

April 2009

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

Announcements/ Activities

Publicity on ICAA-MICPA MoU

We are pleased to attach for your information the publicity on the recent signing of the Memorandum of Understanding (MoU) between ICAA and MICPA. Kindly click on the link provided to view the Press Clippings. We will keep members updated on any publicity that is featured.

www.micpa.com.my/micpamember/public/pressrelease.asp

Schedule of MICPA Events for 2009

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

MICPA 50th Anniversary Commemorative Lecture cum Luncheon

The Institute's 50th Anniversary Commemorative Lecture cum Luncheon has been **re-scheduled to Thursday, May 14, 2009** to be held at **Sapphire Ballroom, Mandarin Oriental Kuala Lumpur** at **12.30 p.m.** due to the availability of the Guest of Honour.

The Commemorative Lecture will be delivered by YABhg Tun Mohamed Dzaiddin Hj Abdullah, Chairman of Bursa Malaysia Berhad on the topic:

“What is Bursa Malaysia’s Voice to Embrace the Global Meltdown with Confidence”

The Commemorative Lecture cum Luncheon provides an opportunity for members of the accountancy profession, the Government, regulatory authorities and the business community to get together to evaluate the most pertinent issue affecting the Malaysian and global economies, and the role of the accountancy profession.

In this regard, we have pleasure in inviting you, your colleagues and business associates to the Commemorative Lecture and Luncheon. For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my

MICPA 51st Annual Dinner

The Institute's 51st Annual Dinner will be held on **Friday, June 19, 2009** at **Sheraton Imperial Hotel Kuala Lumpur**. The Institute has invited **YB Dato Seri'**

Ahmad Husni Hanadzlah, Minister of Finance II to officiate the event. For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my

51st Annual General Meeting

Members are informed that the **51st Annual General Meeting of the Institute has been scheduled for Saturday, June 20, 2009 at 10:00 a.m. to be held at Bilik Bunga Raya (Level 3) Best Western Premier Seri Pacific Hotel, Jalan Putra, Kuala Lumpur.** Notice of the Annual General Meeting, minutes of the 50th Annual General Meeting and the Institute's Annual Report will be dispatched to members in the last week of May 2009.

Visits to Members' Firms and Approved Training Organisations

The Institute continues in its efforts to make courtesy visits to members' firms and ATOs as a means of further enhancing the synergistic partnership which already exists between both parties and to identify ways to collaborate and strengthen professional relationship. In the month of April 2009, the Institute made the following visits which have been well received:

- Arab Malaysian Corporation Bhd on Thursday, April 9, 2009, ATO;
- Sime Darby Bhd on Friday, April 10, 2009, ATO;
- Ferrier Hodgson MH & Baker Tilly Monteiro Heng on Monday, April 13, 2009, members' firm; and
- Petronas on Wednesday, April 29, 2009, ATO.

The President and Executive Director of the Institute are also making visits to the larger accounting firms to seek their support in promoting the new programme to their employees.

Collaboration with Universities

With the recent signing of the Memorandum of Understanding with The Institute of Chartered Accountants in Australia (ICAA), the Institute has embarked on an active programme to promote the Revised Qualifying Programme, which will be launched in June 2009 to Universities and Institutions of higher learning by making scheduled visits and participating in road-shows. For the month of April, the Institute has presented talks to the following universities:

- On Friday, April 3, 2009, the President of the Institute, YBhg Dato' Nordin Baharuddin who is also an Adjunct Professor, Accounting & Finance at the Faculty of Economics and Management at Universiti Putra Malaysia presented a career talk to about 70 students currently undertaking the Bachelor of Accountancy degree at Universiti Putra Malaysia;
- On Tuesday, April 7, 2009, the Executive Director of the Institute presented a career talk to about 80 students currently undertaking the Bachelor of Accountancy degree at Universiti Kebangsaan Malaysia; and
- On Friday, April 10, 2009, 31 students and 2 lecturers from Universiti Darul IMAN Malaysia (Kampus KUSZA, Gong Badak) made a visit to MICPA. En Mohd Nor Abu Bakar, CPA member presented the career talk to the students undertaking the Diploma in Accountancy (Part 6).

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

MICPA Participates in Career Fairs and Exhibitions

The Institute continues to participate 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 qualification. In April, the Institute participated in the following career fairs & exhibitions:

- ***Accountancy: Career and Education Fair 2009***

The Malaysian Institute of Accountants organised the Accountancy: Career and Education Fair (ACEF) 2009 on Saturday, April 4, 2009 at the Mid-Valley Exhibition Centre, Kuala Lumpur. The MICPA was a supporting body of the ACEF 2009 and participated as an exhibitor.

- ***Universiti Teknologi MARA (UiTM) Shah Alam***

MICPA set up an exhibition booth at the Centre for Accountancy at UiTM, Shah Alam on Wednesday, April 8, 2009 to disseminate information on the CPA Malaysia programme to Bachelor of Accountancy students who are keen to pursue a professional course.

- ***Politeknik Ungku Omar, Ipoh***

Politeknik Ungku Omar invited the Institute to set up an exhibition booth in conjunction with the Department of Commerce graduation ceremony which was held on Thursday, April 16, 2009.

The above exhibitions were well received by prospective students who were keen to pursue the CPA Malaysia programme. Secretariat staff also had a platform to publicise the recent signing of the Memorandum of Understanding with The Institute of Chartered Accountants in Australia.

