

July 2010

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

MICPA 52nd Annual Dinner

The Institute's 52nd Annual Dinner was held on Friday, July 16, 2010 at Sheraton Imperial Kuala Lumpur Hotel. The dinner was officiated by YBhg Tan Sri Dr Wan Abdul Aziz bin Wan Abdullah, Secretary-General of Treasury, Ministry of Finance Malaysia.

In his speech, Tan Sri advised accountants on values and in making Malaysia an accountancy hub.

The President, Council, Management and Staff of the MICPA would like to express our sincere appreciation and thanks to all member firms and organisations, who have made our 52nd Annual Dinner a huge success.

Anugerah Presiden 2010

Anugerah Presiden 2010 was presented to YBhg Datuk Dr Abdul Samad Hj Alias, who has made exceptional contributions to society, the accountancy profession and the Institute which can be emulated by others.

Datuk Samad was admitted as a member of MICPA on January 12, 1974 (Membership No.654). He was elected to the MICPA Council in 1986 and served for a dedicated 21 years until his resignation in 2007 due to heavy work commitments. He was the First Malaysian to be elected to the twenty-two (22) Member Board of the International Federation of Accountants (IFAC), a position he served from 2005-2007.

He is currently the Chairman of Bank Pembangunan (M) Bhd and is also the Chairman of Malaysian Venture Capital Management Bhd and Malaysia Debt Ventures Bhd. He also serves on the Boards of a number of Government Linked Companies in various capacities.

In his Acceptance Speech, Datuk Samad inspired all accountants to adhere to high standards, especially "personal integrity".

Follow Us on Twitter and Find Us on Facebook

The President of the Institute, YBhg Dato' Johan Raslan launched MICPA on Facebook and Twitter during the Annual Dinner. Please click on the following links:

Twitter: <http://twitter.com/CPAMalaysia>

Facebook: <http://www.facebook.com/home.php?#!/pages/The-Malaysian-Institute-of-Certified-Public-Accountants/140858902595956?ref=ts>

MICPA Education & Training

Reciprocal 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 reciprocal 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](#)

Revised MICPA Programme

-Term 1, 2010 Examination Results - Taxation

The Term 1, 2010 Exam results for the individual subject Module *Taxation* under the Revised MICPA Programme was released on Friday, July 16, 2010. To view the results, please click [here](#).

- 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.

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, please click [here](#).

Activities of the Institute

Schedule of MICPA Events for 2010

We are pleased to inform that the schedule of events for 2010 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 qualification. 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 Institute presented a talk to 60 new recruits at KPMG on July 6, 2010 and made presentations to the following Universities:

- Universiti Malaya on Sunday, July 25, 2010;
- Universiti Sains Malaysia on Monday, July 26, 2010
- Universiti Kebangsaan Malaysia on Tuesday, July 27, 2010

Career Talks at Secondary Schools

Accountancy has become one of the more popular courses being pursued by young Malaysians. The Institute is always seeking opportunities to foster closer relationship with the secondary schools, to promote accountancy as a career and in particular to create awareness of the CPA Malaysia qualification. In this respect, a series of scheduled career talks at secondary schools to Forms 4, 5 and 6 students undertaking the Principles of Accounting subject has been planned.

The Institute has presented a talk on a *Career in Accountancy* to:

- 90 students of SMK St Gabriel on July 2, 2010;
- 50 students of SMK Convent Bukit Nanas on July 6, 2010; and
- 80 students of SMK Sinar Bintang on July 9, 2010.

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

MINISTRY OF FINANCE (MOF)

Good and Services Tax

Further to Circular No. TEC/047/07/2010W dated July 28, 2010, members are informed that the Ministry of Finance has posted the frequently asked questions related to Goods and Services Tax (GST) on their website at the following link:

http://www.treasury.gov.my/index.php?option=com_content&view=category&id=186%3Acukai-barang-dan-pekhidmatan&Itemid=306&layout=default&lang=en.

