

*The CPA e-Newslines 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.*

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## ANNOUNCEMENTS

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### **MICPA-STUDENTS SPONSORSHIP PROGRAMME ENDORSED AS STRUCTURED INTERNSHIP PROGRAMME**

We are pleased to announce that MICPA has a strategic collaboration with Talent Corporation Malaysia Bhd who has recently endorsed the **MICPA-Students Sponsorship Programme (MICPA-SSP)** as an approved **Structured Internship Programme (SIP)**.

The official endorsement was held on April 24, 2012 in conjunction with the Talent Roadmap 2020, which was launched by the Prime Minister YAB Dato' Sri Najib bin Tun Abdul Razak at the Putrajaya International Convention Centre. The Talent Roadmap 2020 is designed to address underlying issues affecting talent availability in Malaysia as well as address the talent needs arising from key industries driving the national economic transformation agenda. Please click [here](#) to view the press release.

The six sector-focused internship programmes endorsed by TalentCorp covers the National Key Economic Areas (NKEA) through collaborations with industry associations, regulators and universities. Together with other ongoing structured internship programmes, these will provide 12,000 places per year for Malaysian undergraduates at local public and private universities.

The six sector-focused programmes endorsed were The Malaysian Institute of Certified Public Accountants (Accounting), Malaysian Communications and Multimedia Commission (Telecommunications), Association of Banks Malaysia (Finance), Universiti Teknologi Petronas (Oil & Gas), University College of Technology & Innovation (ICT) and Taylor's University (Hospitality).

As part of the tax incentive for Budget 2012 companies that hire interns to undergo its SIP endorsed by TalentCorp, **is eligible for double tax deduction for all related expenses incurred on the interns**. The tax incentive, which took effect on January 1, 2012, is aimed at generating industry awareness and increased participation in the SIP, a collaborative effort between TalentCorp and the Ministry of Higher Education (MoHE) which hopes to generate more employable graduates to fill the current talent shortage in corporate Malaysia by providing industry-relevant internships to Malaysian students in local institutions of higher learning (IPT).

Under the incentive, companies offering paid structured internship programmes endorsed by TalentCorp will be able to claim tax deductions on internship training-related expenses of up to an average total of RM5,000 per intern for each assessment year.

### **MICPA-BURSA MALAYSIA BUSINESS FORUM 2012**

We are pleased to inform that The Malaysian Institute of Certified Public Accountants (MICPA) in collaboration with Bursa Malaysia Berhad is organising the *MICPA-Bursa Malaysia Business Forum 2012*, which will be held on **Monday, June 18, 2012 at the Mandarin Oriental Kuala Lumpur**.

Featuring the theme “Navigating Turbulence”, the Business Forum will cover the following topics:

- **Session 1** : ***Successful Leadership Styles***
- **Session 2** : ***Macro Issues Arising from Implementation of Accounting Standards and New Regulatory Initiatives***
- **Lunch Talk** : ***Leadership with Governance: The Yin and Yang of Sustainable Value Creation***
- **Session 3** : ***Global Business Outlook***

The Organising Committee has invited distinguished panelists comprising prominent corporate leaders, business professionals and capital market regulators to lead discussions in the above sessions.

Members of MICPA and ICAA who register for the Forum would be able to enjoy a preferential rate of registration fee of RM800.00 for the 1-day Forum.

For further details, please contact Ms Leong May San or Pn Salmiah Aliyas, Education & Training Department, MICPA on Tel: 03-2698 9622 or email: [bizforum12@micpa.com.my](mailto:bizforum12@micpa.com.my).

### **MICPA PUBLICATION**

#### ***Audit Guide for Practitioners – Revised Edition***

We are pleased to inform members that the updated *Audit Guide for Practitioners* is available for sale which incorporates the latest clarified International Standards on Auditing (ISA) as of June 2011.

The updated Audit Guide for Practitioners is designed to provide guidance on the performance of audits in accordance with approved auditing standards and maintaining quality control for audit work. It covers the development of an audit plan, audit programme and audit management. The guide also contains sample working papers, internal control questionnaires and checklists on disclosure requirements.

The Audit Guide includes separate audit programmes for medium large companies, small companies and dormant companies. For further information, please contact the Institute’s Membership Department on 03-2698 9622 or email: [membership@micpa.com.my](mailto:membership@micpa.com.my).

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## **ACTIVITIES OF THE INSTITUTE**

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### ***MICPA Participates in Professional Career Talks***

The Institute continues to embark on an aggressive marketing strategy to position the Revised MICPA Programme and the CPA (M) and CA (Austr) designation respectively.

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.

The following presentations were made in April 2012 to the following firms, universities and colleges. It was also an opportunity for the Institute to promote the MICPA -Students Sponsorship Programme (MICPA-SSP).

- April 2           Exhibition at KPMG On-Boarding
- April 3           Courtesy Visit to CIMB Group
- April 17-19      TalentCorp Career Fair & Exhibition, IIUM
- April 18           Accounting Carnival, Universiti Malaysia Terengganu
- April 26           TalentCorp Career Fair & Exhibition, Sunway University

### ***Approved Training Employers***

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

To date, over 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](http://www.micpa.com.my) and go to **Explore and click on Approved Training Employers 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](mailto:vic.pr@micpa.com.my).

