

February 2011

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

Appointments



We are pleased to inform members that YM Raja Tan Sri Arshad bin Raja Tun Uda, Past President of the Institute from 1991-1994 has been appointed as Chancellor of Universiti Industri Selangor (Unisel).

MICPA Education & Training

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 on the Pathways route and the 2011 submission dates and fees**, please click [here](#).

Revised MICPA Programme - Tuition Provider: Sunway-TES

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

Activities of the Institute

Schedule of MICPA Events for 2011

We are pleased to inform that the schedule of events for 2011 has been made available on the MICPA website under Events/CPD in the Homepage. For further information, please click [here](#).

MICPA Participates in Professional Career Talks

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

In this regard, the Institute participates actively in career fairs and exhibitions across the country to promote accountancy as a career, and in particular to create greater awareness. In February 2011, the following presentations were made:

Professional Career Talks at Universities

- ***Universiti Utara Malaysia (UUM)*** on February 1, 2011 to 20 selected students;
- ***Universiti Teknologi MARA (UiTM)*** on February 19, 2011 to 400 students;
- ***Universiti Sains Malaysia (USM)*** on February 21, 2011 to 150 students; and
- ***Universiti Islam Antarabangsa Malaysia (UIAM)*** on February 24, 2011 to 70 students

On February 18, 2011, 40 Diploma of Accountancy students from Kolej Profesional MARA Bandar Penawar and 4 Lecturers made a visit to MICPA. The Institute's Executive Director made a presentation on "A Career in Accountancy".

KPMG

- On February 16, 2011, the Institute made an on-boarding presentation to 22 new recruits.

Streams of Training

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

To date, 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 and go to List of CPA Firms in the Homepage.

Job Opportunities on MICPA Website

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

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

MICPA Technical Updates

INLAND REVENUE BOARD OF MALAYSIA (IRB)

Use of New Business Codes

Further to Circular No.TEC/013/02/2011/W dated February 16, 2011, members are informed that the IRB has recently issued a notice on its website to inform all taxpayers who carry on business to use the new business codes in furnishing their Income Tax Return Forms effective February 15, 2011.

The new business codes are based on the new business coding (MSIC 2008) introduced by the Malaysian Department of Statistic.

To view or download the new business codes, please click on the following link:
http://www.hasil.gov.my/pdf/pdfam/NewBusinessCodes_MSIC2008_2.pdf.

Public Rulings

Further to Circular No.TEC/014/02/2011/W dated February 18, 2011, members are informed that the Inland Revenue Board (IRB) has issued the following Public Rulings on February 7, 2011”

- **Public Ruling No. 1/2011: Taxation of Malaysian Employees Seconded Overseas**

This Ruling explains the tax treatment of employment income derived by employees from Malaysia who are seconded by their employer to perform duties outside Malaysia. The effective date is for Year of assessment 2011;

- **Public Ruling No. 2/2011: Interest Expense and Interest Restriction**

This Ruling explains:

- the deductibility of interest expense in computing the adjusted income of a person from a source for the basis period for a year of assessment under paragraph 33(1)(a) of the Income Tax Act 1967 (ITA);
- restriction on the amount of interest expense deductible against gross business income under subsection 33(2) of the ITA; and

- computation of allowable interest expense according to source of income chargeable under paragraphs 4(1), 4(c), 4(d) or 4(f) of the ITA.

The above Public Rulings can be viewed or downloaded from the IRB's website at: <http://www.hasil.gov.my/goindex.php?kump=5&skum=5&posi=3&unit=1&sequ=1>.

COMPANIES COMMISSION OF MALAYSIA (SSM)

SSM's Awareness Campaign

Further to Circular No.TEC/012/02/2011/W dated February 16, 2011, members are informed that the Companies of Commission of Malaysia (SSM) organised an awareness campaign on **"Supporting the National Agenda: The SSM's Reform Initiatives in Starting a Business"**. The awareness campaign was held on Wednesday, February 23, 2011 at Auditorium Tun Dr Siti Hasmah, Menara SSM@Sentral.