Should you have any enquiries related to GST, you may contact the Customs' Call Centre at 03-7806 7200 or officers from the GST Special Unit of the Royal Malaysian Customs at the following link: <http://www.customs.gov.my/index.php/en/officer-directories>.

Members are invited to submit any views or feedback on practical issues related to GST and, where deemed appropriate by the Institute, would be submitted to the Ministry of Finance for its consideration. Please submit your view or feedback to the Secretariat by fax at 03-2698 9403 or email to technical@micpa.com.my.

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.

INLAND REVENUE BOARD (IRB)

Petroleum Income Tax Guidelines (Amended)

Further to Circular No. TEC/045/06/2010W dated June 25, 2010, members are informed that the Inland Revenue Board has posted the amended Petroleum Income Tax (PITA) Guidelines on their website on July 20, 2010. Please note that Paragraph 7.4.3 of the original PITA Guidelines has been amended.

The above amended Guidelines can be downloaded from the IRB's website at:

http://www.hasil.gov.my/lhdnv3/documents/maklumat_terkini/Garis%20Panduan%20PITA-PIND-%20%20final%203%206%202010.pdf.

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.

MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB)

MASB Publishes Amendments to FRSs, 2 New Interpretations & 2 Technical Releases

On July 15, 2010, the MASB issued two amendments to Financial Reporting Standards (FRSs), two new Interpretations, and two Technical Releases. The amendments to FRSs and the new Interpretations are word for word to those issued by the International Accounting Standards Board (IASB) and are already effective internationally.

The pronouncements are:

Amendments to FRSs

- Additional Exemptions for First-time Adopters (Amendments to FRS 1)
- Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)

Interpretations

- IC Interpretation 4 Determining whether an Arrangement contains a Lease
- IC Interpretation 18 Transfers of Assets from Customers

Technical Releases

- Technical Release 3 Guidance on Disclosures of Transition to IFRSs
- Technical Release i-4 Shariah Compliant Sale Contracts

About the Pronouncements

Additional Exemptions for First-time Adopters (Amendments to FRS 1)

The amendments are aimed at assisting entities in the oil and gas industry and those with leasing contracts applying FRSs for the first time so as to avoid undue cost or effort in the transition process to FRS.

Oil and gas entities using the full cost method are exempted from retrospective application of FRSs for its oil and gas assets.

Entities with existing leasing contracts are exempted from reassessing the classification of those contracts in accordance with IC Interpretation 4 when application of the previous accounting practice produces the same result.

Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)

FRS 2 prescribes the accounting treatment for share-based payment transactions, e.g. share-options granted to employees.

The amendments clarify that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. In other words, regardless of how group transactions are structured at the subsidiary level, FRS 2 is applicable for group consolidated financial statements unless the transaction is clearly for a purpose outside the scope of FRS 2.

The amendments also incorporate guidance previously included in IC Interpretation 8 Scope of FRS 2 and IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions. As a result, both these Interpretations shall be withdrawn on application of Amendments to FRS 2.

IC Interpretation 4 Determining whether an Arrangement contains a Lease

The Interpretation aims to provide guidance for determining whether certain arrangements are, or contain, leases that should be accounted for in accordance with FRS 117 Leases; it does not provide guidance whether such a lease should be classified as a finance lease or an operating lease. It clarifies that an arrangement, although does not take the legal form of a lease, is a lease when the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement to convey a right to use the asset.

This is the case if the purchaser has the right to operate or direct others to operate or control physical access to the asset. Another condition is that it is remote parties other than the purchaser will take more than an insignificant amount of the asset's output and the price is neither fixed nor at current market price.

IC Interpretation 18 Transfers of Assets from Customers

This Interpretation is applicable to entities that receive items of property, plant and equipment (PPE) from their customers. In some industry, for example utilities and IT outsourcing, an entity may receive a fixed asset from its customers that must be used to provide the customers with ongoing access to a supply of goods or services.