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## **MICPA EDUCATION & TRAINING**

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### ***MICPA-Students Sponsorship Programme (MICPA-SSP)***

The Students Sponsorship Programme (SSP) is a programme launched jointly by the MICPA and approved accounting firms or approved training organisations recently. The objective of the programme is to assist students who are interested to pursue the revised MICPA programme while pursuing the final year of an accredited Bachelor of Accountancy degree programme, It also provides an avenue to approved accounting

firms or approved training organisations in identifying suitable candidates for internship and employment.

Under the SSP, approved accounting firms or approved training organisations will sponsor students who are interested to pursue the Taxation module and the Financial Reporting module of the revised MICPA programme while pursuing the final year of their Bachelor of Accountancy degree programme.

Candidates under the SSP will be required to work for the approved accounting firms or approved training organisations during their internship as well as upon completion of the Bachelor of Accountancy degree programme for a period of not less than 3 years.

The SSP is open to candidates who meet the following minimum criteria:

- Pursuing final year of a 4-year Bachelor of Accountancy degree programme accredited by MICPA or ICAA
- Minimum CGPA of 3.5 after completing 3-years of the Bachelor of Accountancy degree programme
- Active participation in extra-curricular activities
- Excellent communication skills, both oral and written. Fluency in written and spoken English is critical
- Must be a Malaysian citizen with good personality traits

The MICPA will work together with the various accredited public and private universities in Malaysia to identify suitable candidates who are interested to pursue the revised MICPA programme.

The profile of the identified candidates will be submitted to the approved accounting firms or approved training organisations for their consideration. The approved accounting firms or approved training organisations will conduct an interview with the identified candidates in order to consider the suitability of the candidates meeting the needs of the approved accounting firms or approved training organisations. An acceptance letter will be given to the successful candidates.

For further information on the Students Sponsorship Programme, please contact the Institute's Education & Training Manager on Tel: 03-2698 9622 or email: [micpa@micpa.com.my](mailto:micpa@micpa.com.my).

### ***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 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](#)

### ***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, please click [here](#).

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## **MICPA TECHNICAL UPDATES**

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### **INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)**

#### ***Revised Policy Position Paper 2: A Single Set of Auditing Standards: Audits of Small and Medium-Sized Entities***

Further to Circular No. TEC/023/04/2012/W dated April 3, 2012, members are informed that the International Federation of Accountants ("IFAC") recently released a revised version of Policy Position Paper 2, *A Single Set of Auditing Standards: Audits of Small- and Medium-sized Entities*. Following the release of the European Commission's proposed audit legislation in late 2011, the use of ISAs for audits of small- and medium-sized entities has again been brought into focus.

Policy Position Paper 2, *A Single Set of Auditing Standards: Audits of Small- and Medium-sized Entities*, was first issued by IFAC in 2008. The main revisions to the position paper include updated references to:

- the Clarified International Standards on Auditing ("ISAs");
- other standards issued by the International Auditing and Assurance Standards Board ("IAASB") that are relevant to small and medium practitioners; and
- tools and guidance that have been made available to practitioners by IFAC and the IAASB.

Policy Position Paper 2 reaffirms IFAC's view that a single set of auditing standards that can be applied to all audits is in the public interest.

A key objective of financial reporting is to provide users with relevant and reliable information for decision making; a single set of standards gives users confidence that audits – whether small or large, simple or complex – have been performed to the same high standards. ISAs are designed to be applied in a manner proportionate to the size and complexity of an entity.

The Revised Policy Position Paper 2, *A Single Set of Auditing Standards: Audits of Small-and Medium-Sized Entities*, is available for download at: [www.ifac.org](http://www.ifac.org).

For further information, please refer to the Circular posted on the MICPA website [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

### ***Good Practice Checklist for Small Businesses***

Further to Circular No. TEC/028/04/2012/W dated April 13, 2012, members are informed that the IFAC's Small- and Medium-sized Practices Committee ("IFAC SMP Committee") recently released a *Good Practice Checklist for Small Businesses* for constituents who operate in small- and medium-sized practices ("SMPs").

This checklist was developed to highlight good business practices that small businesses should undertake at all times. If the tasks detailed in this checklist are carried out regularly, the end of the financial year should not create undue pressure for the business, and the business would be more likely to have the quality information needed to manage and grow the business, regardless of the conditions faced.

The multi-part checklist features five (5) standalone sections on financial tasks, strategic financial tasks, strategic management tasks, regulatory requirements: lodging returns and forms, and personal affairs of business owner. This checklist includes many examples for illustrative purposes only and does not reflect any policy positions of the IFAC. It should also be noted that this checklist is not definitive and is intended to initiate thinking about the specific actions necessary to put the business on the right track and to maintain it there.

The checklist can be used by small businesses, to determine what business advice they may require from an accountant, and / or by SMPs, as a marketing or diagnostic tool to help them determine the advice a small business client may need.

