

April 2010

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

Announcements

MICPA 52nd Annual General Meeting

The Institute's 52nd Annual General Meeting will be held on Saturday, June 19, 2010 at Bilik Seraya, Level 4, Best Western Premier Seri Pacific Hotel Kuala Lumpur.

MICPA 52nd Annual Dinner

The Institute's 52nd Annual Dinner will be held on Friday, July 16, 2010 at Sheraton Imperial Hotel Kuala Lumpur. For further information, please contact the Institute's Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: vic.pr@micpa.com.my.

Reciprocal Membership to ICAA

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

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

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

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

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

[Frequently Asked Questions](#)

[MICPA to ICAA Flowchart](#)

[Application Form](#)

MICPA 51st Anniversary Commemorative Lecture - Presentation Slides

The Institute's 51st Anniversary Commemorative Lecture was successfully held on Tuesday, April 20, 2010 at Sime Darby Convention Centre. We are pleased to attach the Presentation Slides of YBhg Datuk Seri Panglima Andrew Sheng, which was delivered at the Lecture. Please click [here](#) to view the presentation.

The MICPA would also like to extend its appreciation to all accounting firms, organisations, invited guests and members for their support towards the event.

MICPA Education & Training

Pathways Route to ICAEW Membership

The MICPA qualification was recognised by The Institute of Chartered Accountants of England and Wales (ICAEW) in 2004. ICAEW undertook further assessment of the MICPA qualification in comparison with the ACA qualification introduced in 2007 and granted further exemptions to MICPA members in January 2009.

We are pleased to inform members that the Council of ICAEW has agreed to extend the ***Pathways to Membership Scheme to MICPA members with effect from January 1, 2010.***

The Pathways to ICAEW membership further endorses the close co-operation between the two Institutes in the education and training of professional accountants. For further information on the Pathways route, please click [here](#).

Revised MICPA Programme - Tuition Provider: Sunway-TES

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

Activities of the Institute

Schedule of MICPA Events for 2010

We are pleased to inform that the schedule of events for 2010 has been made available on the MICPA website under Events/CPD in the Homepage. For further information, please click [here](#).

MICPA Participates in Professional Career Talks

The Institute continues to embark on an aggressive marketing strategy to position the Revised MICPA Programme and CPA Malaysia qualification. In this regard, 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. In April 2010, the Institute participated in the following:

Professional Career Talks:

- **SM Teknik Perdagangan, Johor Bahru** – On Wednesday, April 21, 2010, Mr Phuah Lai Hock, Partner at Deloitte, JB and a member of MICPA made a presentation to 186 Form 5 students and 8 teachers;
- **Taylor's Business School** – On Wednesday, April 28, 2010, the Institute's Executive Director will make a presentation to about 90 final year level 3 students; and
- **Monash University** – On Thursday, April 29, 2010, the Institute's Executive Director will make a presentation to about close to 60 students.

Streams of Training

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

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

Job Opportunities on MICPA Website

As part of the Institute's service to members', Members' Firms and Approved Training Organisations of the Institute who wish to advertise any job opportunities in their respective firms are welcome to send in the job vacancy to the Institute.

The opening will be posted on the MICPA website for one (1) month from the date of posting. For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: vic.pr@micpa.com.my.

MICPA Technical Updates

INLAND REVENUE BOARD (IRB)

Grace Period for Submission of Hardcopy of Form E for Year 2009

Further to Circular No.TEC/022/04/2010/W dated April 2, 2010, members' are informed that the IRB has agreed to extend the deadline for submission of the hardcopy of Form E for year 2009 to April 7, 2010. However, the 7-day grace period for submission of the hardcopy of Form E for year 2009 is only applicable to taxpayers who have submitted their Form E via postal service and by hand (excluding electronic form via e-filing).

Taxpayers are allowed to submit Form E for year 2009 to the Processing Centre, Pandan Indah and the IRB's branches. Nevertheless, tax agents are not allowed to submit Form E to the IRB's branches.