The Interpretation is also applicable in cases where the entity receives cash from the customer that must be used to construct or acquire a PPE which then must be used by the entity to supply its customers with ongoing access to a supply of goods or services.

The transferor, in some cases, may or may not be the recipient of the goods or services.

The Interpretation clarifies that if such PPE meet the definition of an asset, it shall recognise it in accordance with FRS 116 Property, Plant and Equipment. The asset shall be measured initially at fair value and corresponding revenue shall be recognised in accordance with FRS 118 Revenue.

Technical Release 3 Guidance on Disclosures of Transition to IFRSs (TR 3)

Technical Release 3 Guidance on Disclosures of Transition to IFRSs (TR 3) is issued to provide guidance to entities in narrative disclosures in their annual reports on the changeover to International Financial Reporting Standards (IFRSs) in 2012 during the transition period towards the application of IFRSs. The objective is to help investors and other users of financial statements to better understand the transition process. TR 3 was exposed for public comments in December 2009 and respondents were generally supportive of the proposals contained in TR 3.

TR 3 contains several recommendations whereby entities that are required to apply IFRSs in 2012 are encouraged to provide users with appropriate and useful information during the transition phase from MASB Financial Reporting Standards (FRSs) to IFRSs for annual reports with financial periods ending on or after 31 December 2010. It prescribes the different milestones in the transition process and

encourages entities to disclose the plans management would undertake in achieving successful transition and the impact of adoption of IFRSs in 2012.

Technical Release i-4 Shariah Compliant Sale Contracts

Technical Release i-4 Shariah Compliant Sale Contracts (TR i-4) is issued in response to requests for clarification on recognition and derecognition of the subject item in a Shariah compliant sale contract. Additionally, TR i-4 also provides guidance on the treatment of a financing element that may arise, and how to account for a Shariah compliant sale contract that is part of a series of transactions.

In a nutshell, TR i-4 requires entities to look at the provisions of MASB approved accounting standards for guidance on the treatment of Shariah compliant sale contracts. The Technical Release is effective for annual periods beginning on or after 1 January 2011 and earlier application is encouraged.

Note: Technical Releases are developed within the framework of the law and MASB approved accounting standards to provide additional guidance on the application of MASB's pronouncements.

The new pronouncements are available from MASB website (<http://www.masb.org.my>) or can be purchased in booklet form from MASB office.

UNIVERSITI KEBANGSAAN MALAYSIA (UKM)

2010 Tuanku Ja'afar Law Conference

Members are informed that Universiti Kebangsaan Malaysia (UKM) is organising the 2010 Tuanku Ja'afar Law Conference (TJLC) in association with the Companies Commission of Malaysia (SSM) on October 19 – 20, 2010 at Menara SSM @ Sentral, Kuala Lumpur.

The 2010 TJLC will deliberate on the subjects of corporate governance and corporate responsibility consistent with the recent developments in the 21st century business environment.

Members who wish to present their papers at the Conference are invited to submit the abstract and complete working papers on the above subject matters by May 15, 2010 and July 1, 2010 respectively to tjc2010@ukm.my.

Members who are interested to attend the Conference are eligible for the early bird registration fee of RM900 if they register for the Conference on or before June 30, 2010.

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.

Young CPA Group

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

Continuing Professional Development (CPD) Programmes

Financial Instruments: Recognition, Measurement, Presentation & Disclosures

The MICPA is organising a two-day Workshop on *Financial Instruments: Recognition, Measurement, Presentation & Disclosures* on August 23-24, 2010 at The Legend Hotel Kuala Lumpur.

The objective of the workshop is to assist participants in understanding the complexities of accounting for financial instruments in the ever dynamic, volatile and globalised financial markets. 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.

The workshop will be led by Mr Tan Liong Tong, currently a Technical Consultant to Mazars Malaysia. Each participant will receive a complimentary copy of the book, *Financial Instruments: Recognition, Measurement, Presentation & Disclosures*, 1st Edition 2010 worth RM100.00. For further information, please click [here](#).