The Institute also sponsored the following events organised by the Accounting Clubs:

Universiti Putra Malaysia (UPM)

National Accounting Career Conference

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

Career Talks at Secondary Schools

Accountancy has become one of the more popular courses being pursued by young Malaysians. The Institute is always seeking opportunities to foster closer relationship with the secondary schools, to promote accountancy as a career and in particular to create awareness of the CPA Malaysia qualification. In this respect, a series of scheduled career talks at secondary schools to Forms 4, 5 and 6 students undertaking the Principles of Accounting subject has been planned.

The Public Affairs & Communications Manager of the Institute has presented a talk on *Career in Accountancy* to:

- 70 students of SMK Bandar Sri Damansara I on Friday March 6, 2009;
- 70 students of SMK Seksyen 5 Wangsa Maju on Wednesday, March 11, 2009; and
- 120 students of SMK Mary on Friday, April 17, 2009.

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 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.

Publications by Wiley

MICPA members who purchase the following book titles, published by Wiley will be able to enjoy a discount of **20%**. Please note that the discount is valid only for the month of May. Membership number must be provided.

- **Wiley IFRS 2009: Interpretation & Application of International Accounting & Financial Reporting Standards 2009**
(Barry J Epstein & Eva J Jermakowicz)

For many years the International Accounting Standards Board (IASB) has been working to develop a set of accounting standards which can be used to bring about uniformity in financial reporting around the world. Uniform accounting will reduce the costs of preparing financial statements for multinational companies and facilitate the jobs of investment analysts, investors, and others in assessing business results. Written by two well-known international experts on the subject who have hands-on experience in applying these standards, this book is an indispensable guide to IFRS compliance. **[Priced at RM499.80]**

- **IFRS Policies & Procedures**
(Barry J Epstein & Eva J Jermakowicz)

Includes chapters on all aspects of annual and interim financial reporting, including such matters as segment reporting, accounting changes and correction of errors, use of revaluations for long lived tangible and intangible assets and investment property, revenue recognition, and specialised industry rules. All current IAS, IFRS, SIC and IFRIC guidance is addressed in depth. **[Priced at RM339.80]**

- **IFRS Practical Implementation Guide & Work Book (2nd Edition)**
(Abbas Ali Mirza, Magnus Orrell & Graham J Holt)

A quick reference guide on IFRS/IAS that includes easy-to-understand IFRS/IAS standards outlines, practical insights, cases studies with solutions, illustrations and multiple-choice questions with solutions. The book greatly facilitates understanding of the practical implementation issues involved in applying these complex "principles-based" standards. **[Priced at RM379.80]**

- **IFRS Primer: International GAAP Basics (Canadian Edition)**
(Irene M Wiecek)

Canadian public companies will have to follow International Financial Reporting Standards as of January 1, 2011. We are pleased to inform you that a new publication *IFRS Primer: International GAAP Basics* will be published by John

Â Wiley & Sons Canada, Ltd. in September 2008. This exciting new supplement will serve as a roadmap to provide guidance and a path through the period of transition for both students and instructors. The *IFRS Primer* will cover an introduction to IFRS basics and is a stand-alone volume, which will be a logical supplement for use with existing Canadian or U.S. introductory, intermediate and advanced financial accounting textbooks. While the chapter content does not directly discuss differences between Canadian accounting standards and IFRS or U.S. standards and IFRS, chapter icons identify where there are significant differences and an appendix explains the major differences. **[Priced at RM91.80]**

- ***Accounting for Investments Equity, Futures & Options (R Venkata Subramani)***

The 2008 financial crisis highlighted the need for responsible corporate governance within financial institutions. The key to ensuring that adequate standards are maintained lies with effective accounting and auditing standards. *Accounting for Investments: Equities, Futures and Options* offers a comprehensive overview of these key financial instruments and their treatment in the accounting sector, with special reference to the regulatory requirements. The book uses the US GAAP requirements as the standard model and the IFRS variants of the same are also given. The author also explains how the entries are reflected in the general ledger accounts, thus providing a macro level picture for the reader to understand the impact of such accounting. **[Priced at RM600.00]**

To get your personal copy, please contact Ms Christina Lee at John Wiley & Sons (Asia) Pte Ltd at Tel: 03-7880 9705, Fax: 03-7880 3454 and email: chlee@wiley.com

Members Update

Payment of Members Annual Fee for 2009

In accordance with bye-law 50 of the Institute's bye-laws, any member who fails to pay the annual fee or other sum payable by him to the Institute by the thirtieth day of June in the year in which it becomes due shall thereupon cease to be a member of the Institute. Members are reminded to remit the amount payable to the Institute **before June 30, 2009**. For further information, please contact the Institute's Accounts Department on Tel: 03-2698 9622 or e-mail: ksl.acc@micpa.com.my

MICPA Technical Updates

Members' Handbook Supplement No.114

We are pleased to inform members that the following Supplement to the Members' Handbook, the redrafted International Standards on Quality Control and the new / redrafted / revised and redrafted International Standards on Auditing have been posted on the MICPA website:

Supplement No. 114 issued in March 2009 - Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services

- ISQC 1 (Redrafted) - *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*

- ISA 210 (Redrafted) - *Agreeing the Terms of Audit Engagements*
- ISA 220 (Redrafted) - *Quality Control for an Audit of Financial Statements*
- ISA 265 - *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*
- ISA 402 (Revised and Redrafted) - *Audit Considerations Relating to an Entity Using a Service Organisation*
- ISA 500 (Redrafted) - *Audit Evidence*
- ISA 501 (Redrafted) - *Audit Evidence - Specific Considerations for Selected Items*
- ISA 505 (Revised and Redrafted) - *External Confirmations*
- ISA 520 (Redrafted) - *Analytical Procedures*
- ISA 620 (Revised and Redrafted) - *Using the Work of an Auditor's Expert*
- ISA 700 (Redrafted) - *Forming an Opinion and Reporting on Financial Statements*
- ISA 710 (Redrafted) - *Comparative Information - Corresponding Figures and Comparative Financial Statements*
- ISA 800 (Revised and Redrafted) - *Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*
- ISA 805 (Revised and Redrafted) - *Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*
- ISA 810 (Revised and Redrafted) - *Engagements to Report on Summary Financial Statements*

The Supplement and the new / redrafted / revised and redrafted pronouncements are now available for you to view / download at the MICPA website www.micpa.com.my under Members' Handbook in the Members' Area.