Relocation of Petaling Jaya Branch

Further to Circular No.TEC/024/04/2010/W dated April 6, 2010, members' are informed that the Inland Revenue Board (IRB) Petaling Jaya Branch and its Investigation Branch of Petaling Jaya have been relocated to its new premises since March 22, 2010 as follows:

Menara Hasil
No.8, Jalan PJU 8/8A
Bandar Damansara Perdana
47820 Petaling Jaya

The map and further information of the new premise can be downloaded from the IRB's website www.hasil.gov.my or Tel: 03-7882 7522.

Revised Filing Programme for Submission of Year 2010 Tax Return Forms

Further to Circular No. TEC/028/04/2010W dated April 8, 2010, members' are informed that the IRB has recently issued a revised filing programme for year 2010. The revised filing programme supersedes the original filing programme and its additional notes issued in March 2010.

For further details, please download the revised filing programme from the following link:

http://www.hasil.gov.my/lhdnv3/documents/maklumat_terkini/Program%20Memfailkan%20Borang%20Tahun%202010new.pdf.

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

Minutes of Dialogue between Tax Operation Department and Professional Bodies

Further to Circular No. TEC/029/04/2010W dated April 8, 2010, members' are informed that a dialogue between the Tax Operation Department of the IRB and representatives of MICPA, MIA, CTIM, MAICSA, MATA, ICMA and MACS was held on February 8, 2010.

Some of the issues discussed at the dialogue include the following:

- Filing of Forms E and EA
- Liquidation cases
- Submission deadline for Forms C and R
- Tax refund
- Submission of revised tax computation and Form C
- Real Property Gains Tax (RPGT)

Members are informed that the minutes of the above-mentioned dialogue (Bil. 1/2010) is now available on the MICPA's website www.micpa.com.my in the Members' Area.

Minutes of Dialogue for Post 2010 Budget Issues

Further to Circular No. TEC/030/04/2010W dated April 14, 2010, members' are informed that a dialogues between the Tax Policy Department of the IRB and representatives of the MICPA, MIA, CTIM, MAICSA, MATA and MICCI was held on December 17, 2009 to discuss technical issues related to the 2010 Budget proposals.

Some of the issues discussed at the dialogue include the following:

- Knowledge workers in Iskandar Malaysia
- Relief on broadband subscription fees

- Enhancing tax incentives for healthcare service providers
- Expediting investments for selected industries
- Incentives for small and medium enterprises to register patents and trademarks
- Tax incentives for buildings awarded Green Building Index (GBI) certificate
- Partial exemption of stamp duty on purchasing a building awarded GBI certificate
- Service tax on credit cards and charge cards
- Real Property Gains Tax (RPGT)

Members are informed that the minutes of the above-mentioned dialogue is now available on the MICPA's website www.micpa.com.my in the Members' Area.

E-Filing of Income Tax Return Forms

Further to Circular No. TEC/031/04/2010W dated April 16, 2010, members' are informed that the e-filing system for submission of tax return forms via on-line for Forms BE, B, M, P and E for year of assessment 2009 is available since March 1, 2010 on the IRB website www.hasil.gov.my or e-filing website at <https://e.hasil.gov.my>.

Users of the e-filing system should key in their MyID number and password to start filling the tax return forms online. If the users have forgotten their password, the users should choose "Forgot Your Password" from the menu and select the relevant "Challenge Phrase". The "Challenge Phrase" will be blocked after three unsuccessful attempts. The users need to contact the Customer Service Centre at 1-300-88-3010 or the nearest IRB's branch if the "Challenge Phrase" is blocked.

Please be reminded that the submission deadline for Form BE for individuals not carrying on a business is on April 30, 2010.