Tax Planning on Current Tax Issues

The MICPA is organising a one-day Workshop on *Tax Planning on Current Tax Issues* on August 25, 2010 at Concorde Hotel Kuala Lumpur.

The workshop will provide participants with the latest tax updates from IRB, tax implications and tax planning ideas with the change from tax imputation system to single tier system which was introduced by the IRB with effect from January 1, 2008.

The workshop leader, Mr Chow Chee Yen, currently the Executive Director of Advent Tax Consultants Sdn Bhd will lead discussion. For further information, please click [here](#).

Deferred Taxation: Computation to Disclosure (FRS 112)

The MICPA is organising a one-day Workshop on *Deferred Taxation: Computation to Disclosure (FRS 112)* on September 2, 2010 at the Concorde Hotel Kuala Lumpur.

The workshop will introduce the fundamental accounting principles for future tax consequences in accordance with FRS 112 and will provide a step-by-step guidance chart to illustrate the rules in constructing a balance sheet liability computational schedule. Participants will gain a good understanding of the basic principles as well as working knowledge in the recognition measurement, presentation and disclosure of deferred taxation.

The workshop will be led by Mr Danny Tan Boon Woon who has over 26 years of working experience in public practice and commerce and industry. For further information, please click [here](#).

A Practical Guide to Auditing - "No-Frills Two-Day Workshop"

The MICPA is organising a two-day "No-Frills" Workshop on *A Practical Guide to Auditing* on September 27-28, 2010 at MICPA Training Room, Kuala Lumpur.

The objective of the workshop is to equip participants with the technical knowledge and skills in conducting an audit of financial statements in accordance with International Standards on Auditing, which have been adopted for application in Malaysia.

The workshop will be led by Mr Hoh Yoon Hoong, a financial auditor by profession with more than 15 years of industry experience. He is currently an Executive Director in the Assurance & Advisory Business Services (“AABS”) Division and is the AABS Coordinator for Japanese Business Services in Ernst & Young Malaysia.

Each participant will receive a complimentary copy of the *MICPA Audit Guide for Practitioners* worth RM350.00. For further information, please click [here](#).

News from Regulatory Bodies

BANK NEGARA MALAYSIA (BNM)

Monetary Policy Statement

At the Monetary Policy Committee (MPC) meeting held on July 8, 2010, Bank Negara Malaysia decided to raise the Overnight Policy Rate (OPR) by 25 basis points to 2.75 percent. The floor and ceiling rates of the corridor for the OPR are correspondingly raised to 2.50 percent and 3.00 percent respectively.

The MPC considers the new level of the OPR to be appropriate and consistent with the current assessment of the growth and inflation prospects. The stance of monetary policy continues to remain accommodative and supportive of economic growth.

Outcome of Public Consultation on Proposed Third Party Motor Cover Framework

In a press release dated July 7, 2010, Bank Negara Malaysia announced that in collaboration with the Ministry of Finance, they have completed initial consultation sessions on the proposed third party motor cover framework with key stakeholders in April 2010 and a consultation paper - explaining the rationale for proposing a basic scheme, guiding principles, objectives and broad features under consideration - was posted on BNM's website for members of the public to provide their feedback on the scheme.

As at end-May 2010, a total of 125 respondents had submitted their feedback via email, memoranda or letters to editors of national newspapers. Feedback was received from members of the public, consumer, transport, and business associations, political parties, Members of Parliament, the Bar Council and lawyers, insurers and insurance agents.

Several issues were highlighted in the feedback received. The majority of respondents concurred that the priority of the reforms to the insurance system in relation to the third party motor cover framework should be on addressing issues of the delays in the motor insurance claims settlement process.

The majority were also open to the need for gradual adjustments to the motor insurance premiums to address price misalignments and to the possibility of moving to a risk-based pricing system. There was agreement that this move would

encourage safe and responsible driving, as well as ensure the availability of motor insurance coverage in the long term, while spurring competitiveness and increased efficiency among general insurers and takaful operators.

