

February 2007

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

Announcements/ Activities

Chinese New Year Greetings

The President, Council and Staff of the MICPA would like to wish all our members, students and friends a *Happy and Prosperous Chinese New Year. Gong Xi Fa Cai.*

May 2007 MICPA Examination Time-Table

The May 2007 Examination Time-Table has been posted in the Students Area. For further information, please visit [here](#)

MICPA participates in Career Fairs and Exhibitions

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 Malaysia CPA qualification.

Universiti Malaya's Accounting Club Career Week 2007

The Institute participated in a Career Talk on January 26, 2007, organised by the Accounting Club of Universiti Malaya in conjunction with Career Week 2007. Encik Abdul Halim Md Lassim, Chairman of the Young CPA Group, presented a talk on *The Making of a CPA*. He also shared his experiences as a Chief Financial Officer and highlighted the career opportunities available to CPAs in public practice, in business and in the public sector. The Institute also took part in the exhibition held in conjunction with the Career Week to promote the CPA qualification as a premier business qualification.

MAPCU-LAN Higher Education Exhibition 2007

The Institute took part in the Higher Education Exhibition 2007, jointly organised by the Malaysian Association of Private Colleges and Universities (MAPCU) and the National Accreditation Board (LAN), which was held on February 3 – 4, 2007 at PWTC. The President, YBhg Dato' Abdul Halim Mohyiddin, presented a talk titled *A Career in Accountancy* with the objective of increasing awareness and promoting accountancy as a career to young Malaysians.

Presentation to Universiti Sains Malaysia

The President, YBhg Dato' Abdul Halim Mohyiddin, made a presentation on *The CPA Qualification* to about 120 accounting students at Universiti Sains Malaysia on February 8, 2007. He explained the process of attaining the Malaysia CPA qualification – the training programme, examination structure and assessment approach.

Members Update

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 65** 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 Cik Adzlyn at membership@micpa.com.my or Cik Ruhaizah at ri.stud@micpa.com.my or call 03 2698 9622.

Renewal of Auditors Licence

The Institute would like to remind members who are approved company auditors to submit the applications for renewal of their auditor's licence to Ministry of Finance (MOF) at least 3 months before their licence expires to ensure continuity of their licence's period. section 9(1)(a) of the Companies Act 1965 prescribes that a person shall not knowingly consent to be an auditor if he is not an approved company auditor. The approval and renewal of auditor's licence under section 8 of the Companies Act 1965 is for a period of two years unless sooner revoked by MOF.

According to a recent report in the newspapers, the Companies Commission of Malaysia (SSM) had so far conducted inspection on 269 auditors' files this year. The main objective of the inspection is to ensure that the company auditor is an approved company auditor. Out of the 269 auditors' files inspected, 11 auditors breached section 9(1)(a) of the Companies Act 1965 for expired licence. 11 Notices amounting to RM185,000 were issued. 9 auditors and 44 partners breached section 9(4)(a) of the Act as not all the partners were authorised auditors. 53 notices amounting to RM1,067,000 were issued.

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 you receive all circulars, publications, correspondences and e-mail broadcasts promptly.

Upcoming Continuing Professional Development (CPD) Programmes

Audit Guide for Practitioners

The Institute is conducting a series of two-day Workshop on *Audit Guide for Practitioners* during March to June 2007 in the major cities. 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. For further information, please visit [here](#).

All participants at the Workshop will receive a **complimentary copy** of the MICPA Audit Guide for Practitioners. The Audit Guide is also available for sale at RM250 for MICPA members and at RM350 for others.

FRS Update: The Application and Implications of The New/ Revised Standards

A two-day Workshop on *FRS Update: The Application and Implications of the New/ Revised Standards* will be held on March 5 – 6, 2007. The workshop will provide an overview of selected new/ revised FRSs and highlight the differences between the new/ revised FRSs and the old standards. For further information, please visit [here](#)

Preparation of Financial Statements (FRS 101)

A two-day Workshop on *Preparation of Financial Statements (FRS 101)* will be held on March 28 – 29, 2007. The workshop will examine each component of the financial statements in detail and highlight the diversity of presentation used in practice. The key emphasis is to provide explanation for these diversities, to discuss controversial presentation issues, and to enhance the confidence of participants in making presentation decision. For further information, please visit [here](#).

Asset Securitisation: The Complete Picture

The Commerce & Industry Committee of the Institute is organising an Evening Talk cum Hi-Tea on *Asset Securitisation – The Complete Picture*. The event will be held on April 6, 2007. Asset-backed securitisation has become a critical source of funding for corporate expansion and the steady growth in consumer and homeownership credit that have kept many countries' economies afloat in recent years. For further information, please visit [here](#)

Corporate Tax Planning & Update on Public Rulings

A one-day Workshop on *Corporate Tax Planning & Update on Public Rulings* will be held on April 23, 2007. For further information, please contact joseph.edu@micpa.com.my or call 03 2698 9622.