BURSA MALAYSIA SECURITIES BERHAD

Amendments to Main Market and Ace Market Listing Requirements of Bursa Malaysia Securities Berhad in Relation to Privatisation of Listed Corporations via Disposal of Assets

Further to Circular No.TEC/011/02/2011/W dated February 16, 2011, members are informed that pursuant to Section 9 of the Capital Markets and Services Act 2007 ("CMSA"), amendments have been made to the Main Market Listing Requirements ("Main LR") and ACE Market Listing Requirements ("ACR LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") in relation to privatisation of listed corporations via disposal of assets ("Amendments").

Background

The Securities Commission ("SC") and Bursa Securities had published a joint public consultation paper on March 19, 2010 to seek feedback on their proposals to review the requirements relating to privatisation of listed corporations via disposal of assets ("Joint Public Consultation Paper").

Several proposals were put forth in the Joint Public Consultation Paper to address the disparity in shareholder approval threshold required in a situation where a listed company disposes all or substantially all of its assets, resulting in the company being no longer suitable for continued listing on Bursa Malaysia, effectively resulting in the privatisation of the company, as compared to other privatisation routes. These proposals also aim to strengthen investor protection.

The Amendments were made after careful and thorough consideration of the feedback received on the Joint Public Consultation Paper, as well as special dialogue sessions held with selected industry participants. A review of the proposals in their entirety was also undertaken after some significant comments were received on certain aspects of the proposals.

Both the SC and Bursa Securities believe that the new policy introduced will strike a balance between business efficacy and investor protection. It is also expected to provide parity of regulation and promote a balanced regulatory framework that is fair and reasonable to all shareholders.

Key Amendments to the LR

The Amendments apply to a listed corporation which disposes all or substantially all of its assets which may result in it being no longer suitable for continued listing on Bursa Securities ("Major Disposal").

The key Amendments made are as follows:

- (a) requiring the appointment of a main adviser and an independent adviser;
- (b) requiring a general meeting to be convened and shareholder approval of at least 75% in value of the shareholders present and voting either in person or by proxy at the meeting to be obtained for such Major Disposal;
- (c) prescribing the roles of the main adviser and independent adviser in a Major Disposal; and
- (d) prescribing the additional specific information to be included in the announcement and circular in a Major Disposal.

The amendments to the Main LR and ACE LR are set out in **Appendix 1** and **Appendix 1A** respectively, and are reflected in the following manner:

- (a) Portions underlined are text newly inserted/added onto existing rules; and
- (b) Portions struck through are text deleted.

Implementation

The Amendments are applicable to Major Disposals announced on or after January 28, 2011.

Additional Information

Bursa Malaysia has set out a list of Questions and Answers ("Q&A") to facilitate better understanding of the Amendments. A copy of the Q&A for the Main LR and ACE LR are attached as per **Appendix 2** and **Appendix 2A** respectively.

The Amendments and the Q&A are available for reference on the Exchange's website at www.bursamalaysia.com.

A copy of the Public Response Paper setting out responses from the SC and Bursa Securities pursuant to the feedback received on the Joint Public Consultation Paper is also available for reference on the SC's and the Exchange's website at www.sc.com.my and www.bursamalaysia.com respectively.

For further enquiries, kindly contact:

- (a) Ms Tan Ai Chia (03-2034 7089)
- (b) Ms Rowena Ooi (03-2034 7515)

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

Members Updates

Membership Data Update

Members are duly reminded that they should inform the Institute of any change in their correspondence and e-mail addresses. This is to ensure that you receive all circulars, publications, correspondences and e-mail broadcasts promptly.

Please click [here](#) to download the form and fax the completed form to the MICPA Secretariat at Fax no: +603-2698 9403. You may also send an e-mail to membership@micpa.com.my for the change of correspondence and e-mail address.

MICPA Practising Certificate

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

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

CPD On-Line Record

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

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

Continuing Professional Development (CPD) Programmes

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:

Financial Instruments: Recognition, Measurement, Presentation & Disclosures (FRS 139, FRS 132, FRS 7, Amendments & IFRS 9)

The MICPA is organising a two-day Workshop on *Financial Instruments: Recognition, Measurement, Presentation & Disclosures (FRS 139, FRS 132, FRS 7, Amendments & IFRS 9)* on March 9 - 10, 2011 at Seri Pacific Hotel Kuala Lumpur.