For further information on the above news, please visit www.bnm.gov.my.

SECURITIES COMMISSION MALAYSIA (SC)

SC Names New Shariah Advisory Council Line-Up

The Securities Commission Malaysia (SC) on July 8, 2010 announced the new line-up of its Shariah Advisory Council, the central authority responsible for determining the Shariah principles pertaining to the Islamic capital market in Malaysia.

The appointment of the 11 SAC members was made by the Seri Paduka Baginda Yang di-Pertuan Agong following amendments to the Capital Markets and Services Act 2007 (CMSA), which came into force on April 1, 2010.

Pursuant to the amendments, the SAC is now empowered to make rulings on any Shariah matter relating to Islamic capital market business or transaction referred to it by any court, arbitrator, industry participant or other parties.

SC to host 2nd World Capital Markets Symposium

The Securities Commission Malaysia (SC) will host the second *World Capital Markets Symposium (WCMS)* on September 27 – 28, 2010 in Kuala Lumpur, with the main agenda focusing on leadership and governance in transforming the future landscape of the global capital markets.

This year's WCMS, with the theme "*Transforming Capital Markets: Leadership, Change and Governance*," will focus on the opportunities afforded to the global community to change international practices, rules and regulations as well as governance structures to make financial markets and systems more resilient.

Capital Raising Activities Remain Buoyant in Q2 2010

The SC announced in its quarterly scorecard that it has approved three IPOs this quarter, bringing the number of IPOs approved in the first six months of the year to 13. In contrast, a total of 12 IPOs were approved throughout 2009.

Companies continued to tap on the Malaysian capital market as an attractive source of funding as seen in the Securities Commission Malaysia's (SC) scorecard for the second quarter of this year.

Despite the global market pressure on Initial Public Offerings (IPOs) which has seen issuers downsizing or delaying their offerings, interest in Malaysia's IPOs still remains steady. Malaysia is expected to record higher IPOs in 2010 than in 2009 where 13 companies have been listed to date as opposed to 14 for the entire 2009.

For further information on the above news, please visit www.sc.com.my.

BURSA MALAYSIA BERHAD

Bursa Suq Al-Sila' Bags Market Innovation Award for the Asset Triple A Awards for Islamic Finance

Bursa Malaysia's world's first Shari'ah compliant commodity trading platform, Bursa Suq Al-Sila' won the 'Market Innovation' award by The Asset Triple A Awards 2010 under the Islamic Finance category. Bursa Suq Al-Sila' was selected amongst numerous Islamic financial products and services in the region.

The Asset Triple A Awards recognise industry's product and service excellence in Asia. A stringent methodology was adopted to assess and select the winners and the awards are adjudicated by The Asset's Board of Editors.

This recognition by The Asset added a feather to the cap for Bursa Suq Al-Sila' which received the 'Most Outstanding Islamic Finance Product' award last year by the KLIFF Islamic Finance Awards.

Bursa Malaysia Invites Feedback on Proposals Aimed to Enhance Levels of Disclosure and Governance Practices

In a Press Release dated July 15, 2010, Bursa Malaysia announced that they have published two consultation papers seeking public feedback on proposals that are aimed to promote further transparency, quality and efficiency of the Malaysian capital market.

The first paper seeks feedback on various proposed amendments to its Listing Requirements (LR) on the listed issuers' disclosure obligations, corporate governance practices and other obligations (Consultation Paper No. 3/2010). The second paper is on the proposed Corporate Disclosure Guide which seeks to provide clarification and guidance on the listed issuers' disclosure obligations under the LR (Consultation Paper No. 4/2010).

The proposed amendments are part of the Exchange's on-going efforts to enhance the regulatory framework for listed issuers to ensure the competitiveness and attractiveness of Bursa Malaysia as a listing and investment destination. Maintenance of market integrity remains our key focus in formulating the proposed amendments, and in so doing, we strive to strike a careful balance between enhancing market regulation and promoting business efficacy.

