

August 2008

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

Announcements/Activities

Revised Office Hours

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

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

Schedule of MICPA Events for 2008

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

The Institute of Chartered Accountants of India

- Delegation Visit to MICPA

A 40-member delegation visit to the Institute was made by The Institute of Chartered Accountants of India on Thursday, August 14, 2008. The Institute certainly welcomes the exchange of information between fellow accountancy bodies to strengthen professional relationship and understanding of the current developments in the accountancy profession and business environment in the various countries.

November 2008 Workshop Sessions Schedule

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

Leadership Camp

A Leadership Camp with the theme *Leadership for a Changing World* was held on August 22-24, 2008 at Pusat Rekreasi dan Perkhemahan, Batang Kali. The main objective of the Leadership Camp is to build confidence and leadership skills, encourage team building and personal growth. The camp was jointly organised with the Accounting Club of Universiti Kebangsaan Malaysia. About 100 students from the various public universities attended the camp.

Visit by Kolej Komuniti, Jasin

Kolej Komuniti Jasin in Melaka visited the Institute on Wednesday, August 27, 2008. A total of 33 students from the Accountancy & Business Programme and 7 Lecturers were briefed on the Institute's activities, the CPA & CFIA qualification by Ms Vicky Rajaretnam, Public Affairs & Communications Manager.

2009 Budget Day Activities

The 2009 Budget was announced by the Minister of Finance on Friday, August 29, 2008. The following activities were organised in conjunction with the Budget Day to promote the Institute as a **Centre of Technical Excellence**:

- Pre-budget interview with NTV7 on Wednesday, August 13, 2008. Mr Poon Yew Hoe, Council member and a member of the Institute's Tax Practice Committee represented MICPA. The interview was aired over NTV7 on Budget Day, Friday, August 29, 2008;
- Pre-budget interview with Sin Chew Jit Poh on Thursday, August 14, 2008. Mr Beh Tok Koay, Council member and Chairman of the Tax Practice Committee represented MICPA;
- Pre-budget phone-in interview with Traxx FM (Frequency 90.3) on Monday, August 18, 2008. Ms Goh Lee Hwa, Council member of MICPA and a member of the Tax Practice Committee represented MICPA. The interview was aired over Traxx FM beginning Monday, August 25, 2008 up until budget day;
- Pre-budget interview with Nanyang Siang Pau on Thursday, August 21, 2008. Mr Beh Tok Koay represented MICPA;
- Pre-budget interview on "Helo Malaysia", a programme on ASTRO's Bernama News TV (BRTV – Channel 502) on Monday, August 25, 2008. Mr K Sandra Segaran, Technical Director at Deloitte KassimChan Tax Services represented MICPA. The interview was aired over Bernama News TV on Thursday, August 28, 2008;
- Budget Hotline organised by Nanyang Siang Pau on Friday, August 29, 2008. Ms Tong Siew Choo, member of MICPA's Tax Practice Committee represented MICPA;
- Pre-budget and post-budget interview on ASTRO's Bernama News TV (BRTV, Channel 502) on Friday, August 29, 2008 between 3:00 to 7:00 p.m. Ms Goh Lee Hwa, Council member and a member of the Tax Practice Committee represented MICPA; and
- Pre-budget and post-budget interview on Bernama's Radio 24 (Frequency 93.9) on Friday, August 29, 2008 between 3:00 to 6:00 p.m. Ms Peggy Then, Executive Director of KPMG Tax Services Sdn Bhd represented MICPA.

MICPA-Bursa Malaysia Business Forum 2008

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

The Organising Committee has invited YB Senator Tan Sri Datuk Amirsham A. Aziz, Minister in the Prime Minister's Department, to deliver the Opening Keynote Address, as well as, speakers and panelists comprising prominent corporate leaders, senior Government officers, business professionals and capital market regulators, including to lead discussions in the plenary sessions over the two-days.

