

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.

ANNOUNCEMENTS

Greetings



The President, Council, Management and Staff of the MICPA would like to wish all our Members & Students

*A Happy and Prosperous Chinese New Year
Gong Xi Fa Cai*

Resignation of Council Members

The MICPA wishes to announce that Ms Loo Mi Li and Mr Seow Yoo Lin have resigned as Council Members of the Institute with effect from January 14, 2012.

- **Ms Loo Mi Li** was appointed as a Council Member in 2007 and served on the Institute's Accounting & Auditing Technical, Administrative & Financial Affairs, Government Affairs and Disciplinary Committees. She also served as a Convenor in the Working Group on Accounting Issues Consultative Committee of the Accounting & Auditing Technical Committee.
- **Mr Seow Yoo Lin** was appointed as a Council Member in 2007 and served as Chairman of the Institute's Membership Affairs Committee and Member of the Executive Committee. He also served on the Institute's Executive, Administrative & Financial Affairs, Government Affairs, Accounting & Auditing Technical and Disciplinary Committees.

The MICPA would like to extend their sincere gratitude to Ms Loo Mi Li and Mr Seow Yoo Lin for their contributions to the Institute and our good wishes are with them.

Appointment of Council Members

The MICPA is pleased to announce the appointment of Mr Patrick Ng Gan Hooi, and Mr Thong Foo Vung as Council Members of the Institute with effect from January 14, 2012.

Appointment of Chairman and Alternate Chairman, Membership Affairs Committee

We are pleased to announce that Ms Theresa Goh Lee Hwa has been appointed as *Chairman* and Mr Lee Tuck Heng as *Alternate Chairman* of the Institute's Membership Affairs Committee with effect from January 14, 2012.

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.

ACTIVITIES OF THE INSTITUTE

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 January 2012 to the following firms, universities and colleges. It was also an opportunity for the Institute to promote the Students Sponsorship Programme which has been launched by the Institute.

Member Firms:

- KPMG

- On January 3, 2012

- Deloitte Malaysia

- On January 5, 2012

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 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.

MICPA EDUCATION & TRAINING

Students Sponsorship Programme

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.

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](#).

MICPA TECHNICAL UPDATES

INLAND REVENUE BOARD OF MALAYSIA (IRB)

Public Rulings

- **No. 11/2011: Bilateral Credit and Unilateral Credit**

- **No. 12/2011 – Tax Exemption on employment Income of Non-Citizen Individuals Working for Certain Companies in Malaysia**

Further to Circular No.TEC/001/01/2012/W dated January 3, 2012, members are informed that the Inland Revenue Board (IRB) has issued the following Public Rulings on December 20, 2011:

Public Ruling	Objective	Effective Date
Public Ruling No. 11/2011: Bilateral Credit and Unilateral Credit	This Ruling explains bilateral credit and unilateral credit that may be claimed by a person who has been charged to tax on the same income in Malaysia and in another country.	Year of Assessment 2011
Public Ruling No. 12/2011: Tax Exemption on Employment Income of Non- Citizen Individuals Working for Certain Companies in Malaysia	This Ruling explains the tax treatment of employment income derived by non-citizen individuals working for an Operational Headquarters Company Regional Office, International Procurement Centre Company or Regional Distribution Centre Company in Malaysia.	Year of Assessment 2011

Prefill of Remuneration Particulars in E-Filing

Further to Circular No. TEC/007/01/2012/W dated January 19, 2012, members are informed that **to** facilitate taxpayers' use of e-Filing, the Inland Revenue Board (IRB) has further reinforced its e-Filing system by obtaining remuneration particulars of taxpayers from their employers for prefill in their respective e-Filing forms. Taxpayers who are using e-Filing system may alter the prefilled particulars if there is any change before signing and sending the forms electronically.

In this regard, employers are encouraged to furnish the particulars for the year 2011 in accordance with the format provided by the IRB on or before February 15, 2012. A copy of the information layout for prefill is attached for members' reference. The information layout for prefill can also be viewed or downloaded by clicking the following link: http://www.hasil.gov.my/pdf/pdfam/PrefillLayout_eFiling2011_2.pdf .

Please be informed that the required particulars can be furnished via CD to the following address:

Jabatan Operasi Cukai
Aras 12, Wisma Hasil
Persiaran Rimba Permai
Cyber 8, Peti Surat 11833
63000 Cyberjaya
Selangor Darul Ehsan

Alternatively, you may furnish the required particulars via e-mail to bantuan_praisi@hasil.gov.my. To ensure compliance with the required format, you may submit the test data to the above email address for verification. Particulars furnished are acceptable as CP8D particulars for Form E.