In coming up with the proposals, the Exchange took into account industry feedback, findings and observations arising from supervision and monitoring activities, stakeholder engagements, and international standards.

Proposal on disclosure obligations, corporate governance practices and other obligations (Consultation Paper No. 3/2010)

In line with Bursa Malaysia's aim of enhancing market quality, this review is mainly focused on providing greater guidance and clarity to the market in the key areas of disclosure and corporate governance. Some of the proposed amendments in this Consultation Paper also seek to promote efficiency in the Malaysian capital market and codify in the LR the existing practices of listed issuers.

The Consultation Paper seeks the public's views on the following key areas:

- enhancing the continuing disclosure and financial reporting obligations of a listed issuer
- enhancing the corporate governance requirements
- reviewing the framework of share scheme for employees
- allowing listed issuers to dispatch documents to their securities holders via electronic means, if it is permitted under the laws
- facilitating listed issuers to pay dividends in shares to their shareholders through a scheme known as "Dividend Reinvestment Scheme"

Proposal on Corporate Disclosure Guide (Consultation Paper No. 4/2010)

The Consultation Paper No. 4/2010 is a proposal to issue a Corporate Disclosure Guide (CD Guide). This Consultation Paper aims to clarify the disclosure requirements set out in the LR and illustrate how the disclosure requirements should be applied in practice. It also sets out best practices for establishing policies and procedures to enable listed issuers to fulfill their disclosure obligations.

The proposed CD Guide seeks to provide greater clarity and guidance to help listed issuers in better understanding and complying with their disclosure obligations under the LR,

This Consultation Paper should be read in conjunction with Consultation Paper No. 3/2010, particularly on the proposed amendments in relation to enhanced disclosure obligations of a listed issuer, issued by Bursa Malaysia concurrently.

The LR was reviewed last year, where the primary objective was to enhance the fundraising framework following the merger of the then Main and Second Boards to the current "Main Market", as well as the repositioning of the MESDAQ Market to the ACE Market.

The consultation papers can be downloaded from the Exchange's website at www.bursamalaysia.com. Market participants are encouraged to respond to the consultation papers by completing and submitting the Table of Comments attached with the consultation papers.

The deadline for replies to the consultation papers is August 19, 2010.

For further information on the above news, please visit www.bursamalaysia.com.

News from IFAC and IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IAASB Proposes Enhanced Standard on Using the Work of Internal Auditors

Recognising developments in the internal auditing environment and the evolving relationship between internal and external auditors, the International Auditing and Assurance Standards Board (IAASB) released an exposure draft on a proposed revised standard that addresses the external auditor's responsibilities relating to using internal auditors' work during an audit.

The proposed International Standard on Auditing (ISA) 610 (Revised), *Using the Work of Internal Auditors*, aims to enhance the external auditor's performance by providing a stronger framework for evaluating and using the work and assistance of an entity's internal auditors. Related enhancements to the external auditor's required considerations of the internal audit function are also proposed in ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment*.

Internal auditing standards and practices continue to evolve, as does the relationship between external and internal auditors," said Prof. Arnold Schilder, IAASB Chairman. "Ensuring that global audit practices take account of these changes benefits both auditors and preparers. Through our revision of ISA 610, we believe external auditors will be better equipped to evaluate opportunities for effective coordination with internal auditors."

Analysing the Benefits and Impacts of the Proposals

In addition to setting out the main proposals of the IAASB, the explanatory memorandum to the exposure draft pilots an approach for analyzing the benefits and impacts of the IAASB's proposals. The approach provides a structured and transparent means for communicating the effects of proposals to stakeholders.

Matters on which the IAASB would like stakeholders' input are set out in the explanatory memorandum to the exposure draft.