The plenary sessions will include the following topics:

Day 1

Session 1: *Global Business Trends: Threats And Opportunities*

Session 2: *Corporate Governance: Where Are We Going?*

Session 3: *Creating Value After Listing*

Day 2

Session 4: *Managing Risk in a Challenging Environment*

Session 5: *The Environment: Truth Be Told*

Session 6: *Investment Opportunities in the Middle East, Africa and South America*

For further information on the Business Forum, please contact Ms Evelyn Lim, Marketing Manager on Tel: 03-2698 9622 or e-mail: bizforum08@micpa.com.my

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

We are pleased to inform that the presentation of the Most Outstanding CPA Student Award, Examination Certificates, Prizes, Membership & Practising Certificates will be held on Saturday, October 25, 2008 at 10:00 a.m. at Best Western Premier Seri Pacific Hotel Kuala Lumpur. It is also the occasion for the presentation of Excellence Awards for Best Accounting Graduates. For further information, please contact Ms Vicky Rajaretnam, Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my

NACRA 2008

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

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

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

Certified Financial Accountant (CFiA) Qualification

We are pleased to announce that registration is now open for the workshop sessions for the *CFiA Professional Competence Programme*. The workshop sessions are scheduled to be held from May 31 to September 21, 2008. The examination for the CFiA will be held on September 27, 2008. For further information, please contact Ms Lee How Lai, Examination Officer on Tel: 03-2698 9622 or e-mail: hl.exam@micpa.com.my

Collaboration with Universities

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

In August, 2008, the Institute made visits to the following Universities:

- *Universiti Utara Malaysia* on Thursday, August 7, 2008. Mr Foo Yoke Pin, Executive Director presented a Career Talk on the CPA Malaysia to 300 accountancy students. During the same visit, YBhg Datin Fadziilah bte Saad, Council member of MICPA presented a talk on the CFiA qualification to 12 accounting lecturers; and
- *Universiti Sains Malaysia* on Friday, August 8, 2008. Mr Foo Yoke Pin presented a talk on the CFiA qualification to 10 accounting lecturers.

The Institute visited *Universiti Malaysia Terengganu* on Thursday, August 28, 2008. The main aim of the visit was to have a discussion with the academic staff of the Department of Accounting & Finance and to give a briefing on the CPA qualification to final year accounting students. Mr Foo Yoke Pin presented the talk.

Universiti Kebangsaan Malaysia

- Accountancy Week

The Accounting Club of Universiti Kebangsaan Malaysia organised *Accountancy Week 2008* with the theme "*Profesion Perakaunan Menjulangi Kemerdekaan, Mengharungi Cabaran*" from August 13 - 20, 2008. The MICPA was a sponsor for the event and also participated in the exhibition held in conjunction with the Accountancy Week to create awareness on the CPA Malaysia qualification to accounting students.

Universiti Malaya (UM)

- Bridging the Gap: Academia and Industry

The Accounting Club of Universiti Malaya is organising *Bridging the Gap: Academia and Industry from September 8 – 10, 2008*. The aim is to expose undergraduates from the Faculty of Business and Accountancy to the corporate world. Exhibitors have been invited to participate and promote their products including professional bodies, banking institutions and Government agencies. The MICPA will be participating in the exhibition to promote the CPA Malaysia qualification to accounting students.

Career Fairs and Exhibitions

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

Approved Training Organisations

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

To date, 75 approved training organisations (ATOs) are registered with the Institute where students can undertake training. To view the list of ATOs, visit the MICPA website www.micpa.com.my, click on List of CPA Firms in the Homepage and then click on commercial firms.

Practical Auditing in Malaysia

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

Veerinder on Taxation

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

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

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

Job Opportunities on MICPA Website

As part of the Institute's service to members', Members' Firms who wish to advertise any job opportunities in their respective firms are welcome to send in the job vacancy to the Institute. The opening will be posted on the MICPA website. For further information, please contact Ms Vicky Rajaretnam, Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: vic.pr@micpa.com.my.