Should you have any enquiries on the above matter, please email your enquiries to bantuan_praisi@hasil.gov.my.

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

COMPANIES COMMISSION OF MALAYSIA (SSM)

Practice Note 13/2011

Further to Circular No.TEC/002/01/2011/W dated January 3, 2012, members are informed that the Companies Commission of Malaysia (SSM) has issued Practice Note 13/2011 (PN 13) to clarify the circumstances and procedures in which documents that have been lodged and registered with the SSM may be rectified.

The circumstances in which documents lodged and registered with SSM may be rectified / amended are as follows:

- **Non-substantive Amendments**

The Register will be able to accept simple typographic or clerical mistakes which will not have material implication on the subject matter lodged.

- **Substantive Amendments**

Any substantive amendment that is material and will have material implication that can be construed to have changed the substance of the subject matter must be made by way of Court Order pursuant to Sections 11(10) or 355(3) of the Companies Act, 1965 (CA 1965).

PN 13 has also outlined the procedures to be observed by companies in submitting rectified or amended documents under the above two circumstances.

Pursuant to Item 33 of Second Schedule of the CA 1965, an application fee of RM120 must be accompanied with an application to amend or rectify lodged or registered document.

Please note that PN 13 is not applicable to rectification in respect to any documents relating to charges which have been lodged with the Registrar. Any such rectification must strictly comply with the provisions under Division 7 of Part IV of the CA 1965.

Should members' have any enquiries on the above matter, please contact Puan Norhaiza Jemon at 03-2299 5489 or visit SSM's website at www.ssm.com.my.

A copy of the SSM's PN 13 is available on the MICPA website at www.micpa.com.my in the Members' Area for reference.

MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB)

MASB DP i-1, MASB DP i-2 and MASB DP i-3

Further to Circular No. TEC/003/01/2012 dated January 3, 2012, members are informed that The Malaysian Accounting Standards Board (MASB) has recently issued three (3) Discussion Papers for comments. The Discussion Papers are as follows:

1. MASB DP i-1 *Takaful*
2. MASB DP i-2 *Sukuk*
3. MASB DP i-3 *Shariah Compliant Profit-sharing Contracts*

These Discussion Papers are issued in connection with Malaysia's commitment to convergence with International Financial Reporting Standards (IFRS) by January 1, 2012, and the MASB's policy that its approved accounting standards shall apply to *Shariah* compliant transactions.

These Discussion Papers have been issued primarily to discuss the application of IFRS to *takaful*, *sukuk*, and *Shariah* compliant profit-sharing contracts. Simultaneously, these Discussion Papers are intended to seek confirmation of MASB's understanding of the issues and to seek comments on the tentative conclusions, as well as to solicit views on the alternative solutions.

In these Discussion Papers, due consideration has been given to standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), Bank Negara Malaysia (BNM) guidelines, and Islamic Financial Services Board (IFSB) standards.

MASB DP i-1, *Takaful*

MASB DP i-1, *Takaful*, primarily discusses the implications of MFRS 4, *Insurance Contracts*, and IASB Exposure Draft ED/2010/8, *Insurance Contracts*, as well as other IFRS that may affect accounting for *takaful*, by outlining seven (7) key accounting issues highlighted during meetings with stakeholders in the *takaful* industry, as well as the alternative solutions that were suggested.

The issues include the scope of MFRS 4, classification and measurement of *qard*, consolidation and presentation of financial statements of *takaful* entities, *retakaful*, participating contracts, revenue recognition and additional disclosures.

MASB DP i-2, *Sukuk*

MASB DP i-2, *Sukuk*, discusses the implications of current and revised requirements for financial instruments and consolidation found in IAS 27, IAS 39, IFRS 9, IFRS 10 and other *sukuk*-related standards issued by the International Accounting Standards Board (IASB).

MASB DP i-2 also outlines eight (8) key accounting issues which were highlighted during meetings with stakeholders in the *sukuk* industry, as well as the proposed alternative solutions. These issues include consolidation of any entities created through the *sukuk* issuances, derecognition of assets transferred through the *sukuk* issuance, classification and measurement of *sukuk* by the issuer and investor, fair value measurement, impairment, derivatives, guarantees and related party disclosures.