The *Good Practice Checklist for Small Businesses* is available for download at <http://viewer.zmags.com/publication/9cbddc6a>. Other free resources and tools to help you grow your business, mainly from IFAC member bodies, are available for download from Resources and Tools at [www.ifac.org/SMP](http://www.ifac.org/SMP), in particular those relating to Practice Management and Business Advisory.

## **MEMBERS' HANDBOOK SUPPLEMENT NO.120**

### ***Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services***

Further to Circular No. TEC/024/04/2012/W dated April 3. 2012, members are informed that the Council of the Institute has, in March 2012, approved the issuance of the following pronouncements:

- *Amended Preface to the International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements;*
- *Auditing Technical Release ("ATR") 8, Illustrative Letter of Engagement – Statutory Audit for Single Entity and Group;*

and adopted the following pronouncements:

- *IAPN 1000, Special Considerations in Auditing Financial Statements;*
- *ISAE 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus.*

### ***Amended Preface to the International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements ("Amended Preface")***

The *Amended Preface* is issued by the International Auditing and Assurance Standards Board ("IAASB") of the International Federation of Accountants ("IFAC") in December 2011 to facilitate understanding of the scope and authority of the pronouncements the IAASB issues.

The *Amended Preface* withdraws the existing category of pronouncements known as International Auditing Practice Statements ("IAPs") and establishes a new category of pronouncements known as International Auditing Practice Notes ("IAPNs").

Conforming amendments have been incorporated into the *Statement of Policy of Council – Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services*.

In conjunction with the withdrawal of the existing category of pronouncements known as IAPs, the following IAPs were withdrawn in March 2012:

- *IAPS 1000, Inter-Bank Confirmation Procedures;*
- *IAPS 1004, The Relationship Between Bank Supervisors and External Auditors;*
- *IAPS 1006, The Audit of International Commercial Banks;*
- *IAPS 1010, The Consideration of Environmental Matters in the Audit of Financial Statements;*
- *IAPS 1012, Auditing Derivative Financial Instruments; and*
- *IAPS 1013, Electronic Commerce – Effect on the Audit of Financial Statements.*

**Auditing Technical Release 8 (Revised), *Illustrative Letter of Engagement – Statutory Audit for Single Entity and Group***

Auditing Technical Release 8 is revised pursuant to the clarified ISA 210 (Redrafted), *Agreeing the Terms of Audit Engagements*, which is effective for audits of financial statements for periods beginning on or after January 1, 2010.

The *Illustrative Letters of Engagement* set out in ATR 8 (Revised) are to be used as a guide in conjunction with considerations outlined in ISA 210 (Redrafted) and should be varied according to individual requirements and circumstances.

**International Auditing Practice Note (IAPN) 1000, *Special Considerations in Auditing Financial Instruments***

IAPNs are non-authoritative and do not impose additional requirements on auditors beyond those included in the ISAs. IAPNs provide practical assistance to auditors and do not change the auditor's responsibility to comply with all ISAs relevant to the audit.

IAPN 1000 was prepared by the IAASB to provide background information about financial instruments and discussion of audit considerations relating to financial instruments.

**ISAE 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus***

ISAE 3420 deals with reasonable assurance engagements undertaken by a practitioner to report on the responsible party's compilation of pro forma financial information included in a prospectus.

ISAE 3420 applies where such reporting is required by securities law or the regulation of the securities exchange in the jurisdiction in which the prospectus is to be issued, or this reporting is generally accepted practice in such jurisdiction.

ISAE 3420 is effective for assurance reports dated on or after March 31, 2013.

A copy of the Supplement No. 120 and these pronouncements can be downloaded from the MICPA website at <http://www.micpa.com.my> under Members' Handbook in the Members' Area.

**INLAND REVENUE BOARD OF MALAYSIA (IRB)**

***Explanatory Notes to Section 83A, Income Tax Act, 1967 for Preparation of Form CP58 [2011] and Income Tax Return Form for Year 2011***

Further to Circular No.TEC/026/04/2012/W dated April 13, 2012, members are informed that the Inland Revenue Department has issued an explanatory notes on April 10, 2012 to clarify Section 83A of the Income Tax Act, 1967 for the preparation of Form CP58 [2011] and income tax return form for the year 2011.

The above explanatory notes can be viewed or downloaded from the IRB's website at: [http://www.hasil.gov.my/pdf/pdfam/PENGUMUMANSEK83A\\_1.pdf](http://www.hasil.gov.my/pdf/pdfam/PENGUMUMANSEK83A_1.pdf).

***Use of IRB Electronic Services: E-Filing, M-Filing and E-Payment for Income of Year of Assessment 2011***

Further to Circular No.TEC/029/04/2012/W dated April 18, 2012, members are informed that the IRB has launched Mobile Filing (m-Filing) on March 1, 2012 for submission of m-BE income tax return form for taxpayers who do not carry on any

business. The m-Filing service facilitates taxpayers to complete and submit income tax return forms via mobile device application (smartphone).