SME Recognition Award (SMERA) 2008

We are pleased to inform members that the Institute is a supporting organisation of the *SME Recognition Award (SMERA) 2008*. The objective of this coveted business award is to honor SMEs with unique winning qualities and to enhance their intellectual property while enforcing brand image in the global market place. The theme for this year's award is "Strategic Positioning Towards Global Competitiveness". For further information on the awards, please visit www.smisme.com. The closing date for nomination is August 31, 2008.

Members Update

MICPA Technical Updates

Companies Commission of Malaysia

– Notice on Tendering of Company Registration Number

Members are informed that the Companies Commission of Malaysia (SSM) has issued a notice on the tendering of company registration number. The company registration numbers which are opened for tender starting from August 8, 2008 until September 8, 2008 are listed as per Annexure I for members' reference. **Kindly refer to Circular No.TEC/030/08/2008W** in the Members' Area in the MICPA website www.micpa.com.my

Royal Malaysian Customs

– Security Requirements for Customs Activities

Members are informed that the Customs Department has issued a guideline on the amount and types of securities such as bank guarantee, general bond or cash to facilitate the public when dealing with the Department and also as a measure to ensure revenue collection.

At the meeting of the Consultative Panel between Customs and Private Sector (2/2007) held on December 12, 2007, it has been highlighted that there were different practices being followed at different Customs' stations with regard to the amount and types of securities required for customs activities.

As a measure to streamline the acceptance of securities by the Customs' Department, a directive has been issued to all Customs stations to adhere to the list of securities required for customs activities as set out in the Customs' Fixed Order.

A list of activities and its related amount and types of securities required is available for members' to view / download at the MICPA website www.micpa.com.my in the Members' Area – **Refer to Circular No.TEC/029/07/2008/W**.

CPD On-Line Record

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

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

Young CPA Group

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

MICPA Practising Certificate

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

Change of Correspondence and E-mail Address

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

Continuing Professional Development (CPD) Programmes

The Power to Design and Produce Business Reports

- *Pivot Table (PT1)*

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

Risk-Based Auditing

A one-day Workshop on *Risk-Based Auditing* will be held on September 25, 2008 at the Legend Hotel, Kuala Lumpur. The workshop aims to provide participants with a thorough understanding of risk-based auditing and the application of the following International Standards on Auditing (ISAs):

- ISA 300 (Revised), *Planning an Audit of Financial Statements*;
- ISA 315, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*;
- ISA 320, *Audit Materiality*;
- ISA 330, *The Auditor's Procedures in Response to Assessed Risks*; and
- ISA 420, *Audit Considerations Relating to Entities Using Service Organisations*.

For further information on the workshop, please click [here](#)

A Practical Guide to Auditing

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

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

Updates from Regulatory Bodies

SECURITIES COMMISSION MALAYSIA

SC Introduces New Measures to Boost Growth of REITs

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

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

BURSA MALAYSIA MALAYSIA

Bursa Malaysia Bags First Place for Annual KPMG Shareholder Value Award for Maximising Shareholder Value

Bursa Malaysia Berhad emerged as the sectoral winner under the Financial Services category in the annual KPMG Shareholder Value Award. The award accorded to Bursa Malaysia is based on the continued value that the exchange provided to its shareholders in 2007.

Commenting on the award, Dato' Yusli Mohamed Yusoff, Chief Executive Officer of Bursa Malaysia said, "It is a great honour to be given such a distinction as this achievement validates Bursa Malaysia's commitment to maintain our stable business performance and in turn, offer value to all our shareholders. It is also our top priority to be transparent as well as to communicate and engage with our stakeholders consistently".