Establishment of Joint Tax Working Group on Financial Reporting Standards (JTWG-FRS)

Further to Circular No. TEC/018/04/2009/W dated April 22, 2009, members are informed that the Tax Practice Committee of MICPA, the Taxation Committee of MIA and the Technical and Public Practice Committee of CTIM have decided to pool their resources together and establish a joint working group, called the Joint Tax Working Group on FRS (JTWG-FRS) to look into the various tax issues arising from the adoption of FRS in Malaysia.

Initially, the JTWG-FRS will focus on eight FRS as follows:

- FRS 2 : Share-based Payment
- FRS 5 : Non-current Assets Held for Sale and Discontinued Operations
- FRS 102 : Inventories
- FRS 116 : Property, Plant and Equipment
- FRS 117 : Leases
- FRS 121 : The Effects of Changes in Foreign Exchange Rates
- FRS 139 : Financial Instruments: Recognition and Measurement
- FRS 140 : Investment

Other FRSs will be reviewed progressively from the tax perspective.

Upon completion of the study of a particular FRS, the JTWG-FRS may, highlight and provide comments on major tax implications related to the FRS and propose appropriate tax treatments in respect of the FRS, where applicable, to the relevant tax authorities for consideration.

Members are invited to submit their comments and share their experiences with the JTWG-FRS. Please submit your comments and proposals on the eight FRSs stated above to the MICPA Secretariat at technical@micpa.com.my by May 31, 2009 for the JTWG-FRS consideration.

The Circular can be downloaded from the MICPA website at www.micpa.com.my in the Members' Area.

***Companies Commission of Malaysia
Reduction and Waiver of Selected Prescribed Fees***

Further to Circular No. TEC/0017/04/2009/W dated April 13, 2009 members are informed that the Companies Commission of Malaysia (SSM) had announced the reduction between 10% to 15% of the prescribed fees payable for the incorporation of new companies, increase of paid up capital of companies, registration of businesses (i.e. sole proprietorships and partnerships) and renewal of registrations of businesses. In addition, SSM also waives the requirement for e-Lodgement subscription fees. The reduction and waiver of the said fees would be effective April 1, 2009 to March 13, 2010, as part of SSM's initiatives to support the Government's two economic stimulus packages.

The Circular can be downloaded from the MICPA website at www.micpa.com.my in the Members' Area.

***Inland Revenue Board of Malaysia
Dialogue with the Revenue Management Department of Inland Revenue Board***

Further to Circular No. TEC/016/04/2009W dated April 6, 2009 members are informed that a dialogue between the Revenue Management Department of Inland Revenue Board (IRB) and representatives of MICPA, MIA, MIT, MAICSA, MATA, ICMA and MACS was held on February 25, 2009.

The minutes of the dialogue (Bil. 1/2009), setting out the issues discussed and the comments/ clarifications provided by the IRB are now available on the MICPA's website www.micpa.com.my in the Members' Area.

Minutes of Meeting of the Consultative Panel Between Customs and Private Sector 1/2008 and 2/2008

Further to Circular No. TEC/015/04/2009W dated April 2, 2009 members are informed that The Consultative Panel between Customs and Private Sector provides a forum for discussion of practical issues and suggestions relating to customs and excise matters. Meetings of the Consultative Panel (1/2008) and (2/2008) were held on July 17, 2008 and December 19, 2008 respectively. Some of the issues discussed at the meetings include the following:

- Licensed Manufacturing Warehouse paying duties and sales tax at output stage
- Clearance letter to be issued upon completion of Customs Audit

- Rounding mechanism introduced by Bank Negara Malaysia implemented by Royal Malaysian Customs
- Procedures in carrying out inspections or raids
- Service tax intra group

Members are informed that the minutes of the above-mentioned meetings of the Consultative Panel are now available on the MICPA website www.micpa.com.my in the Members' Area.

Inland Revenue Board of Malaysia

We refer to Circular No. TEC/014/04/2009W dated April 2, 2009 with regard to the following:

- ***Borang CP55 [1/2009] – Authority to File Return Electronically Under Section 152A of Income Tax Act 1965***

Members are informed that further to Circular No. TEC/005/02/2008W, the prescribed form under Section 152A of the Income Tax Act 1967 in relation to the authority given by the taxpayer to the tax agent to file return electronically has been amended to replace Borang CP55 [1/2008]. The latest Borang CP55 [1/2009] is now available on the Inland Revenue Board (IRB) website <http://www.hasil.gov.my> in PDF and Microsoft Excel format.

- ***Minutes of Meeting of Working Group with Accounting Bodies – Desire Bil 3/2008, 4/2008 and 5/2008***

There were three meetings held between the IRB and representatives of the MICPA, MIT, MIA, MAICSA, MATA, ICMA and MACS on July 18, 2008, September 12, 2008 and December 15, 2008 to discuss issues on e-Filing. The minutes of the meetings of the working group with accounting bodies (Desire Bil 3/2008, 4/2008 and 5/2008) setting out the issues discussed and the comments/clarifications provided by the IRB can be downloaded from the MICPA website www.micpa.com.my as per Annexures II, III and IV respectively for members' reference.