MASB DP i-3, Shariah Compliant Profit-sharing Contracts

MASB DP i-3, *Shariah Compliant Profit-sharing Contracts*, discusses the implications of the IFRS-compliant Malaysian Financial Reporting Standards (MFRS) on *Shariah* compliant profit-sharing contracts, otherwise known as *shirkah* transactions, as well as those requirements of existing and proposed IFRS which have yet to come into effect, but which would particularly affect *shirkah* transactions.

MASB DP i-3 outlines the three (3) most often-cited accounting issues related to *Shariah* compliant profit-sharing contracts, i.e. classification and measurement, smoothing techniques and consolidation, joint ventures and investments in associates.

Members are encouraged to study the Discussion Papers and provide feedback to MASB. The Discussion Papers are available on MASB website <http://www.masb.org.my>. Members who wish to provide their comments electronically may do so through "Comment Online" on MASB website. The deadline for the submission of comments to MASB is **March 16, 2012**.

The Discussion Papers are also available for free at:
Malaysian Accounting Standards Board, Suite 5.02, Level 5, Wisma UOA Pantai,
No.11, Jalan Pantai Jaya, 59200 Kuala Lumpur. E-mail: masb@masb.org.my

ROYAL MALAYSIAN CUSTOMS (RMC)

Issues for Discussion by Consultative Panel between Customs and Private Sector

Further to Circular No. TEC/004/01/2012 dated January 16, 2012, members are informed that the Institute serves on the Consultative Panel between Customs and Private Sector. The Panel provides a forum for the discussion of practical issues and suggestions relating to customs and excise submitted by the private sector.

In this regard, members are invited to submit any suggestions or practical problems that you may have encountered during the course of your work or practice relating to customs and excise, and where deemed appropriate by the Institute, would be submitted for discussion by the Panel.

Please forward your submission to the Secretariat by fax at 03-2698 9403 or email to micpa@micpa.com.my latest by February 3, 2012.

INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD

Audit Considerations in Respect of Going Concern in the Current Economic Environment

Further to Circular No. TEC/005/01/2012/W dated January 16, 2012, members are informed that the International Auditing and Assurance Standards Board ("IAASB") of the International Federation of Accountants ("IFAC") has recently highlighted the continuous relevance of the 2009 IAASB Staff Audit Practice Alert, "*Audit Considerations in Respect of Going Concern in the Current Economic Environment*" in the current global economic environment.

It is noted that as the effects of the financial crisis persist, the global economy continues to experience difficult conditions, in particular with regard to corporate cash flows and access to credit. Capital market volatility and other issues, including the measurement and disclosure of exposures to sovereign debt of distressed countries, continue to create uncertainty. These issues and uncertainty have wide-ranging financial reporting implications that often extend beyond national borders.

Management of entities, those charged with governance, and auditors are faced with unique challenges in meeting their responsibilities as a result of these and other current economic conditions. This includes the assessment of an entity's ability to continue as a going concern and subsequently making the relevant disclosures in the financial statements and, as appropriate, the independent auditor's report.

This Alert serves to raise auditor's awareness about matters relevant to the consideration of the going concern assumption in the preparation of financial statements. It also addresses factors relevant to the assessment of going concern, the period of time considered in making a going concern assessment, financial statement disclosures, forming an opinion on the financial statements and the implications for the independent auditor's report.

Members should note that although this Audit Practice Alert was released in the context of the 2008-2009 credit crisis, many of the matters addressed within are equally relevant today. For example, an entity may be experiencing a decline in its financial health, or may have material uncertainties arising from direct or indirect exposures to sovereign debt of distressed countries. Members, in particular those in practice, are therefore encouraged to review the Alert and the relevant requirements in the International Standards on Auditing (ISAs).

In view of the current economic environment, the IAASB wishes to remind auditors of their important responsibilities under the ISAs, and that the appropriateness of management's use of the going concern assumption is a matter to be considered on *every* audit engagement. It is emphasised that difficult economic conditions give rise to many important audit considerations, but none more important or more difficult than the evaluation of the management's assessment of an entity's ability to continue as a going concern and determining the appropriate auditor reporting in the circumstances.

Auditors are also reminded that it is essential to remain alert throughout the audit for evidence of events or conditions that may cast significant doubt on an entity's ability to continue as a going concern. Further to this, it is also imperative that professional scepticism and judgment is applied in the evaluation of financial statement disclosures and the consequential implications for the independent auditor's report when a material uncertainty exists relating to events or conditions that, individually or collectively, may cast doubt on the entity's ability to continue as a going concern.