Organised by KPMG, this prestigious award programme, in its seventh year, is designed to promote corporate excellence through enhancing levels of disclosure and setting exemplary best practices. The KPMG Shareholder Value Award Programme evaluates all top listed companies listed on the exchange in 12 sectors (Agriculture, Construction, Property Development, Consumer Markets, Energy & Natural Resource, Financial Services, Technology Manufacturers, ICT Services, Manufacturing, Industrial Services, Infrastructure and Leisure). For further information, please visit www.bursamalaysia.com

MALYSIAN ACCOUNTING STANDARDS BOARD (MASB)

Malaysia's Convergence with IFRS in 2012

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

MASB's chairman, YBhg Dato' Zainal Abidin Putih said, "Since 1978, we have been incorporating the provisions of the international standards into our local accounting standards; and today we are convinced that by becoming fully IFRS compliant, Malaysia's capital and financial market will be further enhanced". Compliance with IFRS, which are used by more than a hundred countries around the world, will facilitate comparability and increase transparency. "However, he added, "we're not jumping on the bandwagon for the sake of joining the crowd. IFRS is really a robust set of standards. Because of the international consultative approach to standard-setting, a lot of thought has gone into IFRS. It gets input from literally hundreds of people with diverse expertise, from diverse jurisdictions". For further information, please visit www.masb.org.my

BANK NEGARA MALAYSIA

Launch of the Malaysia International Islamic Financial Centre (MIFC) Global Communications Campaign

- A Global Brand for Islamic Finance

On August 11, 2008, the *Malaysia International Islamic Financial Centre (MIFC)* global communications campaign was launched at the Malaysian Islamic Finance 2008 Investors and Issuers Forum in Kuala Lumpur, Malaysia. The launch was officiated by Governor, YBhg Tan Sri Dato' Dr. Zeti Akhtar Aziz, the Chairman of the MIFC Executive Committee, who is also the Governor of Bank Negara Malaysia (The Central Bank of Malaysia), and YBhg Dato' Zarinah Anwar, Chairman of Securities Commission Malaysia.

The global campaign captures key value propositions and aspirations of the MIFC initiative and strives to promote Malaysia as a leading Islamic financial hub. The campaign highlights the Islamic finance opportunities available under the MIFC initiative. With more than 30 years of industry experience in Islamic finance, Malaysia is showcased as an international Islamic financial hub with connectivity to other markets, whilst leveraging on its comprehensive and progressive Islamic financial system. For further information, please visit www.bnm.gov.my

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

INLAND REVENUE BOARD

National Tax Seminar

The Inland Revenue Board is organising the *National Tax Seminar 2008* in the month of September 2008 in various cities focusing on the *Budget Proposal 2009* and *Public Ruling: Reinvestment Allowance*. The dates of the seminar can be downloaded from the IRB's website www.hasil.gov.my

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

SMS Latinoamerica Becomes Full Member of Forum of Firms

In a press release issued by IFAC on July 31, 2008 the IFAC announced that SMS Latinoamerica has been named a full member of the Forum of Firms after reporting it has implemented a globally coordinated quality assurance program, committed to the use of International Standards on Auditing (ISAs), and met other specific ethics requirements. Seventeen other international networks of accounting firms achieved full member status earlier this year.

The Forum of Firms is an association of international networks of accounting firms. These firms perform audits of financial statements that are or may be used across national borders. The Forum's goal is to promote consistent and high quality standards of financial reporting and auditing practices worldwide.

In order to achieve full membership status, SMS Latinamerica had to commit to meet the Forum's membership obligations which require members to:

- Maintain appropriate quality control standards in accordance with International Standards on Quality Control issued by the International Auditing and Assurance Standards Board (IAASB) in addition to relevant national quality control standards and conduct, to the extent not prohibited by national regulation, regular globally coordinated internal quality assurance reviews;
- Have policies and methodologies for the conduct of transnational audits that are based, to the extent practicable, on ISAs issued by the IAASB; and
- Have policies and methodologies which conform to the IFAC Code of Ethics for Professional Accountants and national codes of ethics.

As of July 2008, of the 22 Forum members, 18 are full members and 4 are provisional members. For further information, please visit www.ifac.org

IFAC's International Accounting Education Standards Board Releases Updated Education Pronouncements

To ensure that its pronouncements remain clear and relevant, the International Accounting Education Standards Board (IAESB), an independent standard-setting board within the IFAC, has released amended versions of its *International Education Standards* (IESs) and related education pronouncements. The amendments result in more consistent use of terminology throughout the standards and more clearly describe the role of the IAESB and its standard-setting process, including oversight of its work by the Public Interest Oversight Board.