MICPA Practising Certificate

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

CPD On-Line Record

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

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

Members Update on the Left-hand Menu and go to Section F to update your CPD records.

Young CPA Group

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

Change of Correspondence and E-mail Address

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

Continuing Professional Development (CPD) Programmes

An Update of the International Financial Reporting Standards (IFRS)

A one-day Workshop on *An Update of the International Financial Reporting Standards (IFRS)* will be held on May 6, 2009 at the Concorde Hotel, Kuala Lumpur. The workshop will examine the technical contents on new documents and explain the potential impact on financial statements. Implementation issues will also be discussed and clear guidance will be provided through practical examples. The workshop will be conducted by Mr Danny Tan Boon Wooi. 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 May 13-14, 2009 at the Legend Hotel, Kuala Lumpur. The objective of the workshop is to equip participants with the technical knowledge and skills in conducting an audit of financial statements in accordance with international standards on auditing, which have been adopted for application in Malaysia. The workshop will cover the fundamental auditing principles, the development of an audit plan, performance of audit procedures, documentation, audit conclusions and reporting. The workshop will be conducted by Mr Yung Chuen Seng. For further information, please click [here](#)

Each participant will receive a complimentary copy of the MICPA Audit Guide for Practitioners worth RM350.00.

An Update on Recent Public Rulings and Income Tax Rules

A one-day Workshop on *An Update on Recent Public Rulings and Income Tax Rules* will be held on May 19, 2009 at Best Western Premier Seri Pacific Kuala Lumpur. The self assessment system in Malaysia entails tax payers and tax agents to be fully aware of the requirements of tax laws, public rulings and IRB's guidelines. This is a herculean task in light of the specific requirements/ positions of the IRB with regard to the tax treatment of various transactions. The workshop will be led by Mr Harvindar

Singh who will assist participants to gain better understanding on public rulings and income tax rules. He will also share his vast experience with participants on the practical issues that may be encountered in application of the public rulings and income tax rules. For further information, please click [here](#)

Updates from Regulatory Bodies

SECURITIES COMMISSION OF MALAYSIA (SC)

SC's Q1 2009 Scorecard: Interest in Capital Raising Remains

In a press release dated April 20, 2009, the SC announced that in the first quarter of 2009, saw the SC approving six equity-capital raising proposals with funds to be raised totaling RM13,435 billion, substantially higher than the RM138.80 million in Q4 2008. Three of the six approved proposals were large rights offerings and placements, indicating issuers' confidence in raising funds from shareholders and the market. There were also large issuances of private debt securities (PDS) amounting to approximately RM10.0 billion, of which more than RM6 billion were sukuk issuances.

A total of 15 approvals for the establishment of new funds were given in the first quarter of 2009 (compared to 10 in Q4 2008). This comprised nine approvals for the establishment of unit trust schemes and six for the establishment of wholesale funds. The SC also received 1,054 licensing applications in the first quarter. Of these applications, 259 were new applications while 795 were applications for renewal.

In its first quarterly scorecard for the year 2009, the SC reveals that it maintained a strong performance standard with 100 percent corporate proposals and 97.19 percent of licensing applications processed within the time charters. Capital market statistics released by the SC cover information on processing, approvals and rejections of submissions, including timing and reasons. In addition to these scorecard indicators, the quarterly statistics of submissions approved by the SC for the first quarter of 2009 were also reported.

To view the full series of capital market statistics released by the SC, please visit www.sc.com.my

BANK NEGARA MALAYSIA (BNM)

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

OECD Confirms Malaysia as Committed to International Tax Standard

In a Press Statement dated April 8, 2009 issued by Bank Negara Malaysia, The Organisation for Economic Co-operation and Development (OECD) designated Malaysia's Labuan International Business and Financial Centre (IBFC) as among the financial centres that have committed to the internationally-agreed tax standard.

In welcoming this development, Dato' Azizan Abdul Rahman, the Director-General of LOFSA, said it is good that Malaysia's Labuan IBFC has been accorded such listing as we have been committed to the standard in practice.

At all times, LOFSA has been co-operative with other regulatory and enforcement authorities from other countries on tax matters and financial crime, particularly money laundering. Azizan said the Labuan IBFC had been designed from its establishment to cater to only legitimate and genuine businesses.

"It is well-regulated and the prudential practices are on par with international standards. Indeed, the strict regulatory and supervisory regime, including the prohibition of cash transactions in the IBFC, the application of anti-money laundering rules and procedures on the financial institutions in Labuan are designed to preserve the centre's integrity and reputation," he added.

In addition, as an associate member, LOFSA has committed to be a signatory to the multilateral memorandum of understanding under the framework of the International Organisation of Securities Commissions (IOSCO).

The financial centre is also recognised as a well-regulated jurisdiction and has received positive assessments by the International Monetary Fund (IMF) under its Offshore Financial Sector Assessment Programme.

In addition, the Asia Pacific Group on Money Laundering, an associate of the Financial Action Task Force has also affirmed Labuan IBFC as a "low risk" jurisdiction for money laundering. Recently in 2008, the legislation of Labuan IBFC has been amended to allow for the further sharing of information between LOFSA and other regulatory agencies. For further information, please visit www.bnm.gov.my

Issuance of Sukuk Simpanan Rakyat 01/2009

In a Press Statement dated April 7, 2009 issued by Bank Negara Malaysia, the Ministry of Finance wishes to announce the issuance of Sukuk Simpanan Rakyat 01/2009 amounting to RM2.5 billion on May 14, 2009. This is the first issue of the two series of 3-year RM2.5 billion sukuk each in 2009. Bank Negara Malaysia has been appointed to issue the sukuk on behalf of the Government.