Public Ruling No. 1/2010 – Withholding Tax on Income Under Paragraph 4(f) and Fourth Addendum to Public Ruling No.2/2004 – Benefits in Kind

Further to Circular No. TEC/033/04/2010W dated April 23, 2010, members' are informed that the IRB has issued the following Public Ruling and Addendum on April 19, 2010:

- Public Ruling No. 1/2010 – Withholding Tax on Income under Paragraph 4(f)
- Fourth Addendum to Public Ruling No.2/2004 – Benefits-in-kind

The Public Ruling and Addendum can be downloaded from the IRB's website at: <http://www.hasil.gov.my/lhdnv3e/index.jsp?process=16000&menu1=0&m2=1&ms2=Ketetapan%20Umum>.

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

MINISTRY OF FINANCE (MOF)

Mandatory Use of SMPC for New Application/ Renewal of Tax Agent Licence

Further to Circular No. TEC/025/04/2010/W dated April 6, 2010, members' are informed that the Ministry of Finance (MOF) has decided that all new applications

and renewal of tax agent licence under Section 153(3) of the Income Tax Act 1967 must be applied online via the Tax Management Information System (Sistem Maklumat Pengurusan Cukai (SMPC) with effect from July 1, 2010.

Applicants are advised to apply/ renew their tax agent licences online via SMPC four (4) months before the expiry of the tax agent licence at <http://smpc.treasury.gov.my>.

For further information on the above matter, please refer to the MOF's letter at: http://www.hasil.gov.my/lhdnv3/documents/maklumat_terkini/SMPC.pdf.

MALAYSIAN INTERNATIONAL CHAMBER OF COMMERCE AND INDUSTRY (MICCI)

Survey on Goods and Services Tax Implementation

Further to Circular No.TEC/026/04/2010/W dated April 7, 2010, members' are informed that the Malaysian International Chamber of Commerce and Industry (MICCI) has initiated an online survey to gather feedback on GST implementation, particularly to assist towards gauging the people's readiness for the imminent Goods and Services Tax (GST) implementation. Results of the survey will be compiled and reported to the authorities. Respondents to the survey will also receive a copy of the results in due course.

Those who are interested to participate in the survey may do so by completing the questionnaire online at http://surveymonkey.com/s/gst_survey.

COMPANIES COMMISSION OF MALAYSIA (SSM)

Temporary Reduction of Incorporation Fee of New Companies with Authorised Capital not Exceeding RM1 Million

Further to Circular No.TEC/027/04/2010/W dated April 8, 2010, members are informed that to support the Government's economic stimulus packages and to encourage the formation of small and medium enterprises (SMEs) to participate in various business opportunities, the Companies Commission of Malaysia (SSM) had announced its initiative to provide 15% discount to the incorporation fee of new companies with authorised capital not exceeding RM1 million.

The temporary reduction would be effective from April 1, 2010 to December 31, 2010. Should you have any enquiries on the above matter, please contact SSM at Tel: 03-2299 5533/5525/5535 or visit SSM's website www.ssm.com.my.

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

Practice Note 8/2010

– Explanation on the Application of Thresholds Provided for Under Section 132C(1B) of the Companies Act 1965

Further to Circular No.TEC/034/04/2010/W dated April 26, 2010, members are informed that the SSM has issued Practice Note 8/2010 to assist stakeholders in understanding the application of thresholds provided under Section 132C(1B) of the Companies Act, 1965 (CA 1965) in determining whether:

- the value of the proposed acquisition or disposal of the company's property amounts to a substantial value or substantial portion; and
- prior approval of shareholders is required before effecting the acquisition or disposal of a property.

Pursuant to Section 132C(1A) of CA 1965, the terms substantial value or substantial portion for a listed company shall mean the same value prescribed by the provisions in the Listing Requirements of Bursa Malaysia Berhad.