The amended documents comprise the *Framework for International Education Pronouncements*, the *Introduction to International Education Standards*, and *International Education Standards 1-8*, all of which were published between 2003 and 2006. Given the editorial nature of the changes, the IAESB felt that public consultation was not necessary and the amended documents were approved by the IAESB at its May 2008 meeting.

In addition to these editorial amendments, the IAESB has commenced a project to substantively revise the Framework and the Introduction. As part of that project, the IAESB will seek public comments on changes to these documents.

The amended versions of IESs 1-8, the Framework and the Introduction can be downloaded free-of-charge from the IFAC online bookstore at <http://www.ifac.org/store>.

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

Trustees Publish Proposals on Enhancements to Public Accountability and to IASB Composition

In a press release issued on July 21, 2008, IASB announced that the trustees of the International Accounting Standards Committee (IASC) Foundation published a discussion document, *Review of the Constitution: Public Accountability and the Composition of the IASB - Proposals for Change*. The document contains proposals that are dealt with in the first phase of the organisation's five-yearly Constitution Review. The document contains proposals that are dealt with in the first phase of the organisation's five-yearly *Constitution Review*. The deadline for public comment on the document is September 20, 2008.

The proposals would:

- Establish a formal link between the organisation and a Monitoring Group comprising representatives of public authorities and international organisations that have requirements for accountability to public authorities;
- Expand the membership of the IASB to 16 members and add new guidelines regarding the geographical diversity of the members of the IASB

The establishment of the link to a Monitoring Group, a group established by public authorities outside the IASC Foundation's organisational framework, is aimed at enhancing the transparency and public accountability of the *IASC Foundation*, while not impairing the independence of the standard-setting process. For further information, please visit www.iasb.org

Expert Advisory Panel Sub-Group Discusses the Measurement of Financial Instruments

At its May 2008 meeting, the IASB announced its plan to form an expert advisory panel in response to the recommendations made by the Financial Stability Forum. The objective of the Panel is to assist the IASB in the following:

- Review best practices in the area of valuation techniques; and
- Formulate any necessary additional guidance on valuation methods for financial instruments and related disclosures when markets are no longer active.

The discussions of the panel members will give the Board insight into whether there is a need for additional guidance that might be necessary in this area and the form of any such guidance.

The discussions of the panel will provide input for the IASB's work on financial instruments and fair value measurement. The panel's views will be discussed with other interested parties before any guidance is issued.

The remit of the panel is how to measure the fair value of financial instruments when markets are no longer active. The panel will not discuss whether fair value is an appropriate measurement basis for a particular financial instrument or class of financial instruments.

The IASB is addressing this in its work on financial instruments and has published a discussion paper *Reducing Complexity in Reporting Financial Instruments*, inviting respondents to comment by September 19, 2008. For further information, please visit www.iasb.org

IASB Amends Standard to Give Additional Guidance on the Designation of a Hedged Item

The IASB on July 31, 2008 issued *Eligible Hedged Items* (an amendment to IAS 39 *Financial Instruments: Recognition and Measurement*). The amendment clarifies how the existing principles underlying hedge accounting should be applied in two particular situations. The International Financial Reporting Interpretations Committee (IFRIC) asked the IASB to provide additional guidance on what can be designated as a hedged item.

The responses to an exposure draft of proposed guidance (published in September 2007) indicated that diversity in practice existed, or was likely to exist, in the designation of:

- a one-sided risk in a hedged item; and
- inflation in a financial hedged item.

The IASB has therefore focused on developing application guidance to illustrate how the principles underlying hedge accounting should be applied in those situations. Entities are required to apply the amendment retrospectively for annual periods beginning on or after **July 1, 2009** with earlier application permitted. For further information, please visit www.iasb.org.

IASB Publishes Proposals for Amendments Under its Annual Improvements Project

The IASB on August 7, 2008 published for public comment an exposure draft of proposed amendments to eight International Financial Reporting Standards (IFRSs) under its annual improvements project.