The sukuk, which will be scripless and based on Shariah principles, is an additional investment instrument for Malaysian citizens who are 21 years and above. The RM2.5 billion sukuk, which has a 3-year tenure, offers a return of 5% per annum and provides the flexibility for early redemption before the maturity date.

Those wishing to subscribe may apply for Sukuk Simpanan Rakyat 01/2009 during the sales period from April 14 to May 13, 2009.

The minimum investment in Sukuk Simpanan Rakyat 01/2009 is RM1,000 with a maximum of RM50,000 per investor. The maximum aggregate holdings per investor for the two series of Sukuk Simpanan Rakyat 2009 is RM50,000. Sukuk Simpanan Rakyat 01/2009 can be subscribed at all commercial banks, including Islamic banks, Bank Kerjasama Rakyat Malaysia Bhd, Bank Simpanan Nasional and Bank Pertanian Malaysia Bhd. The allocation of Sukuk Simpanan Rakyat 01/2009 is based on a first-come first-served basis. Successful applicants will be notified by their agent banks. Profit payments will be made on a quarterly basis through the sukuk holders' accounts with their agent banks.

For further information on Sukuk Simpanan Rakyat 01/2009, please contact Bank Negara Malaysia TELELINK at 1300 88 5465 or by visiting www.treasury.gov.my and www.bnm.gov.my/sukuksimpanan.

COMPANIES COMMISSION OF MALAYSIA (SSM)

Training Incentives Offered by COMTRAC wef April 1, 2009

The Companies Commission of Malaysia's Training Academy which was operationalised in April 2007 is now known as 'COMTRAC' or 'Companies Commission of Malaysia Training Academy'.

With the adoption of the new name, Companies Commission of Malaysia (SSM) believes that COMTRAC can move forward to offer various training programmes to every stakeholder who wishes to gain better understanding in all aspects with regards to businesses and companies matters.

As a part of SSM's initiatives to support the Government's Economic stimulus Package, one of the incentives is the reduction in COMTRAC's standard course fees charged between the range of RM250 to RM300 to RM200 for a period of 1 year beginning April 1, 2009.

For the list of courses offered by COMTRAC, please visit www.ssm.com.my

News from IFAC and IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

International Public Sector Accounting Standards Board (IPSASB)

IPSASB Releases 2009 Handbook of International Public Sector Accounting Pronouncements

The International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) has published the 2009 *Handbook of International Public Sector Accounting Pronouncements*. The handbook provides a single source for financial statement preparers to locate all International Public Sector Accounting Standards (IPSASs). These standards are intended to be used to prepare financial statements for national, state, and local governments and their agencies, as well as international public sector bodies, such as the United Nations and the Organisation for Economic Cooperation and Development.

"The IPSASB is making significant progress on its ambitious work program to achieve substantial convergence with International Financial Reporting Standards. We plan to achieve this by the end of 2009," states Mike Hathorn, IPSASB Chairman. "It is anticipated, therefore, that while changes to the 2009 handbook are minimal, changes to the 2010 handbook will be significant, with new IPSASs planned on financial instruments, intangible assets, entity combinations, and agriculture," adds Hathorn.

The 2009 IPSASB Handbook contains all pronouncements of the IPSASB as of December 31, 2008, as well as the *Code of Ethics for Professional Accountants*

issued by the International Ethics Standards Board for Accountants. The Code is applicable to all professional accountants, including those practicing in the public sector. The updated handbook also includes editorial corrections identified since the publication of the 2008 handbook, as well as amendments to the Code of Ethics. The handbook can be downloaded free of charge in PDF format from the IFAC online bookstore (www.ifac.org/store)

IPSASB Moves Closer to Global Convergence of Financial Reporting Standards with New ED on Agriculture

The IPSASB of the IFAC has published an exposure draft (ED), entitled ED 36, *Agriculture*. This ED is part of the IPSASB's global convergence program, scheduled for completion by December 31, 2009, that will substantially converge IPSASs with International Financial Reporting Standards (IFRSs) approved on December 31, 2008.

It proposes an IPSAS that converges with the International Accounting Standards Board's International Accounting Standard 41, *Agriculture*, with limited changes to ensure consistency with other IPSASs. These changes include an acknowledgement that, in some jurisdictions, biological assets may be sold or transferred for nominal amounts.

"Converging IPSASs with IFRSs, where appropriate for the public sector, is one of the key objectives of our standards development program," states Mike Hathorn, Chair of the IPSASB. "This exposure draft proposes clear financial reporting requirements for agricultural activity in the public sector in order to ensure that the private and public sectors report similar activities in a consistent fashion."

Comments on ED 36 are requested by June 30, 2009. The ED may be viewed by going to www.ifac.org/EDs. Comments may be submitted by email to EDComments@ifac.org and stepheniefox@ifac.org. All comments will be considered a matter of public record and will ultimately be posted on the IFAC website.

Revised International Public Sector Accounting Standards Available in Spanish

The IPSASB of the IFAC has published a Spanish-language translation of its 2007 *Handbook of International Public Sector Accounting Pronouncements*. This edition contains translations of 24 accrual basis International Public Sector Accounting Standards (IPSASs) and the comprehensive cash basis IPSAS.

This translation revises the translation of the 2005 *Handbook of International Public Sector Accounting Pronouncements* and will increase the accessibility of the most recent standards. This will further help to enhance the accountability and transparency of governmental financial reporting. Key changes from the previous translation include 3 additional IPSASs and revised versions of 11 other IPSASs.