The 2009 IAASB Staff Audit Practice Alert, "*Audit Considerations in Respect of Going Concern in the Current Economic Environment*" is available for download at:

https://www.ifac.org/sites/default/files/publications/files/SAPA%20-%20Audit%20Considerations%20in%20Respect%20of%20Going%20Concern%20in%20the%20Current%20Economic%20Environment_0.pdf.

MINISTRY OF FINANCE (MOF)

Proposals for Year 2013 National Budget

Further to Circular No. TEC/008/01/2012/W dated January 19, 2012, as members are aware, the Institute submits proposals for the national budget each year to the Ministry of Finance.

In this regard, members are invited to contribute proposals for inclusion in the Institute's memorandum for the Year 2013 Budget, in particular relating to the following matters:

- Practical issues arising from recent amendments to the tax legislation, particularly the Income Tax Act relating to self assessment system;
- Incentives for promoting investment;
- Specific industry issues which have implications on income tax, real property gains tax or indirect taxes;
- Tax matters relating to e-business.

Your proposals should be submitted in writing to the Secretary of the Institute by e-mail to micpa@micpa.com.my latest by **February 17, 2012**.

The Institute looks forward to receiving your comments and proposals.

MEMBERS ' UPDATES

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. Members may also update your personal data by sending an email to membership@micpa.com.my preferably by **January 31, 2012**.

Please click [here](#) to download the form.

Alternatively, you may also update your personal data on-line via the MICPA website 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 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 Membership 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:

Basic Practical Guide to Auditing

The MICPA is organising a two-day Workshop on *Basic Practical Guide to Auditing* to be held on February 20 & 21, 2012 and April 11 & 12, 2012 at Menara SSM@Sentral.

The objective of this Workshop is to equip participants with the technical knowledge and skills in conducting an audit of financial statements in accordance with the clarified International Standards on Auditing (ISA), which have been adopted for application in Malaysia. The Workshop is designed to impart the theory and practice of auditing in an interactive setting whereby participants will be exposed to practical examples through workshop activities for the topics under discussions.

Each participant will receive a complimentary copy of the MICPA Audit Guide for Practitioners (revised 2011) which has been updated to include ISAs issued under the IAASB's Clarity Project and acts as a useful tool for accounting firms to maintain quality control for audit work. For further information on the Workshop, please click [here](#).

Accounting for Agriculture

The MICPA is organising a one-day Seminar on *Accounting for Agriculture* to be held on March 7, 2012 at Concorde Hotel, Kuala Lumpur.

The objective of this Seminar is to enable participants to understand the requirements of IAS 41, with focus on the fair value measurement principles prescribed in the IAS. It will also demonstrate how these fair value principles can be applied by entities that are engaged in the agricultural activities. At the end of the Seminar, participants should be able to understand the requirements and assess the

impact of IAS 41 on their current practice. For further information on the Workshop, please click [here](#).

Updates on 2012 IFRS-Compliant MFRSs – Preparing for Convergence to IFRSs

The MICPA is organising a two-day Seminar on *Updates on 2012 IFRS-Compliant MFRSs – Preparing for Convergence to IFRSs* to be held on March 19 & 20, 2012 at Renaissance Kuala Lumpur Hotel.

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

One-Day Workshop on Analytical Procedures

The MICPA is organising a one-day Workshop on *Updates on Analytical Procedures* to be held on March 26, 2012 at Concorde Hotel, Kuala Lumpur.

The Workshop is tailored for staff of small and medium sized audit firms as well as accounting personnel in small and medium enterprises. At the end of Workshop, the participants will have acquired adequate knowledge to perform analytical procedures at the various stages of an audit, understand the relationship between substantive analysis and analytical procedures and apply major analytical procedures techniques. For further information on the Seminar, please click [here](#).

NEWS FROM REGULATORY BODIES

SECURITIES COMMISSION MALAYSIA (SC)

New Executive Director Roles at the SC

Encik Nik Mohd Hasyudeen Yusoff and Ms Foo Lee Mei have been appointed to the Management Committee of the Securities Commission Malaysia (SC) as Executive Directors effective January 1, 2012. They will continue to remain Executive Chairman, Audit Oversight Board (AOB) and General Counsel of the SC respectively.

Appointed to the AOB in April 2010, Nik Hasyudeen, who has been in practice for 23 years, had previously been President of the Malaysian Institute of Accountants, Vice-President of the ASEAN Federation of Accountants, a member of CPA Australia's Public Practice Advisory Committee and the Malaysian Accounting Standards Board.