The proposed amendments reflect issues discussed by the IASB in the project cycle that began last year. The proposals range from guidance added to the Appendix of IAS 18 *Revenue*, on how to determine whether an entity is acting as a principal or as an agent, to changes of wording to clarify the meaning and remove unintended inconsistencies between IFRSs

The IASB adopted an annual process in 2006 to make necessary, but non-urgent, amendments to IFRSs that will not be included in another project. By presenting the proposed amendments in a single document rather than as a series of piecemeal changes the IASB aims to ease the burden for all concerned.

Unless otherwise specified, the proposed effective date for the amendments is for annual periods beginning on or after January 1, 2010, although entities are permitted to adopt them earlier. The proposed effective date for those amendments arising from the revised IFRS 3 *Business Combinations* is July 1, 2009 (in line with the

effective date for the revised standards on business combinations : IFRS 3 and IAS 27 *Consolidated and Separate Financial Statements*).

The exposure draft can be accessed via the Project Website or on the 'Open to Comment' section on www.iasb.org. The IASB requests comments on the exposure draft by November 7, 2008.

IASB Proposes Amendments to Simplify and Achieve Convergence in the Calculation of EPS

The IASB on August 7, 2008 published for public comment proposals to simplify the calculation of earnings per share (EPS) and to eliminate differences between the methods required by International Financial Reporting Standards (IFRSs) and US accounting standards to calculate EPS.

The proposals are part of the short-term convergence project that the IASB is conducting jointly with the US Financial Accounting Standards Board (FASB). Consequently the FASB has also published an exposure draft to amend SFAS 128 *Earnings per Share*.

In particular, the proposals aim to achieve convergence by:

- providing a clear principle to determine which instruments should be included in the EPS calculation;
- clarifying the EPS calculation for particular instruments, such as contracts to sell or repurchase an entity's own shares and participating instruments' and
- simplifying the EPS calculation for instruments that are accounted for at fair value through profit or loss.

The IASB believes that the proposals would, if implemented, simplify the calculation of EPS and increase transparency for users of financial statements. The IASB invites comments on the exposure draft *Simplifying Earnings per Share* (proposed amendments to IAS 33) by December 5, 2008. The exposure draft is available on the 'Open for Comment' section on www.iasb.org.

IASB Board Member Receives American Accounting Association Award

Professor Mary E Barth, IASB Member, has been awarded the 2008 *Outstanding International Accounting Educator Award* from the International Section of the American Accounting Association. The award is to recognise an individual who has made substantial contributions to international accounting education through scholarly endeavors in research and teaching over a sustained period of time. For further information, please visit www.iasb.org.

MALAYSIAN INSTITUTE OF ACCOUNTANTS

IFAC Seminar

We are pleased to inform that the Malaysian Institute of Accountants (MIA) will be hosting The International Federation of Accountants (IFAC) Board meeting to be held in Kuala Lumpur in September 2008.

In conjunction with the IFAC Board meeting, MIA is organising a Seminar featuring the theme *Accountants in a Borderless Society*, which will be held on September 9 & 10, 2008 at the Kuala Lumpur Convention Centre.

IFAC Board Members and other distinguished speakers will address and share with participants the current challenges affecting the global accountancy profession and the way forward in meeting stakeholders' expectations, and growing demand for accountants internationally and their roles in creating value for businesses and upholding credibility of the profession.

For further information on the Seminar and registration details, please download brochure [here](#)

MALAYSIAN INSTITUTE OF TAXATION

2009 Budget Seminar – Highlights and Implications

The Malaysian Institute of Taxation is organising a series of *2009 Budget Seminars* commencing September 5, 2008 at various locations throughout Malaysia. The purpose of the Budget Seminar is to update and share the recent developments in tax, the implications of the Budget proposals and to provide valuable insight and suggestions on how businesses can leverage on the various opportunities offered by the budget initiatives. For further information on the budget seminars and schedules, please visit www.mit.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 for further information.

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