IPSASs set out the requirements for financial reporting by governments and other public sector entities other than government business enterprises. The accrual IPSASs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) to the extent that the requirements in those standards are applicable to the public sector.

"Providing an updated Spanish translation is critical to the IPSASB's mission to assist public sector entities throughout the world, and in particular in the key constituency of Latin America," states Mike Hathorn, IPSASB Chairman.

The Spanish translation of the IPSASs was undertaken by the IPSASB in conjunction with the International Accounting Standards Committee Foundation, which also prepares translations of IFRSs for the IASB. This will ensure that the English and Spanish versions of the IPSASs converge with the respective English and Spanish versions of the IFRSs, where appropriate.

It is important to note, however, that the English version of the IPSASs is the official authoritative version of the standards. The 2009 Handbook was recently released in English.

The Spanish handbook is available free of charge in print and electronic versions from the IPSASB section of the IFAC online bookstore (www.ifac.org/store).

International Public Sector Accounting Standards Board Moves Closer to Global Convergence of Financial Reporting Standards

In a press release dated April 23, 2009, the IPSASB of the IFAC announced that they are proposing new financial reporting requirements to assist public sector entities in accounting for financial instruments, such as derivatives, bonds, and loans.

These proposed requirements are contained in three newly released exposure drafts (EDs): ED 37, *Financial Instruments: Presentation*, ED 38, *Financial Instruments: Recognition and Measurement*, and ED 39, *Financial Instruments: Disclosures*.

The EDs propose IPSASs that converge with the International Accounting Standards Board's standards for financial instruments as at December 31, 2008, with limited changes, representing a significant step in the IPSASB's global convergence program, scheduled for completion by December 31, 2009. As part of this program, International Public Sector Accounting Standards will substantially converge with International Financial Reporting Standards approved at December 31, 2008, with limited changes to ensure consistency with other IPSASs, while addressing specific public sector issues.

Additional application guidance has been included in each ED on two key public sector issues. These are provision by government of financial guarantees that are given at zero cost or below market price and, secondly, concessionary loans (loans at below market interest rates). Governments have been using financial guarantees, such as guaranteeing bank deposits and low interest rate loans to support private sector businesses during the current economic crisis. Similar arrangements were also used prior to the crisis, often to achieve social objectives, such as to provide housing assistance.

Comments on EDs 37–39 are requested by July 31, 2009. The EDs may be viewed by going to www.ifac.org/EDs. For further information, please visit www.ifac.org.

IFAC Supports G20 Objectives for Reform of Global Financial System

The IFAC endorses the proposals to enhance global financial regulation and improve the transparency of the international financial system that were issued in the G20 Communiqué on the world economic crisis on April 2, 2009 in London.

The G20 objectives are consistent with many of the recommendations that IFAC sent to the G20 Working Groups prior to the London summit, such as the call for implementing the Financial Stability Board's 12 key International Standards and Codes (which include International Standards on Auditing); making significant progress toward a single set of high-quality global accounting standards; making improvements in the international regulatory framework; and strengthening the roles of the International Monetary Fund and the World Bank. (See IFAC's submission at www.ifac.org/financial-crisis).

The accountancy profession will have a vital role to play moving forward, and IFAC will continue to emphasise the measures suggested in the recommendations to the G20.

Among IFAC's recommendations were the adoption of International Public Sector Accounting Standards (IPSASs) in all jurisdictions and the provision by the G20 of sufficient resources to develop and disseminate implementation guidance for the global standards they support. IFAC also proposed:

- Strengthening of the International Monetary Fund's *Code of Good Practices on Fiscal Transparency* through the application of IPSASs;
- Support for the establishment of well-governed professional accountancy bodies in countries where they do not currently exist;
- Continued support for the World Bank's Reports on Observance of Standards and Codes (ROSC) initiative;
- The establishment of an international, principles-based threshold of competencies for senior financial officers in public interest entities; and
- That the G20 ensure its actions are supportive of the small business sector.

IFAC is developing a further set of recommendations that builds on the proposals in the G20 Communiqué. For further information, please visit www.ifac.org

International Accounting Education Standards Board (IAESB)

IAESB Releases 2009 Handbook of International Education Pronouncements

The International Accounting Education Standards Board (IAESB) of the IFAC has released the 2009 edition of its *Handbook of International Education Pronouncements*. The handbook can be downloaded free of charge in PDF format from the IFAC online bookstore (www.ifac.org/store), and print copies can be ordered for shipment in early April.

The 2009 Education Handbook contains the IAESB's suite of eight International Education Standards (IESs), including the *IAESB Framework for International Education Pronouncements* and *Introduction to International Education Standards*, as well as three International Education Practice Statements. The handbook reflects the changes in the IAESB's terms of reference and due process approved in 2006, an update of the glossary for key definitions introduced since its original publication, and minor editorial corrections. No changes of substance have been made in the framework, introduction or the IESs

Print copies of the handbook can be ordered for US\$50.00 plus shipping. Discounts are available for students, academics, and individuals living in developing countries, as well as for orders of 10 or more copies.

The 2009 *Handbook of International Education Pronouncements* can be downloaded or ordered from the IFAC online bookstore at www.ifac.org/store.

New IAESB Exposure Draft Focuses on Clarifying Accounting Education Standards

The IAESB of the IFAC has approved a new exposure draft (ED) that includes recommendations to help improve the clarity of International Education Standards.

Comments on this new ED, *Explanatory Memorandum on IAESB Drafting Conventions*, are invited by May 29, 2009.