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

MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB)

Exposure Draft 72, Financial Reporting Standard for Small and Medium-Sized Entities

Further to Circular No.TEC/023/04/2010/W dated April 5, 2010, members are informed that the MASB has recently issued an Exposure Draft 72, *Financial Reporting Standard for Small and Medium-Sized Entities (FRS for SMEs)*. MASB ED 72 is identical with the *International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs)*, which was issued by the International Accounting Standards Board (IASB) in July 2009.

The draft *FRS for SMEs* is a self-contained and less complex alternative to the Financial Reporting Standards (FRSs), intended for use by SMEs without public accountability, but still required to publish general purpose financial statements for external users. The proposed Standard simplifies recognition and measurement methods and omits topics that are not relevant to SMEs, thus significantly reducing the number of disclosures required.

The draft *FRS for SMEs* proposes to:

- provide improved comparability for users of accounts;
- enhance the overall confidence in the accounts of SMEs; and
- reduce the significant costs involved in maintaining standards on a national basis.

The draft FRS for SMEs will also assist in easing transition to full application of FRSs for growing businesses that are preparing to enter public capital markets.

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

SECURITIES COMMISSION MALAYSIA (SC)

Audit Oversight Board (AOB) - Registration of Auditors of Public-Interest Entity

Further to Circular No.MEM/02/04/10/W dated April 2, 2010, members are informed that the Audit Oversight Board (AOB) has been established pursuant to the Securities Commission (Amendment) Act 2010 and take effect on April 1, 2010.

Audit firms and individuals who are engaged by public-interest entity (PIE) to audit its financial statements on or after April 1, 2010 must be registered with the AOB. The AOB will take the date of the annual general meeting (AGM) of the PIE as the date of engagement. Therefore, if the AGM of the PIE is on or after April 1, 2010, the auditors are required to be registered with the AOB immediately. If the auditors have been engaged to audit the financial statements of the PIE before April 1, 2010 and are an approved company auditor under Section 8 of the Companies Act 1965 will be allowed to continue with the engagement for a period of one year from April 1, 2010.

In this regard, we are pleased to inform members in practice that the Securities Commission (SC) has issued the following documents to facilitate the registration of auditors of PIE:

- i) Form 1 – Application for Registration as an Individual Auditor
- ii) Form 2 – Application for Registration as an Audit Firm
- iii) Audit Oversight Board Handbook for Registration
- iv) Frequently Asked Questions (FAQs)

Forms 1 and 2, Audit Oversight Board Handbook for Registration and the FAQs can be downloaded from the SC's website at www.sc.com.my.

UNIVERSITI KEBANGSAAN MALAYSIA (UKM)

2010 Tuanku Ja'afar Law Conference

Further to Circular No.TEC/032/04/2010/W dated April 20,, 2010, members are informed that Universiti Kebangsaan Malaysia (UKM) is organising the 2010 Tuanku Ja'afar Law Conference (TJLC) in association with the Companies Commission of Malaysia (SSM) on October 19 – 20, 2010 at Menara SSM @ Sentral, Kuala Lumpur.

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

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

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

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

Members Updates

Membership Data Update

Further to Circular No. MEM/01/11/2009 dated November 20, 2009 members 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: +603-2698 9403. You may also send an e-mail to membership@micpa.com.my for the change of correspondence and e-mail address.

MICPA Practising Certificate

The Membership Affairs Committee of the Institute in considering applications for practising certificate has frequently come across cases where a member has commenced public practice before he is issued with a practising certificate by the Institute.

The Committee would like to remind members that in accordance with **bye-law 56 of the Institute's bye-laws**, a member shall be entitled to engage in public practice in Malaysia only if he holds a practising certificate issued by the Institute. If members need clarification on the above requirement, you may forward your inquiry to membership@micpa.com.my or call +603-2698 9622.

CPD On-Line Record

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

An on-line CPD Record functionality has been added to the MICPA website, which facilitates members to update their CPD records on-line in the format provided. Please visit the MICPA website at www.micpa.com.my, login as a Member, click on Members Update on the Left-hand Menu and go to Section F to update your CPD records.