Foo Lee Mei served as Deputy Public Prosecutor (DPP) with the Attorney-General's Chambers for six years before joining the SC in 1994. She was appointed General Counsel of the SC in 2009. Lee Mei was re-gazetted as a DPP by the Attorney General in 2004 and continues to lead SC appeals at the High Court, Court of Appeal and the Federal Court. From 2008-2010, she co-chaired the Asia Pacific Group on Money Laundering (APG) Typologies Working Group.

Encik Shamsuflan Shamsuddin has joined the SC as the Executive Director, Compliance & Examination, effective January 3, 2012. He will be responsible for

ensuring compliance with financial reporting and governance standards by PLCs as well as supervision of market intermediaries. Suflan comes from private legal practice, but prior to that had worked 19 years with the Shell Group. Just prior to leaving Shell, Suflan was responsible for M&As and JVs for Shell's international downstream business. Previous to that he was the Chief Ethics and Compliance Officer for Shell globally.

The new appointments will enable the SC to more effectively respond to the increasing challenges and demands of managing the extensive growth in the scope of the SC's responsibilities and mandates, including substantive regional and international commitments.

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

BANK NEGARA MALAYSIA (BNM)

Implementation of New Motor Cover Framework

As part of the New Motor Cover Framework (the Framework) in addressing the structural issues within the motor insurance sector, Bank Negara Malaysia is pleased to inform on the progress of enhancement measures to improve the claims settlement process and the implementation of gradual premium adjustments since its announcement on March 11, 2011.

In ensuring that the public has access to motor insurance at reasonable premiums, several immediate measures were introduced in May 2011. Among the measures undertaken include ensuring that the public would be able to obtain motor cover from the Malaysian Motor Insurance Pool from any general insurer or their branches as well as from any Pos Malaysia branch nationwide.

To ensure the successful implementation of the identified improvement measures under the Framework, a Joint Working Committee (JWC) was established in April 2011, comprising representatives from key Government ministries, the insurance and takaful industry, consumer and transport groups as well as the Malaysian Bar Council. Several enhancement measures already implemented have resulted in enhanced efficiency of the claims settlement process, with faster turnaround time for claims on personal injury, especially for cases that were settled via court mediation.

Further measures to enhance efficiency include the referrals to the Compendium of Personal Injury Awards by judges in awarding compensation for personal injury as well as the enforcement of timelines for obtaining police and medical reports. Other measures for the implementation of further efficiency enhancements include the introduction of a motor insurance claims kit to expedite notification of an accident and claims as well as the establishment of a nationwide 24-hour call centre to provide immediate roadside assistance to accident victims in the first quarter of 2012.

As part of the Framework, the gradual revision in the Motor Tariff premium rates will be implemented effective from 16 January 2012. It will be the first to be undertaken after non-revision for more than 30 years. Over the duration, the levels of car ownership, accident rate and claims in Malaysia have risen significantly. In addition, hospitalization costs, medical expenses and costs of vehicle repairs and spare parts have also increased.

The premium adjustment is in small quantum and to be implemented gradually over a period of four years. The implication on the members of the public and businesses will be marginal.

The adjustment in the Motor Tariff premium rates will be reviewed periodically to ensure that the adjusted premium rates continue to be reflective of the claims experience. The Framework will pave the way for detariffing of the motor insurance premiums in 2016, in which premium rates will be further differentiated in accordance to the risk profile of individual vehicles and fairer to vehicle owners as those with good claims experience would enjoy much better premium rates than those with higher risk profile.

To ensure that members of the public are aware and able to benefit from the Framework, particularly on the enhancements to the motor claims settlement process, Bank Negara Malaysia and the insurance industry will continue to provide information to the public on motor insurance issues through the consumer awareness and outreach programs that are currently in place.

Members of the public who have any queries relating to the Framework can contact BNM at TELELINK: 1-300-88-5465 or visit either the www.insuranceinfo.com.my or islamicfinanceinfo.com.my website. Enquiries can also be forwarded to either Persatuan Insurans Am Malaysia (PIAM) or individual insurers.

For further information, please visit www.bnm.gov.my.

BURSA MALAYSIA BERHAD

Local Participants Entry Requirements for Derivatives Trading Eased; Examination, Academic and Experience Pre-Requisites Removed

Individuals who aspire to be professional derivatives traders or Local Participants can now do so by attending a two-day familiarisation programme with Bursa Malaysia Derivatives.

A Local Participant is a professional derivatives trader who trades their own account, or is a self-employed trader. With the easing of entry requirement, candidates no longer need to take the licensing examination, or show the relevant academic qualification and industry experience. This is part of the Exchange's initiatives to increase the number of Local Participants in the market.