The *Explanatory Memorandum on IAESB Drafting Conventions* reaffirms the IAESB's belief that the use of clear, concise, consistent, and definitive imperatives are essential to the consistent application of international standards. Key elements of the new drafting style include:

- Basing the standards on objectives, as opposed to procedural considerations;
- Use of the word "shall" to identify requirements that IFAC member bodies are expected to follow;
- Eliminating the present tense to describe actions by an IFAC member body, which some had regarded as ambiguous in terms of obligation; and
- Structural improvements to enhance the overall readability and understandability of the standards.

"International standards that are clear and capable of consistent application should contain no ambiguity about the requirements that an IFAC member body or other interested stakeholder in accounting education must meet," states Mark Allison, chair of the IAESB. "The proposed changes are designed to achieve this goal. This, in turn will enhance implementation worldwide".

The IAESB has focused its efforts on (1) defining the structure of the Standards, and (2) clarifying the language used to describe the requirements of each IFAC member body. The development of drafting conventions will ensure consistency among IAESB educational pronouncements, as well as consistency with other Boards' use of drafting conventions wherever possible.

The ED can be viewed by going to www.ifac.org/EDs. Comments may be submitted by email to edcomments@ifac.org. For further information, please visit www.ifac.org.

IFAC President Says it is Time to Implement Global Standards

Speaking to staff at the World Bank in Washington, D.C. on April 17, 2009, Robert L. Bunting, President of the IFAC, said that the global accounting profession, with the support of the World Bank, must move ahead decisively with implementing a single set of high-quality international financial reporting and auditing standards. "Implementation is vital to strengthening global financial systems, especially during this time of economic crisis," stated Mr Bunting.

He said that IFAC is committed to working closely with the World Bank and other institutions to deliver assistance efficiently where it can have the greatest impact. He cited two critical areas where the two organisations must build on current synergy:

- To establish the appropriate professional accounting infrastructures and legal and regulatory mechanisms in developing and other countries; these are necessary pre-requisites for the effective implementation of standards; and
- To urge reforms of public sector financial management systems, encouraging increased government accountability and the adoption of accrual accounting where resources permit.

Mr. Bunting emphasised IFAC support for the extension of work in these areas by the World Bank and the International Monetary Fund. For further information, please visit www.ifac.org

Forum of Firms Focuses on Going Concern

Over 70 partners and senior executives from 24 international networks of accounting firms recently met in London to share their experiences, industry insights, and current practices at a symposium on Going Concern and Related Audit Considerations. Panels of experts were assembled with the support of the four largest networks to lead discussions on various topics, including companies' access to funding, financial statement and audit report implications related to going concern, as well as other related audit considerations, such as valuation and impairment, materiality, and internal control implications.

"This event is the second in a developing initiative by the Forum of Firms to collectively share, examine, and evolve current practice in dealing with the many challenges facing auditors and the profession flowing from the current economic situation. It brings together the Forum membership in a unique manner to hear and openly exchange views, including hearing the latest developments from the International Auditing and Assurance Standards Board (IAASB)," states David Maxwell, Chair of both the symposium and the Forum of Firms.

The symposium commenced with a jurisdictional analysis of accounting and auditing standards, followed by a presentation on IAASB perspectives with particular emphasis on the IAASB's Staff Audit Practice Alert, *Audit Considerations in Respect of Going Concern in the Current Economic Environment*, issued in January 2009. The symposium then focused on some of the practical auditing considerations being faced by auditors across a broad spectrum of industries. This resulted in discussion from a wide range of perspectives and suggestions of practical guidance to help auditors navigate through today's economic climate. The importance of carefully considering assumptions associated with client business models, getting a more intimate understanding of financing arrangements, as well as transparency in disclosures were key focus areas. For further information, please visit www.ifac.org

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

Monitoring Board Meets with IASCF Trustees and Announces First Chair

The Monitoring Board, established by public authorities in January 2009 to enhance the public accountability of the International Accounting Standards Committee Foundation (IASCF), met on April 2, 2009 for the first time with the IASCF Trustees.

At the meeting, the participants engaged in a comprehensive discussion of the reconstitution of the Standards Advisory Council, with a view to ensuring that the viewpoints of stakeholder organisations and emerging markets are taken into

consideration during the standard-setting process. Also discussed were the response of the International Accounting Standards Board (IASB) to the financial crisis and the role of International Financial Reporting Standards (IFRS) in emerging economies.

The members of the Monitoring Board are, at this moment, the Emerging Markets and Technical Committees of the International Organisation of Securities Commissions (IOSCO), Financial Services Agency of Japan (JFSA), and US Securities and Exchange Commission (SEC). The Basel Committee on Banking Supervision participates in the Monitoring Board as an observer. Through the Monitoring Board, securities regulators that allow or require the use of IFRS in their jurisdictions will be able to more effectively carry out their mandates regarding investor protection, market integrity, and capital formation.

In other business, the Monitoring Board members elected Hans Hoogervorst as chairman. Chairman Hoogervorst represents the IOSCO Technical Committee on the Monitoring Board and is the head of the Netherlands Authority for the Financial Markets.

Mr. Hoogervorst said, "I was very pleased to participate in the initial meeting of the Monitoring Board with the IASCF Trustees. Through the Monitoring Board, world securities regulators will have a means for engaging with the IASCF Trustees to provide a rigorous external review of IASCF operations, policies, and procedures, while at the same time protecting the independence of the IASB in its standard setting work. As such, the Monitoring Board serves as a forum for IASCF accountability and gives securities regulators a formal means for providing input to the IASCF and IASB regarding the implementation of IFRS." For further information, please visit www.iasb.org.