Young CPA Group

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

Continuing Professional Development (CPD) Programmes

Financial Instruments: Recognition, Measurement, Presentation & Disclosure

The MICPA is organising a two-day Workshop on *Financial Instruments: Recognition, Measurement, Presentation & Disclosures* on April 28 - 29, 2010 at The Legend Hotel Kuala Lumpur.

The objective of the workshop is to assist participants in understanding the complexities of accounting for financial instruments in the ever dynamic, volatile and globalised financial markets. Participants will learn the application of recognition and measurement models prescribed in the standards, the hedge accounting

requirements of the standards and the presentation and disclosure requirements of the standards.

The workshop will be led by Mr Tan Liong Tong, currently a Technical Consultant to Mazars, Malaysia and Mr Woon Chin Chan, currently a consultant/ trainer. Each participant will receive a complimentary copy of the book, ***Financial Instruments: Recognition, Measurement, Presentation & Disclosures***, 1st Edition 2010 worth RM100.00. For further information, please click [here](#).

News from Regulatory Bodies

BANK NEGARA MALAYSIA (BNM)

BNM Guidelines & Circulars:

- Property Development and Property Investment Activities by Islamic Banks

In an announcement dated April 1, 2010, Bank Negara Malaysia announced that their Guidelines and Circulars for property development and property investment activities by Islamic banks is now available. Please click on the hyperlink provided below to view the details:

<http://www.bnm.gov.my/index.php?ch=18&pg=55&ac=584#notice>

SECURITIES COMMISSION MALAYSIA (SC)

SC Names Audit Oversight Board Executive Chairman and Members

In a press release dated April 1, 2010, the SC announced the appointment of Encik Nik Mohd Hasyudeen Yusoff as the Executive Chairman of the Audit Oversight Board (AOB), which commenced operations on April 1, 2010.

The AOB was established pursuant to the recently gazette Securities Commission Amendment Act, which will oversee the auditors of Public Interest Entities (PIEs), protecting investors' interest and promoting confidence in the quality and reliability of audited financial statements of PIEs.

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

Malaysia and Turkey to Enhance Cooperation in Capital Market Regulation

The SC on April 20, 2010 signed a Memorandum of Understanding (MoU) with the Capital Markets Board of Turkey (CMB), paving the way for closer regulatory collaboration between the two capital market regulators.

Under the MoU, the SC and CMB will exchange information to facilitate the supervision and enforcement of their respective capital markets, exchange technical knowledge and collaborate in areas of mutual interest. For further information, please visit www.sc.com.my.

COMPANIES COMMISSION OF MALAYSIA (SSM)

The Regional Cambridge International Symposium on Economic Crime 2010

The SSM in collaboration with the Centre for International Documentation on Economic and Organised Crime (CIDOEC) will be organising the *Regional Cambridge International Symposium on Economic Crime 2010* with the theme *Attaining Corporate Resilience Through Governance and Integrity* on June 22 – 24, 2010 at the Shangri-La Hotel Kuala Lumpur.

The MICPA is a supporting organisation of the Symposium and members who register to attend will be able to enjoy a preferential rate of registration fee of RM1,800 for the Symposium.

For further information on the Symposium and registration details, please contact Pn Norhaslinda Salleh at 03-40476023 or email: norhaslinda@ssm.com.my.

News from IFAC and IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IFAC Releases 2010 Handbooks Containing all IAASB Pronouncements and the Code of Ethics for Professional Accountants

The IFAC has released the 2010 *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements*, and the 2010 *Handbook of the Code of Ethics for Professional Accountants*.

The *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements* includes the International Auditing and Assurance Standards Board's (IAASB) complete set of clarified International Standards on Auditing (ISAs) and International Standard on Quality Control (ISQC) 1 now in effect. It also includes the IAASB's standards on review, other assurance, and related services, a glossary, and a preface to the international standards.