How to Comment

The IAASB invites all stakeholders to comment on its proposals. To access the exposure draft or submit a comment, visit the IAASB's website at www.iaasb.org/ExposureDrafts.php. Comments on the exposure draft are requested by **November 15, 2010**.

IFAC SMP Committee Publishes Quality Control Implementation Guide

The Small and Medium Practices (SMP) Committee of the IFAC has issued the second edition of its *Guide to Quality Control for Small- and Medium-Sized Practices* (QC Guide). The implementation guide is intended to help SMPs understand and efficiently apply the redrafted International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*.

The first edition of the QC Guide was issued in March 2009 and went on to become IFAC's second most downloaded publication after the *Handbook of International Auditing, Assurance, and Ethics Pronouncements* last year. The new edition conforms to the revised and redrafted *Code of Ethics for Professional Accountants* and includes various improvements based on feedback from users of the first edition. It features an integrated case study, practical checklists and forms, and two sample quality control manuals.

IFAC wishes to thank the Certified General Accountants Association of Canada ([CGA-Canada](http://www.cga-canada.org)) for producing the QC Guide for free and the global panel of reviewers for volunteering their time and effort to helping with its development.

The PDF version of the QC Guide can be downloaded free of charge from the Publications and Resources section of the IFAC website at: <http://web.ifac.org/publications/small-and-medium-practices-committee>.

In addition, CGA-Canada is currently working on developing a French translation of the QC Guide. It will be available on the *Translations Database* of the IFAC website in September.

The IFAC SMP Committee welcomes readers to visit its International Center for Small and Medium Practices (www.ifac.org/smp), which hosts a collection of free IFAC publications and [relevant links](#) to resources from IFAC member bodies and other organisations, including a category devoted to implementing international standards.

Arnold Schilder Reappointed to Chair the International Auditing and Assurance Standards Board from 2012 to 2014

The Board of the IFAC has reappointed Prof. Arnold Schilder to lead the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board supported by IFAC, for the period 2012–2014.

As chairman, Prof. Schilder will continue to lead the IAASB as it works to set high-quality auditing and assurance standards and to facilitate the convergence to international standards. He will play a key role in guiding the IAASB as it strives to enhance the quality and uniformity of audit practice throughout the world by promoting the adoption and implementation of its International Standards on Auditing (ISAs). And, he will steer the board into the future as it works to build public confidence in financial reporting by developing new standards addressing assurance services such as on greenhouse gas statements and pro forma financial information.

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

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

The IASB and FASB Embark on Additional Outreach Activities on their Financial Statement Presentation Project

The IASB and FASB have embarked on their programme of extended outreach to stakeholders on the joint project on financial statement presentation by posting a staff draft of proposed standards on their respective websites. The draft reflects the cumulative tentative decisions made by the boards concluding with their joint meeting in April 2010.

In the recently issued Progress Report on Commitment to Convergence of Accounting Standards and a Single Set of High Quality Global Accounting Standards, the FASB and IASB committed themselves to engaging in a focused and targeted outreach programme on the financial statement presentation project before finalising and publishing an exposure draft. The boards decided that a draft of the proposed standards would be an effective way of facilitating their outreach activities.

Based on the staff draft, the additional outreach activities to be undertaken over the coming months will focus on two areas:

1. the perceived benefits and costs of the proposals; and
2. the implications of the proposals for financial reporting by financial services entities.

In particular, the staff plan:

- to ask users of financial statements to evaluate how the proposed changes to the organisation of, and information presented in, financial statements would benefit their analysis and resource allocation decisions;
- to ask preparers of financial statements to evaluate the effort and cost involved in adopting these proposed changes in their unique circumstances;
- to meet preparers and users of the financial statements of financial services entities to discuss the proposed changes; and
- to gather additional information about benefits and costs by doing more field work on the proposals in the staff draft, including additional field testing and/or experimental research.

The boards plan to complete the additional outreach activities towards the end of 2010. They will review the tentative decisions reached to date - as reflected in the staff draft - in the light of the feedback received with the view to publishing an exposure draft in early 2011. While neither the FASB nor the IASB is formally inviting comments, they welcome input from interested parties.