Dato' Tajuddin Atan, Chief Executive Officer of Bursa Malaysia and Chairman of Bursa Malaysia Derivatives said, "We are cognisant that in this day and age, those who want to trade have a lot of resources at hand to make informed decisions. As such, we should not legislate qualification for those who want to trade in derivatives. In substitution of the qualification requirement, we are introducing a familiarisation programme so Local Participants can equip themselves with the relevant knowledge and understand the risks associated with derivatives trading.

"This liberalisation measures signifies our commitment to grow the Local Participants base as they contribute greatly to market liquidity. Traders can now easily manage their own portfolio, while at the same time enjoy the many benefits available including fee rebate and tax abatement. With the advance of internet trading, they can trade anywhere, anytime."

Local Participants can trade with their own funds and are not permitted to conduct trades on behalf of Clients. They will enjoy exchange and clearing fees rebate if they trade 1,000 contracts per month or more. Local Participants are registered with Bursa Malaysia Derivatives (BMD) and can trade in all BMD's products.

To find out more or to register to be a Local Participant, visit Bursa Malaysia website at www.bursamalaysia.com or contact Bursa Malaysia Derivatives at 03- 2034 7242.

For further information, please visit www.bursamalaysia.com.

NEWS FROM IFAC AND IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IFAC Invites Nominations for IFAC International Gold Service Award in 2012

The IFAC has opened nominations for the *2012 IFAC International Gold Service Award*.

The IFAC International Gold Service Award was established in 2010 to recognise outstanding individual contributions to the accountancy profession, including protecting the public interest; exemplifying professional conduct and ethics; exceptional quality of work; and/or, contributions to a particular project or initiative. Candidates may or may not be members of the accountancy profession, and contributions may or may not be made through IFAC.

The recipients of the IFAC International Gold Service Award in 2011 were Sir David Tweedie (United Kingdom) and Professor Stephen Zeff (United States). The awards were presented on November 16, 2011, at IFAC's annual Council Meeting in Berlin, Germany, by Göran Tidström, president of IFAC.

Nominations from IFAC member bodies must be submitted to the chief executive officer of IFAC by March 15, 2012. The nomination should consist of a completed nomination form, available on the IFAC website, and a cover letter. The cover letter should include reasons why the member body believes that the individual should receive an award and must be signed by the president and/or chief executive, or their equivalents, of the member body. If a member body wishes to include other supporting material, it should not exceed two pages. Nominations received in a format other than the stipulated form will not be considered.

In addition to nominations from IFAC member bodies, IFAC's Nominating Committee will identify and recommend candidate(s) for this award. The Nominating Committee will review the nominations, make the necessary inquiries, and recommend candidate(s), if appropriate, to the IFAC Board, which will make the final selection(s), if any, during its meeting in June 2012. The chief executive officer of IFAC will notify the selected candidate(s) in writing, and the president of IFAC will present the award(s) at the annual IFAC Council Meeting, to be held November 14-15, 2012.

IFAC Posts Call for Nominations for Boards and Committees in 2013

The IFAC has issued an announcement to alert its members, Forum of Firms, other international organisations, and the general public of its *Call for Nominations for IFAC Boards and Committees in 2013*.

For the first time, all vacancies on the public interest activity standard-setting boards* are open for nominations by the public. This change is due to IFAC's determination to ensure a transparent approach to filling available positions, while also achieving gender, regional, and professional balance, and is in response to the Monitoring Group's 2010 effectiveness review of the IFAC Reforms.

Both the *Call for Nominations* and its companion guide, *Developing a Nominations Strategy*, are designed to help IFAC stakeholders identify the most qualified person for nomination to each available position on the boards and committees. These in-depth documents, located on the IFAC website, contain strategic and practical advice for nominating organizations and other individuals that allows them to make more informed decisions in their selections and decisions, and to understand the requirements of the various positions.

Each year, approximately one-third of the 155 positions on the boards and committees have openings, though, for some of those positions, serving members may be reappointed. In addition, this year, the position of the IFAC Deputy President is open for nominations from member bodies. For more information about the Nominating Committee, its due process, or for guidance in selecting the best candidate, please visit the IFAC website.

All applications should be submitted **before March 15, 2012** electronically via IFAC's nominations database; instructions are provided on page six of the *Call for Nominations*.

IAASB Disclosures Feedback Statement; Shares Global Insights to Support Essential Collaboration and Cooperation

The International Auditing and Assurance Standards Board (IAASB) have released a *Feedback Statement* on the responses to its January 2011 Discussion Paper, *The Evolving Nature of Financial Reporting: Disclosure and Its Audit Implications*.