The *Handbook of the Code of Ethics for Professional Accountants* contains the *Code of Ethics for Professional Accountants* (the Code), which has been revised by the International Ethics Standards Board for Accountants (IESBA) for improved clarity and strengthened independence requirements. The revised Code becomes effective on January 1, 2011, with early adoption permitted.

The handbooks can be downloaded free of charge in PDF format or purchased in print from IFAC's Publications and Resources site: web.ifac.org/publications. For further information, please visit www.ifac.org.

IFAC's Education Standards Board Adopts New Strategy

The International Accounting Education Standards Board (IAESB) has issued its Strategy and Work Plan for 2010-2012, which focuses on enhancing the International Education Standards (IESs) and providing guidance for IES adoption and implementation. This work will assist IFAC member bodies, regulators, employers, academics, and students by prescribing principles for the learning and development of a professional accountant.

The focus of IAESB activities will be on the following:

- Revising the IESs in consideration of the IAESB's drafting conventions project, which compiled stakeholder feedback on improving the clarity of the standards;
- Developing implementation guidance for the measurable implementation of the IESs, competency frameworks, and quality control measures for education providers; and
- Promoting greater awareness among academics, regulators, and others of the IAESB's pronouncements and its role in advancing international debate on emerging issues relating to the development and assessment of professional accountants.

The direction of further 2010-2012 activities will be based on the results of these three high-priority projects.

The *IAESB 2010-2012 Strategy and Work Plan* can be downloaded free of charge from the Resources section of the IAESB site: www.ifac.org/education.

IFAC Analysis Highlights the Expanding Role of SMPs in Advising SME Clients

The Small and Medium Practices (SMP) Committee of the IFAC Accountants (IFAC) published an analysis of research on business advisory services provided by SMPs. The extensive analysis includes a review of global research spanning academic studies, practitioner surveys, and interviews of SMP partners.

The analysis suggests that the needs of small- and medium-sized enterprises (SMEs)--the sector commonly served by SMPs--are changing due to an increasingly complex regulatory environment. The needs of SMEs are also changing as their demands shift from the use of SMPs for statutory audit requirements to business advisory services, including forming business plans and financial forecasts, identifying and managing risk, information technology, and business valuation.

Although the number and variety of SMEs continue to expand, evidence suggests that SMEs have difficulty obtaining access to credit and other resources. The analysis shows that SMPs are well-equipped to expand their services to meet the increasing needs of SMEs. The findings highlight that an important way for SMPs to improve their ability to meet these needs is by building referral networks, allowing them to expand the expertise available to their clients. The research suggests that referral networks are currently being under-utilised by SMPs.

The results of the research analysis are presented in the information paper, *The Role of Small and Medium Practices in Providing Business Support to Small- and Medium-sized Enterprises*, available in the SMP section of IFAC's Publications and Resources site: web.ifac.org/publications.

For more information, the IFAC SMP Committee welcomes readers to visit its International Center for Small and Medium Practices at www.ifac.org/smp, which hosts a collection of relevant links to free resources, including a category devoted to business advisory services.

IAASB Annual Report Highlights Implementation and Assurance Developments

The International Auditing and Assurance Standards Board (IAASB) on April 15, 2010 released its 2009 annual report. The report highlights the completion of the landmark Clarity Project surrounding the IAASB's International Standards on Auditing (ISAs), the development of adoption and implementation resources for the ISAs, and the launch of innovative new projects to address emerging issues.

The 2009 IAASB annual report can be downloaded from www.ifac.org/IAASB/Resources.php#AnnualReports. Readers are also encouraged to visit the new Clarity Center on the IAASB website (web.ifac.org/clarity-center/index) for more information on the Clarity Project and the full suite of standards that came into effect for audits of financial statements for periods beginning on or after December 15, 2009.