IASC Foundation Issues IFRS Taxonomy 2009 and Publishes for Public Comments its Due Process for XBRL Activities

The International Accounting Standards Committee (IASC) Foundation on April 3, 2009, issued the IFRS Taxonomy 2009 and published the Due Process Handbook for XBRL Activities for public comments.

The IFRS Taxonomy 2009 is a translation of International Financial Reporting Standards (IFRSs) as of January 1, 2009 into XBRL (eXtensible Business Reporting Language). XBRL is an extensible, license-free language used to communicate information between businesses. It allows companies, regulators, investors, analysts and other users of the IFRS Taxonomy 2009 to benefit from easier filing, improved access to and comparison of financial data.

The release of the IFRS Taxonomy 2009 follows the publication of the exposure draft in January 2009. Comments on the exposure draft were received from all over the world and from a wide variety of businesses and organisations. The comments focused on both technical and accounting details, and where appropriate have been reflected in the taxonomy.

The IASC Foundation also published a draft Due Process Handbook for XBRL Activities for public comment. The handbook sets out the IASC Foundation's XBRL mission, methodology and scope of work. It describes the mandatory procedures followed in developing the IFRS Taxonomy and in all other XBRL activities, and the comment period closes on June 26, 2009.

The IFRS Taxonomy 2009 and Due Process Handbook for XBRL Activities are freely available on this website. For further information, please visit www.iasb.org.

IASB Responds to G20 Recommendations and US GAAP Guidance

The IASB on April 7, 2009 responded to recent recommendations of the leaders of Group of Twenty (G20) countries regarding accounting standards and to recent decisions taken by the US Financial Accounting Standards Board (FASB).

For the G20 recommendations, please visit:

<http://www.londonsummit.gov.uk/resources/en/PDF/annex-strengthening-fin-sysm>.

IASB Concludes the 2007-2009 Annual Improvements

The IASB on April 16, 2009 issued improvements to IFRSs - a collection of amendments to twelve International Financial Reporting Standards (IFRSs) - as its latest set of annual improvements.

The IASB uses the annual improvements project to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project. The amendments included in the publication reflect issues that were included in exposure drafts of proposed amendments to IFRSs published in October 2007, August 2008 and January 2009. By presenting the amendments in a single document rather than as a series of piecemeal changes the IASB aims to ease the burden of change for all concerned.

Unless otherwise specified, the amendments are effective for annual periods beginning on or after January 1, 2010, although entities are permitted to adopt them earlier.

During its deliberations of comments received on the exposure draft of Proposed Improvements to IFRSs published in August 2008, the IASB decided to postpone reconsideration of two issues until more analysis could be completed. Consequently, with the document published, all the other issues included in the three exposure drafts have been finalised or removed from the IASB's agenda. For further information, please visit www.iasb.org.

Access to Unaccompanied Standards

In a Press Release dated April 17, 2009, the IASB announced that access to unaccompanied standards (the core standards, excluding additional content such as basis for conclusions) is now freely available from the IASB website www.iasb.org.

IASB Announces Round-Table Discussions as Part of Comprehensive Review of Off Balance Sheet Activities

In a Press Release dated April 21, 2009, the IASB announced details of the round-table discussions on consolidation and derecognition of financial instruments. The discussions will take place in June 2009 and will be held in Asia, Europe and North America.

The round tables follow the publication of the IASB's proposals on consolidation and on derecognition in December 2008 and March 2009 respectively.

The objective of the round tables is to seek further views on the consolidation proposals (for which the comment deadline closed in March, 2009) and to discuss the interaction of those proposals and the proposals on derecognition, particularly with regard to securitisations and the use of structured vehicles for off balance sheet accounting.

Off balance sheet activity was identified as a matter of concern by the G20 group of leaders at their meeting in Washington in November 2008. In response to those concerns, the IASB accelerated its work in this area and announced at a joint meeting with the US Financial Accounting Standards Board (FASB) that the two boards will work together to develop a joint approach to off balance sheet activity once the FASB has completed short-term amendments to its own standards.

The round-table discussions will take place in: Toronto on June 1 - 2, 2009, in Tokyo on June 8 – 9, 2009 and in London on June 15 -16 , 2009. Each session will be held in public. Interested parties are welcome to register through the IASB's website on www.iasb.org. Please visit the project and meeting pages of the website also for further details on venue and the exact timing.

The IASB will use the insights gained at the round tables in working towards issuing its new requirements on consolidation by the end of 2009 and on the derecognition of financial instruments in the first half of 2010.

News from Other Professional Bodies

MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

World Congress of Accountants 2010

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

THE CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS (CIMA)

CIMA World Conference 2009

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

The MICPA is a supporting partner of the Conference and Members of MICPA who register for the Conference will be able to enjoy a preferential rate of registration fee of RM1,500 if they register before April 30, 2009 and RM1,700 for normal registration. For those who register online, are kindly requested to insert the following registration code: 'CWCMICPA03'.

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

News from Universities

Universiti Kebangsaan Malaysia

International Management Accounting Conference (IMAC V)

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

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

The views expressed in this Newsletter are not necessarily those of the Institute. All rights reserved. No part of this publication may be transmitted in any form or by any means, electronic, mechanical, photocopy or otherwise, without the prior permission of the Institute.

The Malaysian Institute of Certified Public Accountants

No 15, Jalan Medan Tuanku, 50300 Kuala Lumpur, Malaysia. Tel: 03-26989622 Fax: 03-26989403
Email: micpa@micpa.com.my Website: www.micpa.com.my