Participants will learn the application of the recognition and measurement requirements for the various measurement models prescribed in the standards, the hedge accounting requirements of the standards, and the presentation and disclosure requirements of the standards.

Each participant will receive a complimentary copy of the book, *Financial Instruments: Recognition, Measurement, Presentation & Disclosures*, 1st Edition 2010 worth RM100.00.

Mr Tan Liong Tong, Technical Consultant to Mazars Malaysia and Mr Woon Chin Chan, Consultant cum Trainer will lead discussions at the workshop. For further information, please click [here](#).

News from IFAC and IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IAESB-UNCTAD Accountancy Education Forum: Building Human Capacity and Professional Accounting Education for High-Quality Corporate Reporting

To address the requirements and public interest benefits of developing a professional accountancy education program, international accountancy and education leaders will meet on March 8, 2011 at the United Nations in Geneva for the Accountancy Education Forum, a full-day event jointly hosted by the United Nations Conference on Trade and Development (UNCTAD) and the International Accounting Education Standards Board (IAESB).

The Accountancy Education Forum will feature expert speakers and participants from North and South America, Asia, Europe, and Africa. The agenda includes panel discussions and interactive sessions that aim to share best practices, provide support tools, and answer questions, with a focus on the implementation of the International Education Standards set by the IAESB, and the UNCTAD-ISAR Accounting Model Curriculum.

“Efficient capital markets depend on the work of the accountancy profession to ensure that accounting and auditing professionals demonstrate a high standard of competence,” said Mark Allison, chairman of the IAESB. “The critical link in ensuring competence is developing human capacity, which relies on professional accountancy organisations to develop and deliver effective professional accountancy education programs. It is a natural fit for the IAESB and UNCTAD to partner on this topic and share best practices with the international accountancy profession.”

The twenty-seventh session of UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) considered a capacity-building framework for high-quality corporate reporting. Human capacity-building is an essential component of this framework. The twenty-eighth session of ISAR, which will take place in Geneva from October 12-14, 2011, will further consider these issues.

IFAC Issues Revised Guidance to Further Support the Development of Professional Accountancy Organisations Worldwide

The Professional Accountancy Organisation Development Committee (PAODC) of the IFAC has issued a revised edition of its Good Practice Guide, *Establishing and Developing a Professional Accountancy Body* (the Guide), which was first released in 2005 and updated in 2007 to support professional accountancy organisations in expanding and strengthening their role and responsibilities in representing the accountancy profession.

The structure of the Guide, enhanced and simplified from the original version, is now organised in two sections: *Establishing and Developing a Professional Accountancy Body*, which covers the roles and responsibilities of a professional accountancy organisation, education and examinations, and capacity development; and *Tools and Resources to Support the Development of the Accounting Profession*, which includes new case studies, practical illustrations, and supplementary guidance.

PAODC Chairwoman Deborah Williams noted, “Building on the hard work undertaken by the former Developing Nations Committee, we are very pleased to release a completely revised and updated Good Practice Guide as our first PAODC publication, which was written in response to demand from the developing profession. Strengthening professional accountancy organizations is an essential element of developing financial infrastructures, which in turn assists in achieving financial stability. Our committee and the guidance it provides helps newer professional accountancy organisations, and all of their development partners, along the path to building an effective, sustainable profession.”

The Guide should be a valuable resource for individuals and organisations involved in building the capacity of the accountancy profession, IFAC members and associates seeking further development, and other organizations involved in the regulation of accounting and auditing activities. While primarily aimed at building the capacity of the profession in emerging countries, the Guide will also be useful for more developed professional accountancy organisations considering revisions to governance structures, the development of education programs, and the adoption and implementation of international standards.

This revised edition includes the following additions:

- Further guidance on enhancing public sector focus
- Expanded information about the IFAC Statements of Membership Obligations (SMOs)
- Sample Action Plans on quality assurance, and adoption and implementation of international standards
- Guidance on strengthening governance

In addition, the Guide was developed in the English language with plans for translation into Arabic, French, Russian, and Spanish by December 2011.