More information about the project and contact information is available on the boards' websites <http://go.ifrs.org/FSP> and www.fasb.org.

Fair Value Measurement Comprehensive Project Summary Published

A comprehensive project summary, prepared by the IASB staff, has been published on the fair value measurement project page.

The project summary provides the background to the IASB's fair value measurement project and explains how the IASB plans to finalise an IFRS on fair value measurement.

This project summary also compares the tentative decisions reached so far in the project with:

- the proposals in the IASB's May 2009 exposure draft *Fair Value Measurement* (ED/2009/5); and
- the proposals in the US Financial Accounting Standards Board's (FASB) exposure draft of a proposed Accounting Standards Update (ASU) *Amendments for Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which proposes amendments to Topic 820 *Fair Value Measurements and Disclosures* in the FASB *Accounting Standards Codification*TM (which codified FASB Statement of Financial Accounting Standards No. 157 *Fair Value Measurements* (SFAS 157)).

Podcasts on Hedge Accounting and Leasing Models

IASB staff posted several short podcasts on the leasing project and the hedging phase of the project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

These podcasts are the first in a series about the models being developed by the IASB.

The first hedge accounting podcasts provide an overview of the approach to phase III of the IAS 39 replacement project, the eligibility of derivatives as hedged items and background information on net positions in a hedging relationship. The first two lease podcasts provide an overview of the proposed approach to accounting for leases, and additional detail on the proposed lessee accounting.

The podcasts are available free of charge by registering on the IASB financial reporting channel on iTunes or via RSS feed. You can also listen to the podcasts on the IASB webpage.

Webcasts on IFRS for SMEs Available Online

The World Bank has published on their website a two-part webcast presentation by IASB member Paul Pacter entitled '*An Overview of the IFRS for SMEs*'.

The presentation is based on the first of the 20 training modules used in the IASB's 'Train the trainer' workshops for the IFRS for Small and Medium-sized Entities (IFRS for SMEs).

The first module reviews the requirements in each of the 35 sections of the IFRS for SMEs and highlights differences with full IFRSs. Each part of the webcast is approximately one hour long.

The IASB is grateful to the World Bank for making the presentations publicly available.

IFRS Foundation Publishes Illustrative Examples in XBRL for the IFRS Taxonomy 2010

In order to provide assistance with the preparation of financial statements in International Financial Reporting Standards (IFRS) with eXtensible Business Reporting Language (XBRL), the IFRS Foundation has published illustrative examples in XBRL for the IFRS Taxonomy 2010.

The purpose of these examples is to illustrate the use of the IFRS Taxonomy in financial statements, in accordance with the XBRL architecture outlined in *The IFRS Taxonomy Guide*.

Illustrative examples have been provided for:

- Statement of financial position, Statement of comprehensive income, and Statement of cash flows;
- Notes - property, plant and equipment - reconciliation of carrying amount at the beginning and end of the period;
- Notes - disclosure of inventories; and
- Statement of changes in equity.

Each illustrative example is provided in both XBRL and Inline XBRL (iXBRL) format.

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

News from Professional Bodies

MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

World Congress of Accountants 2010

Malaysia will host the 18th World Congress of Accountants 2010 which will be held in Kuala Lumpur on November 8-11, 2010 at the Kuala Lumpur Convention Centre. For further information, please click [here](#). The MICPA will be participating as an Exhibitor in WCOA 2010

THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA

2010 National Conference on Internal Auditing

The Institute of Internal Auditors Malaysia is proud to host the 2010 National Conference on Internal Auditing with the theme "New Directions for the New Decade" which will be held from October 4 - 5, 2010 at the Kuala Lumpur Convention Centre (KLCC).

The MICPA is a supporting organisation of the conference and MICPA members who register for the conference will be able to enjoy a preferential rate of registration fee. For further information, please click [here](#).

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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