Activities

**2. Malaysian Private Entities Reporting Standard (MPERS)**

**A4 MASB Technical Releases (TR)**

TR 1 (revised)2004 Share Buybacks – Accounting and Disclosure [withdrawn]

**A5 MASB Statements of Principles (SOP)**

SOP 1<sub>2004</sub> Exempt Entities (will be superseded upon withdrawal of PERS)

SOP i-1 Financial Reporting from an Islamic Perspective

**B International Accounting Standards (IAS)**

IAS 25 Accounting for Investments

**C Malaysian Accounting Standards (MAS)**

MAS 8 Accounting for Pre-cropping Costs

**D MICPA Technical Bulletins**

TB 8 Accounting for Profit Guarantees and Other Contingencies in Business Acquisitions