The mobile devices which support m-Filing are:

- iPhone and iPad with iOS 4.0 and above
- Android version 2.2 (Froyo) and above
- BlackBerry (with OS6 and above) and Playbook
- Window Phone version 7.0 and above, 7.5 (Mango) recommended

The m-Filing can be accessed at <https://mfiling.hasil.gov.my>.

The payment for the balance of tax can be made via e-Payment before the due date for submission of the income tax return form, latest by April 30, 2012.

With effect from year 2012, income tax return form which is furnished via e-Filing only will be given a grace period of fifteen (15) days from the stipulated due date for submission of the form. This grace period also applies to payment of the balance of tax under Section 103(1) of the Income Tax Act, 1967.

Members are encouraged to use the IRB's electronic services such as e-BE, e-B, e-M, e-E and e-P which were made available since March 1, 2012 to submit their income tax return forms for the year of assessment 2011. The e-Filing facilities can be accessed at <https://e.hasil.gov.my> or [www.hasil.gov.my](http://www.hasil.gov.my) (under the "ezHASIL" link).

A copy of the IRB's letter on the above matter can be downloaded from the Institute's website at [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

### ***Claim Codes in Guide Books for Forms C 2011 and 2012***

Further to Circular No.TEC/032/04/2012/W dated April 26, 2012, members are informed that the Inland Revenue Board (IRB) has added or amended the list of claim codes in the Guide Book for Form C as follows: -

1. Addition of claim code 147 on Appendix D in the Guide Book for Form C 2011;
2. Addition of claim codes 147 and 148 on Appendix D in the Guide Book for Form C 2012; and
3. Code 119 on Appendix D in the Guide Book for Form C 2012 can no longer be claimed with effect from Year of Assessment 2012.

The above Guide Book for Form C can be viewed or downloaded from the IRB's website at:

<http://www.hasil.gov.my/goindex.php?jborang=2&tahunbor=2012&kump=2&skum=3&posi=1&Submit=Go>.

## **COMPANIES COMMISSION OF MALAYSIA (SSM)**

### ***Survey on the Effectiveness of the SSM Interest Scheme Advertisement***

Further to Circular No. TEC/025/04/2012/W dated April 12, 2012, members are informed that the Companies Commission of Malaysia (SSM) is conducting a survey

on the effectiveness of the Interest Scheme Advertisements which were broadcast on TV3 from February 15, 2012 to June 6, 2012.

A copy of the above SSM's announcement can be downloaded from the MICPA website at [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

### ***Lodgement of Annual Returns and Audited Financial Statements for Year 2011***

Further to Circular No.TEC/027/04/2012/W dated April 13, 2012, members are informed that the Companies Commission of Malaysia (SSM) has issued a press statement related to lodgement of annual returns and audited financial statements for the year 2011.

SSM announced that up to February 29, 2012, a total of 32,789 companies have failed to lodge annual returns and audited financial statements within the prescribed period for the year 2011 based on the records of the same documents lodged by these companies for the last two years.

Pursuant to Section 165 of the Companies Act, 1965, each company and the officers of the company i.e. directors and company secretary should ensure that annual returns and audited financial statements are lodged with the SSM each year within 30 days after the date of the annual general meeting unless the company has applied for an extension of time and was approved by the Registrar of Companies to hold annual general meetings and to present audited financial statements after the abovementioned deadline. In this regard, the SSM reminds companies which have failed to observe Section 165 of the Companies Act, 1965 to comply with the requirements of lodging annual returns and audited financial statements with the SSM.

For companies which are inactive or dormant, directors or shareholders are advised to wind up the company voluntarily under Section 254 of the Companies Act, 1965 or make an application to strike off the defunct company from the register under Section 308 of the same Act to avoid legal action being taken for failing to lodge annual returns and audited financial statements in the future.

Directors of companies are advised to liaise with their company secretaries or to contact SSM to check on the status of the companies lodgement of annual returns and audited financial statements at 03-2299 5334 (HQ) or email to [ar\\_compliance@ssm.com.my](mailto:ar_compliance@ssm.com.my) or contact the nearby SSM offices.

A copy of the above press statement can be downloaded from the MICPA website at [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

### ***SSM Charged 9,806 Companies and Businesses***

Further to Circular No. TEC/030/04/2012W dated April 18, 2012, members are informed that the SSM has taken prosecution action in court against 9,806 companies, companies' officers and businesses for committing offences under the Companies Act, 1965 and Registration of Businesses Act, 1956 during the year 2011.

The prosecution includes three types of common offences committed by the companies and directors of the companies as follows:-

1. Failure of the companies to call for annual general meeting under Section 143(1) of the Companies Act, 1965;
2. Failure of the companies to lodge annual returns with the SSM under Section 165(4) of the Companies Act, 1965; and
3. Failure of the companies' directors to table the audited financial statements at the companies' annual general meeting under Section 169(1) of the Companies Act, 1965.