IPSASB Publishes Proposals for Amendments Under its Annual Improvements Project

The International Public Sector Accounting Standards Board (IPSASB) has released for comment exposure draft (ED) 44, *Improvements to International Public Sector Accounting Standards (IPSASs)*.

The release continues the IPSASB's improvements project, an annual undertaking intended to enhance the usability of IPSASs and thus facilitate global convergence. The IPSASB uses the improvements project to make non-urgent but necessary amendments to IPSASs.

ED 44 includes proposed improvements to existing IPSASs to maintain alignment with International Financial Reporting Standards (IFRSs), as well as other general improvements. The proposed amendments are related primarily to requirements for recognition, measurement, and disclosure and do not represent substantive revisions to the content of existing standards.

To access the exposure draft or submit a comment, visit the IFAC website at www.ifac.org/Guidance/EXD-Outstanding.php.

Comments on the exposure draft are requested by June 30, 2010.

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

IASB Seeks Feedback on Extractive Activities Discussion Paper

The International Accounting Standards Board (IASB) has published the results of an international research project on a possible future International Financial Reporting Standard (IFRS) for extractive activities in the form of a discussion paper – *Extractive Activities*.

A research team comprising members of the Australian, Canadian, Norwegian and South African accounting standard-setters analysed and discussed accounting for extractive activities with a wide range of stakeholders in order to identify a possible approach for a standard on the accounting for extractive activities. The discussion paper only contains the views of the project team – it does not represent the views of the Board. After considering the responses received on the discussion paper, the Board will decide whether to add the project to its active agenda.

Extractive activities are the activities undertaken by entities when searching for, and ultimately extracting, minerals, oil or natural gas. The area of extractive industries poses some very specific challenges resulting from the uncertainties that are faced by entities pursuing extractive activities: for instance assessing the quantities that may be found and the costs involved in accessing and extracting the resources.

The current standard, IFRS 6 *Exploration for and Evaluation of Mineral Resources*, was issued in 2004 as an interim standard pending completion of this research project. Existing IFRSs do not specifically address the accounting for the development and production of minerals or oil and gas properties, and do not include specific disclosure requirements that would help users to assess the nature and extent of the risks involved in the extractive activities. Because of the lack of guidance on these issues, the accounting and disclosure practices of entities engaged in extractive activities often vary by industry, by jurisdiction, and by the size of the company.

The discussion paper – *Extractive Activities* is open for comment until July 30, 2010. It can be accessed via the 'Comment on a proposal' section on www.iasb.org.

IASB and FASB Quarterly Report Shows Continued Progress Towards Convergence Goal

The IASB and the US Financial Accounting Standards Board (FASB) has published a report on their work to improve and achieve convergence of International Financial Reporting Standards and US generally accepted accounting principles.

In November 2009 the two boards, with the support of their respective Trustee bodies and the IASC Foundation Monitoring Board of public capital market authorities (a body that also includes the US public authority), demonstrated their shared commitment to convergence by establishing a comprehensive work plan to complete their joint programme by the June 2011 target.

To accomplish that objective, the boards have accelerated and intensified their joint work and, instead of meeting jointly every four months, have held ten joint meetings totalling more than 100 hours of discussions since the agreement. The next progress report is expected to be published in July 2010.

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

Impairment User Questionnaire

The IASB is seeking input from users of financial statements in the form of a questionnaire on the proposals regarding amortised cost measurement and impairment of financial instruments.

The feedback will assist the Board in its deliberations by helping it to better understand the views and preferences of users of the financial statements. The questionnaire closes on June 30, 2010.

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

News from Professional Bodies

MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

World Congress of Accountants 2010

Malaysia will host the 18th World Congress of Accountants 2010 which will be held in Kuala Lumpur on November 8-11, 2010 at the Kuala Lumpur Convention Centre. For further information, please click [here](#). The MICPA will be participating as an Exhibitor in WCOA 2010.

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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