The Discussion Paper solicited views and perspectives of different stakeholder groups on the challenges arising as financial reporting continues to evolve to meet the changing needs of users. Respondents from across the world, including regulators and oversight authorities, users and preparers, audit firms, and professional bodies provided thoughtful and informative input on issues around disclosures. The Feedback Statement provides an overview of the key messages heard and provides thoughts and recommendations on what can be done to address them.

The Feedback Statement presents a summary of the range of views on some of the more significant challenges faced by participants across the entire financial reporting supply chain, including the impact of trends in financial reporting, applying materiality to disclosures, evaluating misstatements generated by disclosures, the availability of audit evidence to support disclosures, and work effort. To address some of the issues identified respondents have called for more auditing guidance in certain identified areas. However, the majority of the respondents were of the view that some of the more important issues could not be addressed by the IAASB on its own, but would require international collaboration and cooperation, particularly with both the accounting standard setters—including the International Accounting Standards Board (IASB) and US Financial Accounting Standards Board (FASB)—and regulators.

Economic Conditions Continue to Challenge Preparers and Auditors Alike; Focus Must Include Going Concern Assumption and Adequacy of Disclosures

The global economy continues to experience difficult conditions as the effects of the financial crisis—for example, on corporate cash flows and access to credit—persist. Volatility in capital markets, and issues including measurement and disclosure of exposures to sovereign debt of distressed countries, continue to create uncertainty. The impact of these issues and uncertainty has wide-ranging financial reporting implications that often extend beyond national borders.

These and other current economic conditions present unique challenges for management of entities, those charged with governance, and auditors in meeting their responsibilities, including assessing an entity's ability to continue as a going concern and making relevant disclosures in the financial statements and, as appropriate, the auditor's report.

In light of the current environment, the International Auditing and Assurance Standards Board (IAASB) reminds auditors of their important responsibilities under the International Standards on Auditing (ISAs) and that the appropriateness of management's use of the going concern assumption is a matter to be considered on every audit engagement.

The 2009 IAASB Staff Audit Practice Alert, "*Audit Considerations in Respect of Going Concern in the Current Economic Environment*," highlights matters relevant to the consideration of the going concern assumption in the preparation of financial statements. Among other matters, it addresses factors relevant to the assessment of going concern; the period of time considered in making a going concern assessment; financial statement disclosures; forming an opinion on the financial statements and the implications for the auditor's report.

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

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

Yong Li and Marco Onado Appointed as Trustees 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 Yong Li and Marco Onado as Trustees. The appointments, approved by the IFRS Foundation Monitoring Board, begin immediately and will expire on December 31, 2014. The terms are renewable once.

Yong Li

Yong Li is President of the Chinese Institute of Certified Public Accountants and a Vice Minister to the Ministry of Finance of the People's Republic of China. He is responsible for leading the Ministry's involvement in international matters including regional and bilateral economic issues, as well as co-ordination with the G20 and financial sector supervision in China. President Li is a former Executive Director of the World Bank and a former First Secretary of the Chinese delegation to the United Nations.

Marco Onado

Marco Onado is a Senior Professor of Financial Institutions at the Bocconi University in Milan, Italy. He is also Chairman of Pioneer Global Asset Management, a global investment manager with a presence in 27 countries and more than €165bn of assets under management. Professor Onado is a former Commissioner of the Commissione Nazionale per le Società e la Borsa (CONSOB), the Italian securities and markets regulator.

Trustees Announce Revised Membership of IFRS Advisory Council

The Trustees of the IFRS Foundation, responsible for the governance and oversight of the IASB, have announced the appointments and reappointments to the IFRS Advisory Council following the expiration of membership periods at the end of 2011.

The Advisory Council is the formal advisory body to the Trustees and the IASB. In 2009, the Trustees revised the membership structure of the Advisory Council so that members now serve primarily as representatives of organisations. The terms of the new appointments and reappointments began on January 1, 2012 and range between one and three years to enhance continuity and achieve an orderly rotation in membership.

Paul Cherry, Chairman of the Advisory Council, has been reappointed for a further two years. Patrice Marteau and Charles Macek, Vice-Chairmen of the Advisory Council, have been reappointed for one and three years respectively.

IFRS Foundation Trustees and Representatives from the Singapore Accounting Standards Council and Local Business Community Meet to discuss Financial Reporting Matters

The Trustees of the IFRS Foundation met with representatives of the Singapore Accounting Standards Council (ASC) and the local business community on January 12, 2012. The meeting was jointly led by Mr Michael Lim, Chairman of the ASC and Mr Michel Prada, the newly appointed Chairman of the IFRS Foundation Trustees.