There were 494 cases related to the prosecution of offences under the Registration of Businesses Act, 1956 (RBA) have been filed and of these, the three common offences committed by businessmen are as follows:-

1. Carry on business after the expiry of registration under Section 12(1) of the RBA;
2. Carry on a business without registration under Section 12(1)(c) of the RBA; and
3. Failure to display certificate of business registration under Section 12(2) of the RBA.

SSM will continue enforcement activities including legal action against companies, directors and officers of companies failing to comply with the provisions of law regulated by the SSM.

The public is advised to lodge a complaint if they suspect that there is any breach of the Acts administered by the SSM. They can lodge a complaint at SSM website at [www.ssm.com.my](http://www.ssm.com.my) or at the nearest SSM branches throughout Malaysia.

A copy of the above press statement can be downloaded from the MICPA website at [www.micpa.com.my](http://www.micpa.com.my) in the Members' Area.

### ***Closure of Business Registration Counters at DBKL***

Further to Circular No. TEC/031/04/2012W dated April 26 2012, members are informed that the SSM has issued a notice that SSM business registration counter services at the Kuala Lumpur City Hall, DBKL Tower II will no longer be in operation effective May 1, 2012.

In this regard, members are advised to carry out their business registration services transactions at SSM's offices at Menara SSM@Sentral, Kuala Lumpur Sentral and Level 16, Sunway Putra Mall, Kuala Lumpur or utilise the e-Lodgement online services at [www.ssm.com.my](http://www.ssm.com.my).

Members may also renew the business registration at any Bank Simpanan Nasional's offices.

Should you have any enquiries on the above matter, please contact SSM at 03-2299 5500.

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## MEMBERS' UPDATES

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### ***Membership Data Update***

Further to Circular No.MEM/01/12/2011/W dated December 7, 2011, members are informed that as a member-based organisation, one of the strategic objectives of the Institute is to provide support and services that benefit members. It is also the Institute's aim to continually improve the communication links between the Institute and members. In this regard, the Institute intends to update the membership database with regard to your personal particulars.

The Institute would like to seek your kind cooperation to complete the membership data update form and return it by post/ fax at +603-2698 9403 attention to the Secretary of the Institute. Please click [here](#) to download the form.

Members may also update your personal data by sending an email to [membership@micpa.com.my](mailto:membership@micpa.com.my). Alternatively, you may also update your personal data on-line via the MICPA website [www.micpa.com.my](http://www.micpa.com.my) by clicking on the Members Profile Update in the Members' Area.

### ***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](mailto: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](http://www.micpa.com.my), **login as a Member, click on Membership Update on the Left-hand Menu and go to Section F to update your CPD records.**

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## CONTINUING PROFESSIONAL DEVELOPMENT (CPD) PROGRAMMES

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It is an integral part of the Institute to conduct CPD Programmes to enhance the skills and knowledge of members. Our training covers a wide range of areas, including auditing, financial reporting, tax and more. The following CPD Programmes have been planned:

### ***Business Combinations and Consolidation***

The MICPA is organising a one-day Seminar on *Business Combinations and Consolidation (Covering MFRS 3, MFRSs 10 – 12, MFRS 127 and MFRS 128)* on May 7, 2012 at Concorde Hotel Kuala Lumpur.

This Seminar focuses on hands-on exercises and cases on advanced consolidation principles of acquisitions, reverse acquisitions, disposals of interests in subsidiaries, changes in stakes (accretion, dilution and deemed disposals) and internal group re-organisations.

The program also aims to update participants with the latest thinking on the subject of business combinations in the IASB's IFRS 3 and IFRSs 10 - 12. At the end of the course, participants should be able to understand the advanced principles relating to business combinations, consolidation of changes in stakes and reverse acquisition accounting. For further information on the Seminar, please click [here](#).

### ***Updates of the 2012 IFRS-Compliant MFRSs – Preparing for Convergence to IFRSs***

The MICPA is organising a two-day Seminar on *Updates of the 2012 IFRS-Compliant MFRSs – Preparing for Convergence to IFRSs* on May 9 - 10, 2012 at Renaissance Kuala Lumpur Hotel.

The seminar will enable the participants to understand the implications of the full convergence to the IFRSs. Participants will also understand the salient features of the IFRS-Compliant financial reporting standards that are effective on or after January 1, 2012 and assist participants to prepare for convergence at January 1, 2012 and thereafter. For further information on the Seminar, please click [here](#).

### ***Accounting for Construction Contracts, Property Development & Real Estate Activities and Borrowing Costs***

The MICPA is organising a two-day Workshop on *Accounting for Construction Contracts, Property Development & Real Estate Activities and Borrowing Costs* on May 21 - 22, 2012 at Renaissance Kuala Lumpur Hotel.

The Workshop aims to discuss the important aspects of these FRSS and IC Interpretation and to highlight the major areas of difficulty in measuring and recognising revenue and costs associated with constructions contracts and property development/real estate activities. Participants will undergo hands-on application of the FRSS and IC Interpretation through practical case studies. For further information on the Seminar, please click [here](#).

### ***Evening Talk on Limited Liability Partnership***

We are pleased to inform that the Public Practice Committee of MICPA is organizing an Evening Talk cum Hi-Tea on *Limited Liability Partnership (LLP)* on May 25, 2012 at Seri Pacific Hotel Kuala Lumpur.