For further information on the above IFAC news, please visit www.ifac.org.

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

IFRS Foundation to Establish Asia-Oceania Liaison Office in Tokyo

The IFRS Foundation, the oversight body of the London-based International Accounting Standards Board (IASB), announced its intention to open an office in Tokyo for enhanced liaison in the Asia-Oceania region. While the IASB technical staff will remain based in London, the establishment of the Tokyo office will expand opportunities for direct contact between the IFRS Foundation and its stakeholders in the region.

The IFRS Foundation anticipates that Foundation and IASB resources will be deployed in Tokyo to assist in ongoing consultations and to provide assistance to those countries using or planning to adopt IFRSs.

The announcement was made after the first day of a two-day meeting of the IFRS Foundation Trustees in Tokyo. The Trustees also discussed their ongoing strategy

review, reviewed the IASB's ongoing convergence work, and considered proposals to discuss an enhanced role for the Trustee Due Process Oversight Committee. A summary of the conclusions reached will be published following the meeting.

Commenting on the announcement, Tsuguoki (Aki) Fujinuma, vice-chair of the Trustees said "This important announcement reflects a strong regional commitment to international standards, and the need for the views of Asia-Oceania stakeholders to be adequately considered during the IASB's decision-making process. Adoption of IFRSs is widespread in Asia-Oceania. Here in Japan, companies are now permitted to use IFRSs, and the Japanese FSA is expected to make a decision on mandating adoption of IFRSs in 2012.

I would also like to express my thanks to the Financial Accounting Standards Foundation/Accounting Standards Board of Japan and the Japanese Financial Services Agency for their help in establishing the office."

SME Implementation Group Publishes Draft Guidance for Public Comment

The SME Implementation Group, responsible for assisting the IASB on matters related to the implementation of the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs), has published for public comment its first draft guidance on the IFRS for SMEs in form of a question and answer document (Q&A).

Developing non-mandatory and timely guidance on specific accounting questions that are being raised by those implementing the IFRS for SMEs is one of the two main responsibilities of the SME Implementation Group. The other is to make recommendations to the IASB regarding amendments to the IFRS for SMEs. These recommendations will be considered when the IFRS for SMEs is updated, approximately every three years.

The Q&A addresses whether a parent entity that itself does not have public accountability may present its separate financial statements in accordance with the IFRS for SMEs if it is part of a group that is required (or elects) to present consolidated financial statements in accordance with full IFRSs.

The draft document is open for comment until April 4, 2011 and can be accessed at: <http://go.ifrs.org/IFRS+for+SMEs+QandA> .

For further information on the above IASB news, please visit www.iasb.org.

News from Professional Bodies

THE INSTITUTE OF INTERNAL AUDITORS (IIA) MALAYSIA

IIA International Conference 2011

The Institute of Internal Auditors (IIA) Malaysia is honoured to host the *IIA's 70th International Conference* with the theme "Standing Tall". The event will be held on July 10 – 13, 2011 at the Kuala Lumpur Convention Centre.

The conference will feature more than 90 distinguished thought-leading presenters and nine program tracks covering a wide range of topical issues relevant to the accountancy profession. Periodical announcements will be made about the speakers and topics. There would be a pre-conference session on July 10, 2011, exclusive for the first 200 Malaysians who register and pay before March 31, 2011.

For further information on the conference, fees and registration, please visit the conference website, www.iaa2011kl.org.

THE MALAYSIAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS (MAICSA)

MAICSA Annual Conference 2011

The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) will be holding the *MAICSA Annual Conference 2011* with the theme *Governing Responsibility: Inevitable Changes* on July 11 & 12, 2011 in Kuala Lumpur.

The MICPA is a supporting body of the conference and MICPA members will be able to enjoy a preferential rate of registration fee.

For further information, please contact Cik Izana on Tel: 03-2282 9276 x 608, email: izana@maicsa.org.my or visit www.maicsa.org.my/ac2011 for details.

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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