The participants exchanged views on the work of the Trustees and the IASB to establish International Financial Reporting Standards (IFRSs) as the globally accepted language for financial reporting, as well the practical challenges faced by Singapore companies in implementing IFRSs.

IFRSs are required or permitted for use by companies in more than 100 countries, including most of the G20. Singapore has been a long-term supporter of the development of a single set of global accounting standards. Singapore Financial

Reporting Standards (SFRSs) are already substantially aligned with IFRSs and the ASC is working towards full convergence of those standards. The Trustees and the leadership of the IASB expressed a commitment to support this work.

A summary of the conclusions of the Trustees' meeting will be published shortly on the IFRS Foundation website (www.ifrs.org).

IASB and FAS Seek to Reduce Differences in Classification and Measurement Models for Financial Instruments

The IASB and the Financial Accounting Standards Board (FASB) have agreed to work together to seek to reduce differences in their respective classification and measurement models for financial instruments.

The discussions will form part of the FASB's ongoing re-deliberation of a proposed Accounting Standards Update on financial instruments, which was originally issued in May 2010. The IASB will consider these discussions as part of its project to undertake limited-scope changes to IFRS 9, *Financial Instruments*, issued in November 2009 and amended in October 2010, resulting from its ongoing work to develop a new IFRS on insurance contracts and the feedback received on application of IFRS 9 to particular instruments.

The boards will work together with the objective of more closely aligning key aspects of their classification and measurement models.

The boards will explore these key aspects jointly, and then decide whether to issue proposed amendments to IFRS 9 and US Generally Accepted Accounting Principles (US GAAP), respectively.

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

NEWS FROM PROFESSIONAL AND OTHER BODIES

THE MALAYSIAN INSTITUTE OF MANAGEMENT (MIM)

National Transformation Summit

The Performance Management and Transformation Leadership Centre (PMTLC), an arm of the Malaysian Institute of Management is organising the *National Transformation Summit* with the theme Capitalising on Opportunities from the Economic Transformation Programme. The event will be held on February 16 & 17, 2012 at the Crowne Plaza Mutiara Hotel, Kuala Lumpur.

As part of the programme, an exclusive 30-minute Q&A Session with YB Senator Dato' Sri Idris Jala on the Malaysian Transformation Journey Updates has been planned.

Benefits of the Summit:

- Be involved in the Malaysian Journey on radical economic transformation
- Learn first-hand from the corporate leaders on how the business community can help the ETP to transform the Malaysian economic landscape and take advantage of the business opportunities available
- Find out how the national key economic areas (NKEAs) are developed and their latest updates
- Determine the business opportunity available under the ETP

The MICPA is a supporting organisation of the Summit. For further information, please visit www.mim.org.my or call Puan Sharifah Mariam on Tel: 03-2172 5420 or email: sharifah@mim.org.my.

MALAYSIAN ACCOUNTING STANDARDS BOARD & IFRS FOUNDATION

IFRS CONFERENCE 2012

We are pleased to inform members that the Malaysian Accounting Standards Board (MASB) in collaboration with the IFRS Foundation will be hosting the **IFRS Conference 2012**. The conference will be held on March 28, 2012 at the Shangri-La Hotel, Kuala Lumpur.

The conference offers a great opportunity for participants to gain an understanding of the views behind IASB projects from those responsible for setting it and to gain in-depth knowledge on the impact of IFRSs for the Asia-Oceania region.

The Conference highlights include:

- Shaping the IASB's future agenda
- IFRSs technical update: active projects and new and amended IFRSs
- IFRS measurements
- IFRS implementation support and post-implementation review updates

The conference will have break-out sessions, led by members and senior staff of the IASB. Participants have an option to choose to register for two of the breakout sessions of the following projects:

1. IFRS 9 Financial Instruments and IASB project to replace IAS 39;
2. IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and technical update on the IASB investment entities project ;
3. IASB's Insurance Contracts proposals;
4. IASB's Leases proposals;
5. IASB's Revenue proposals; and
6. IFRS 13 Fair Value Measurement

For further information on the conference and registration, please visit the website: www.masb.org.my/IFRS2012malaysia.

Alternatively, please contact the MASB Secretariat at Tel: +603 2240 9200 (Puan Ainul Aidura or Puan Idawaty Mohd Hasan or email: aidura.jamaludin@masb.org.my / idawaty@masb.org.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.

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.

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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