The objective of the Evening Talk is to introduce the LLP to practitioners and to highlight its potential impact to the accounting industry. The speaker will also discuss the benefits and pitfalls of adopting the LLP. A roundtable discussion will be held at the end of the talk where participants can further engage with the speaker on the LLP. For further information, please click [here](#).

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## NEWS FROM REGULATORY BODIES

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### SECURITIES COMMISSION MALAYSIA (SC)

#### **SC Approves Eight Private Retirement Scheme Providers**

The Securities Commission Malaysia (SC) has announced the initial list of eight intermediaries approved as providers of Private Retirement Schemes (PRS Providers), marking a significant milestone in the development of a long-term sustainable private retirement industry for Malaysia.

The eight PRS Providers that have been approved are:

- AmlInvestment Management Sdn Bhd;
- American International Assurance Bhd;
- CIMB-Principal Asset Management Bhd;
- Hwang Investment Management Bhd;
- ING Funds Bhd;
- Manulife Unit Trust Bhd;
- Public Mutual Bhd; and
- RHB Investment Management Sdn Bhd.

The PRS Providers were selected on the basis of their expertise in investment and/or pension fund management, experience in global pensions management, financial strength, governance structure and proposed business model. The approval of the PRS Providers follows the release and announcement in December last year of the SC's "Eligibility Requirements for Private Retirement Scheme Providers" (Eligibility Guidelines) stipulating the expectations and requirements for interested and qualified parties to become PRS Providers.

The SC has also issued the *Guidelines on Private Retirement Schemes* (PRS Guidelines) which sets out regulatory and operational requirements which must be complied with by PRS Providers, PRS Scheme Trustees and investments of PRS Schemes.

The *Capital Markets and Services (Private Retirement Scheme Industry) Regulations 2012*, which came into force on March 19, 2012 and the [PRS Guidelines](#), as well as a set of [FAQs](#) are available at the SC website at [www.sc.com.my](http://www.sc.com.my)

#### **Remediation is Key to Improving Overall Quality of Audit Work**

The Audit Oversight Board (AOB) has released its Annual Report 2011 which noted that audit firms are responding to the findings of inspections by implementing remediation plans to improve the overall quality of their audit work.

"While the auditing framework remains strong and all international standards are adopted, the findings from the AOB oversight activities suggest that more efforts are required to enhance audit quality" noted Nik Hasyudeen Yusoff, Executive Chairman of the Audit Oversight Board (AOB).

In 2011, the AOB, which was established by the Securities Commission Malaysia (SC) to oversee the auditors of PIEs, conducted inspections on 17 audit firms, which audit over 98% of the market capitalisation of public-listed companies (PIEs) or 86%

of the total number of PIEs. During the year, the AOB also commenced the review of remediation plans proposed by the audit firms that were inspected.

By the end of 2011, 16 final regular inspection reports had been issued, six were pending finalisation and 13 remediation plans were approved. The 13 remediation plans, which focus on the strengthening of governance structure, improvement of methodology and the rebalancing of partners' portfolio and workload, are currently at various stages of implementation.

While the AOB will continue to inspect audit firms through its annual audit inspection programme, a critical component of the AOB's task is to monitor audit firms' remediation progress to close the gaps identified, in order to improve the overall quality and ensure the effectiveness of audit work performed.

For further information, please visit [www.sc.com.my](http://www.sc.com.my).

## **BANK NEGARA MALAYSIA (BNM)**

### **Notices & Announcements**

#### **– Call for Public Feedback: Concept Paper – Guidelines on Agent Banking**

*The Concept Paper - Guidelines on Agent Banking* outlines the minimum expectations to be observed by financial institutions (FIs) that intend to undertake agent banking. Broadly, it aims to facilitate the implementation of agent banking in unserved areas, in a reliable, safe and sustainable manner whilst safeguarding consumer interest and confidentiality. It also operates on the premise that FIs retain the ultimate responsibility and accountability of all agent banking activities.

#### **Applicability**

- Banking institutions licensed under the Banking and Financial Institutions Act 1989 (BAFIA);
- Islamic banking institutions licensed under the Islamic Banking Act 1983 (IBA); and
- Development financial institutions prescribed under the Development Financial Institutions Act 2002

Members of the public are invited to provide constructive feedback on the concept paper to enable the Bank to make further assessments leading to the finalisation of the guidelines.

Written comments should be submitted to the following centralised e-mail address **no later than May 11, 2012**: [abfeedback@bnm.gov.my](mailto:abfeedback@bnm.gov.my). Queries may be directed to Cik Junaidah Yusof (03-26941259) or Puan Liza Khairani Wahid (03-2698 8044 ext. 8529).

The consultation period for this concept paper **ends on May 11, 2012**.

**INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)*****IPSASB Issues Exposure Draft 47 – Financial Statement Discussion and Analysis***

The International Public Sector Accounting Standards Board (IPSASB) has published *Exposure Draft (ED) 47, Financial Statement Discussion and Analysis*—a proposed new standard. The ED proposes minimum required content while still providing sufficient flexibility for entities to prepare and publish financial statement discussion and analysis that best portrays their specific circumstances.