Managing Tax Efficiency and Compliance under the Self-Assessment Regime

A one-day Workshop on *Managing Tax Efficiency and Compliance under the Self-Assessment Regime* will be held on May 8, 2007. The workshop will examine how to manage a company's tax matters, tax audit and where necessary, an appeal. For further information, please visit [here](#)

Updates from Regulatory Bodies

Malaysian Accounting Standards Board (MASB)

MASB issues limited amendment to Forex Standard and Accounting Interpretations

The MASB on February 15, 2007 announced the issuance of a limited amendment to its existing foreign exchange standard FRS 121, which will result in exchange differences arising from investment in foreign operations to be recognised in equity. Previously, exchange differences arising from such transactions between companies in a group would be accounted for in income statement or equity depending on the currency of the monetary item. But with the amendment, such transactions and their foreign currency differences will be treated as part of reporting entity net investment and recognised in equity.

MASB also issued 6 new Interpretations to a number of existing standards covering a wide range of industry, from mining to financial services, as follows:

- IC Interpretation 1 *Changes in Existing Decommissioning, Restoration & Similar Liabilities*

- IC Interpretation 2 *Members' Shares in Co-operative Entities & Similar Instruments*
- IC Interpretation 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
- IC Interpretation 6 *Liabilities arising from participating in a specific market – Waste Electrical and Electronic Equipment*
- IC Interpretation 7 *Applying the Restatement Approach under FRS 129₂₀₀₄*
- IC Interpretation 8 *Scope of FRS 2*

The interpretation is a form of guidance issued to deal with conflicting views on issues not specifically addressed in the accounting standards, which will help to minimise divergent accounting practices. For further information, please visit www.masb.com.my

Bank Negara Malaysia (BNM)

Anti-Money Laundering Act 2001

Bank Negara Malaysia has issued the Standard Guidelines and Sectoral Guidelines 6 for Designated Non-Financial Business and Professions relating to Anti Money Laundering and Counter Financing of Terrorism pursuant to its power to issue guidelines under Section 83 of the Anti Money Laundering Act 2001. The guidelines will be effective from February 2, 2007.

The Sectoral Guidelines 6 is applicable to MIA members who hold valid practising certificates issued pursuant to rule 9 of the Malaysian Institute of Accountants (Membership and Council) *Rules 2001 [P.U. (A) 343/2001]*, which are reporting institutions under the Anti-Money Laundering Act 2001 (AMLA).

Companies Commission of Malaysia (SSM)

SSM Annual Dialogue Session

The SSM Annual Dialogue Session will be held on March 15, 2007. Members are encouraged to submit any issues or proposals relating to practices, regulation of programs implemented by SSM pursuant to the Companies Act 1965 and Registration of Business Act 1956 to the MICPA Secretariat by fax (03 2698 9403) or e-mail to technical@micpa.com.my. The Institute will compile and submit the issues to SSM for discussion at the dialogues session if deemed relevant.

Securities Commission (SC)

February 9, 2007

The Securities Commission (SC) continued to perform strongly in delivering on its time charter for processing of licensing and corporate applications. During the fourth quarter 2006, **99** per cent of licensing applications and **84** per cent of corporate proposals were processed within the stipulated time. This high level of delivery was achieved despite a significant increase in licensing applications. During the October - December period the SC received 503 applications, an 81 per cent increase, compared with 278 applications received in the previous quarter. For further information, please visit www.sc.com.my

News from Other Professional Bodies

International Federation of Accountants (IFAC)

2007 Auditing and Public Sector Handbooks available

The 2007 editions of the *Handbook of International Auditing, Assurance and Ethics Pronouncements* and the *Handbook of International Public Sector Accounting Pronouncements* will be available free-of-charge in PDF format in the bookstore on the IFAC website. Both handbooks will also be available in print for delivery in March.

To order or download either 2007 handbook, visit the IFAC online bookstore (<http://www.ifac.org/store>) or call +1 (212) 471-8722.

IFAC Seeks two Technical Managers and Senior Writer

IFAC is seeking to fill two key positions within the organisation:

- *Technical Manager – Developing Nations Committee*
- *Senior Writer – Communications*

Job descriptions, which include the responsibilities and desired background and experience for each position, are available on IFAC's website at <http://www.ifac.org/JobsAtIFAC>

The Institute of Chartered Accountants in Australia (ICAA)

The Institute of Chartered Accountants in Australia announced on January 31, 2007, the appointment of Rob DiMonte to the role of President. As President, DiMonte will lead the Board in setting and governing the strategic direction of the Institute. He is the Managing Partner for Deloitte in Adelaide and has specialised, over the past 25 years in the provision of audit, tax and management consulting services to many small to large businesses in the areas of Energy / Utilities, Telecommunications, Public Sectors and Manufacturing.

Other News

The Malaysian Accountant Journal

Contribution of Articles

If you have any article, which in your view, is suitable for inclusion in our columns, please send the article to the Editorial Board at vic.pr@micpa.com.my. We will be happy to review the article for possible publication in *The Malaysian Accountant Journal*.

Advertisement Space

If you would like to take up an advertisement space in *The Malaysian Accountant*, please contact our Public Affairs & Communications Manager at vic.pr@micpa.com.my for the advertisement rates.

Prepared by MICPA's Public Affairs & Communications Department.

Contact: vic.pr@micpa.com.my for further information.

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