Because of the close link between financial statement discussion and analysis and an entity's financial statements, ED 47 proposes that:

- the guidance be issued as an International Public Sector Accounting Standard (IPSAS) with the same authority as IPSASs concerning accrual-based financial statements;
- financial statement discussion and analysis be prepared and presented in conjunction with an entity's financial statements; and
- the qualitative characteristics governing preparation of financial statements be applied to financial statement discussion and analysis.

ED 47 includes implementation guidance and an illustrative example that show how an entity might prepare its financial statement discussion and analysis to comply with the proposed requirements.

**How to Comment**

To access the Exposure Draft and the At-a-Glance document, which provides a summary of the Exposure Draft, or to submit a comment, please visit the IPSASB website at [www.ipsasb.org](http://www.ipsasb.org). Comments on the Exposure Draft are requested by **July 31, 2012**. The IPSASB encourages IFAC members, associates, and regional accountancy bodies to promote the availability of this Exposure Draft to their members and employees.

***Private Sector Taskforce of Regulated Professions and Industries Makes Recommendations to the G-20***

The IFAC has submitted, on behalf of the Private Sector Taskforce (PSTF), an update to the report *Regulatory Convergence in Financial Professions and Industries* ("2011 Report"), issued to the G-20 Deputies in September 2011.

The PSTF strongly encourages the G-20 to implement all of the 15 recommendations presented in its 2011 Report with a strong emphasis on its first two recommendations, encouraging the G-20 to:

- Continue to focus on regulatory convergence in the financial sector, ensuring that G-20 nations work together to identify and narrow gaps in regulatory practice; and
- Discourage nations from implementing unilateral national regulatory reforms that are inconsistent with international standards and that widen—rather than narrow—the convergence gap.

In support of these recommendations, the update provides a discussion of matters that have arisen since the report was issued—including examples of where regulatory convergence has moved forward, such as the introduction of Legal Entity Identifiers (LEI), adoption of International Financial Reporting Standards (IFRS), and the adoption of International Standards on Auditing (ISAs). The update also notes examples where international regulatory arrangements have become more fragmented.

The update includes additional recommendations regarding public sector financial management and reporting, transparency, and accountability. Over the last year this has been brought into greater focus as a consequence of the sovereign debt crisis, and growing global financial instability. Other important matters are identified which the taskforce suggests will require closer attention by the G-20 in 2013 and beyond.

The PSTF was established in May 2011 at the request of the Presidency of the G-20. The initial report provided the G-20 with an analysis of the development of financial policy and regulation, with the aim of facilitating economic stability in the world's capital markets. The benefits of regulatory convergence were identified, as well as the inefficiencies and associated costs created by regulatory gaps. A range of possible scenarios and associated risks were analyzed and explored, specific examples were given, and a set of recommendations provided.

### ***IFAC Urges G-20 to take Action Against Inconsistent, Unreliable Public Sector Financial Reporting***

In a letter submitted in April 2012, the IFAC urged the G-20 Deputies and Finance Ministers at their April 2012 meeting in Mexico to take action to encourage governments to seriously address the quality of public sector financial management systems and institutions. The letter, which is a follow-up to previous submissions to the G-20 in 2009, 2010, and 2011, focuses solely on public sector financial management, transparency, and accountability.

In March this year IFAC convened a seminar titled *The Sovereign Debt Crisis, a Matter of Urgency—from Lessons to Reform*, which included presentations, debates, and discussion involving key decision makers, politicians, and public sector finance management leaders. Outcomes from the seminar included the identification of the compelling and urgent need for governments to address seriously the quality of public sector financial management systems and institutions. There was a call for the adoption of accrual accounting and budgeting to better measure and manage fiscal positions; noting that the current crisis emphasized the deficiencies associated with cash-based arrangements. A common theme that emerged was that, in many countries, the risks associated with the poor fiscal measurement and management exposed by the sovereign debt crisis are amplified by the fiscal risks associated with the aging population.

For further information on the above news, please visit [www.ifac.org](http://www.ifac.org).

## **IFRS FOUNDATION AND THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)**

### ***New IFRS for SMEs Guide is Posted***

A revised version of the booklet *A Guide to the IFRS for SMEs* has been posted in the website [www.ifrs.org](http://www.ifrs.org). This eight-page 'executive briefing' is written in non-technical language for lenders, creditors, owner-managers, and others who use SME financial statements.

### ***SME Implementation Group Publishes Two Final Q&As***

The SME Implementation Group (SMEIG) has published two question and answer documents (Q&As) on the *IFRS for SMEs*:

- Q&A 2012/01 Application of 'undue cost or effort'
- Q&A 2012/02 Jurisdiction requires fallback to full IFRSs

These two final Q&As reflect the input that the SMEIG received on the publication of **five draft Q&As** in September 2011 (comment period closed in November 2011). After considering the public comments the SMEIG has decided not to issue final Q&As on the following three draft Q&As:

- General Issue 1 - Application of the *IFRS for SMEs* for financial periods ending before the IFRS for SMEs was issued
- Section 3 Issue 2 - Departure from a principle in the *IFRS for SMEs*
- Section 3 Issue 3 - Prescription of the format of financial statements by local regulation

Q&As published by the SMEIG are non-mandatory guidance documents that will help those who use the *IFRS for SMEs* to think about specific accounting questions. They are not intended to modify in any way the application of full IFRSs

### ***Unaccompanied IFRSs and their Technical Summaries as of January 1, 2012***

The IFRS Foundation offers free access to the current year's consolidated unaccompanied English language IFRSs and official interpretations (Red Book). This includes IFRSs, IASs, IFRICs and SICs.

These are now available along with their technical summaries as of January 1, 2012. To access them you need to be a 'registered user'.

'Unaccompanied' means that the IFRSs are provided without the Implementation Guidance or the Basis for Conclusions. These additional materials are available in book format or electronically from eIFRS the Subscriber site. For details about both products please visit the Web Shop.

### ***Capital Markets Advisory Committee (CMAC) February 2012 Meeting Summary Available***

A summary of the Capital Markets Advisory Committee (CMAC) meeting held in February 2012 has been posted on the website. The CMAC, formerly the Analyst Representative Group (ARG), provides the IASB with regular input from the international community of users of financial statements and meets three times a year in the IASB's London office.

### ***April 2012 Due Process Oversight Committee (DPOC) Meeting Summary Available***

The Trustees' Due Process Oversight Committee (DPOC) met in London on April 13, 2012. The DPOC is responsible for approving due process and overseeing the IASB's compliance with due process, and reviewing the Trustees' fulfilment of their oversight function in accordance with the Constitution of the IFRS Foundation.

### ***Joint IASB/ FASB Progress Report on Convergence Issued***

The November 2011 G20 Declaration called on the IASB and the FASB to provide a progress report on their convergence activities, for consideration at the April 2012 meeting of G20 Finance Ministers and Central Bank Governors. The Declaration also called for the completion of the governance and strategy reviews. A joint IASB/FASB progress report describing these activities has now been issued via the Financial Stability Board

### ***Sir Callum McCarthy Appointed as a Trustee of the IFRS Foundation***

The Trustees of the IFRS Foundation, responsible for the governance and oversight of the International Accounting Standards Board (IASB) have announced the appointment of Sir Callum McCarthy to serve as a Trustee.

Sir Callum currently serves as a non-executive director of Industrial and Commercial Bank of China, IntercontinentalExchange and the UK HM Treasury. Between 2003 and 2008 he served as Chairman of the Financial Services Authority (FSA), the UK financial services regulator.

For further information on the above news, please visit [www.ifrs.org](http://www.ifrs.org).

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## **NEWS FROM PROFESSIONAL AND OTHER BODIES**

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### **SURUHANJAYA SYARIKAT MALAYSIA (SSM)**

#### ***SSM National Conference 2012***

The SSM is organising the *SSM National Conference 2012* with the theme “Managing Corporate Governance, Creating Value, Transforming Economy” which will be held on June 12 & 13, 2012 at the Sime Darby Convention Centre.

We are pleased to inform that the MICPA is a supporting body of the conference. For further information on the Conference and registration details, please click [here](#) or contact Madam Ng Lay See, Head of Corporate Development at COMTRAC at Tel: 03-2299 4438 or email: [laysee@ssm.com.my](mailto:laysee@ssm.com.my).

### **THE MALAYSIAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS (MAICSA)**

#### ***MAICSA Annual Conference 2012***

The MAICSA will be organising its *Annual Conference 2012* with the theme “Moving Forward: Changing Perspectives” which will be held on July 9 & 10, 2012 at the Sime Darby Convention Centre.

We are pleased to inform that the MICPA is a supporting body of the conference and members who register for the conference will be able to enjoy a preferential registration fee as follows:

- RM1,250 before March 16, 2012;
- RM1,480 for the two-day conference; and
- RM1,350 for 3 or more delegates from the same organisation.

For further information on the above news, please visit [www.maicsa.org.my](http://www.maicsa.org.my).

## **CHARTERED TAX INSTITUTE OF MALAYSIA (CTIM)**

### **2012 National Tax Conference**

We are pleased to inform that CTIM in collaboration with the Inland Revenue Board of Malaysia (IRBM) is jointly organising the *2012 National Tax Conference* with the theme "Taxation Challenges in a Borderless Economy" which will be held on July 17 & 18, 2012 at the Kuala Lumpur Convention Centre.

We are pleased to inform that the MICPA is a supporting body of the conference. For further information on the Conference and registration details, please contact Ms Nursalmi or Ms Fadeah at Tel: 03-2162 8989 Ext 106/ 113 or email: [nur@ctim.org.my](mailto:nur@ctim.org.my) or [fadeah@ctim.org.my](mailto:fadeah@ctim.org.my).

*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](mailto:vic.pr@micpa.com.my) for further information.*

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