

June 2008

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

Announcements/Activities

Revised Office Hours

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

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

President and Vice President

At the Council meeting held immediately after the 50th Annual General Meeting on Saturday, June 21, 2008, YBhg Dato' Nordin Baharuddin and YBhg Dato' Ahmad Johan Mohammad Raslan were re-elected as President and Vice President of the Institute for another term.

MICPA Annual Report 2007

The Institute's Annual Report 2007 has been posted on the MICPA website www.micpa.com.my in the Home page.

50th Golden Jubilee Annual Dinner

The Institute's 50th Golden Jubilee Annual Dinner with the theme *A Golden Celebration on the Red Carpet* will be held on Saturday, July 26, 2008 at Mandarin Oriental Kuala Lumpur. For further information, please contact Ms Vicky Rajaretnam, Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my

Schedule of MICPA Events for 2008

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

Young CPA Malaysia Symposium 2008

The Institute is pleased to announce that the Young CPA Malaysia Symposium 2008 will be held on Wednesday, August 6, 2008 at the Sime Darby Convention Centre with the theme *Charting the Future of Accounting and Finance Professionals*. For further information on the Symposium, please contact Ms Jenny Chua, Education and Research Manager on Tel: 03-2698 9622 x 105 or e-mail: jenny.edu@micpa.com.my

MICPA-Bursa Malaysia Business Forum 2008

The MICPA-Bursa Malaysia Business Forum 2008 featuring the theme *Reinventing for Success* will be held on October 20 & 21, 2008 (Monday and Tuesday) at the Shangri-La Hotel Kuala Lumpur. Please block your dates now.

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

Launch of NACRA 2008

The National Annual Corporate Report Awards (NACRA) 2008 was launched on Tuesday, June 10, 2008 at MIM Auditorium at 10:00 a.m. Featuring the theme *Towards Accountability and Excellence*, the objective of NACRA is to promote greater corporate accountability and more effective communication by organisations to their stakeholders through the publication of timely, informative, factual and reader-friendly annual reports. NACRA is an annual event jointly organised by Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA), Malaysian Institute of Management (MIM) and The Malaysian Institute of Certified Public Accountants (MICPA).

The NACRA 2008 Brochure can be downloaded at the MICPA website www.micpa.com.my in the Homepage.

The Awards Presentation Ceremony for NACRA 2008 will be held on Wednesday, November 19, 2008 at Shangri-La Hotel Kuala Lumpur.

Certified Financial Accountant (CFiA) Qualification

We are pleased to announce that registration is now open for the workshop sessions for the *CFiA Professional Competence Programme*. The workshop sessions are scheduled to be held from May 31 to September 21, 2008. The examination for the CFiA will be held on September 27, 2008.

MICPA Participates in Career Fairs and Exhibitions

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

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 accounting subjects has been planned for February – July 2008 in the Klang Valley. The Institute presented a talk on *Career in Accountancy* to:

- 120 students of SMK Bandar Sunway on Tuesday, February 26, 2008;
- 60 students of SMK Bandar Sri Damansara I on Tuesday, March 18, 2008;
- 100 students of SMK Seksyen I Bandar Kinrara on Tuesday, April 1, 2008;

- 70 students of SMK Alam Megah I on Tuesday, May 2, 2008; and
- 150 students of SMK SS17 Subang Jaya on Tuesday, June 17, 2008.

The Institute also participated in an exhibition at SMK (P) Sri Aman on Tuesday, April 15, 2008 which was held in conjunction with the school's *Pameran Pendidikan dan Kerjaya 2008*.

The Institute will be presenting a talk on *Career in Accountancy* to:

- SMK TTDI Jaya, Shah Alam on Tuesday, July 1, 2008;
- SMK Alam Megah 2, Shah Alam on Wednesday, July 2, 2008;
- SMK Sultan Abdul Samad on Thursday, July 3, 2008;
- SMK Seafield, Subang Jaya on Tuesday, July 8, 2008; and
- SMK Bandar Utama on Wednesday, July 16, 2008.

Collaboration with Universities

As part of the Institute's efforts to foster closer collaboration with the universities in a positive and mutually beneficial manner, the Institute has scheduled meetings with the Deans of the Faculty of Accountancy of the various public universities. The aim is to promote the CPA and CFiA qualifications to university students.

To date the Institute has made visits to UPM, UKM, USM, UUM, IIUM, UM, UiTM (Shah Alam, Sri Iskandar & Arau), UNITEN, MMU and Politeknik Ungku Omar.

The Institute also presented a Career Talk on the CPA programme to Politeknik Tuanku Sultanah Bahiyah, Kulim on Wednesday, May 21, 2008 which was held in conjunction with the Politeknik's EDUFEST 2008. Other Politekniks in the northern region also attended the EDUFEST 2008 including Politeknik Sultan Abdul Halim Mu'adzam Shah (POLIMAS), Politeknik Balik Pulau, Politeknik Seberang Perai (PSP) and Politeknik Perlis (PPP). A total of 200 students attended the talk.

At the same event, the Institute also presented a talk on the CFiA qualification to the heads of departments, course coordinators and lecturers.

Sponsorship of Student Activities

The Institute has also sponsored a number of student activities organised by the accounting clubs of the various public universities. For January – July, 2008, the Institute has sponsored various activities organised by UiTM, USM, UKM, UM, UTAR, IIUM and UNITEN.

Visits to Members' Firms

The Institute is aware that a two-way flow of communication is important and emphasis is being attributed to improving the framework of communication between always looking for opportunities and welcomes the exchange of information between Members' firms to strengthen professional relationship and understanding of the current developments in the accountancy profession and the business environment.

In April, the Institute has made courtesy visits to HLB Ler Lum, Paul Chuah & Co, Russell Bedford LC & Co and Hals and Associates. The meeting gave us an opportunity to learn more on the firm's operations as well as to hear their views and the expectations they are seeking from the Institute.

Visits to Approved Training Organisations

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

To date, 75 approved training organisations (ATOs) are registered with the Institute where students can undertake training. In moving forward, the Institute is making courtesy visits to ATOs as a means of further enhancing the synergistic partnership which already exists between both parties and to explore ways to collaborate. In April, the Institute has visited, UEM World Bhd, West Synergy Sdn Bhd.

To view the list of ATOs, visit the MICPA website www.micpa.com.my, click on List of CPA Firms in the Homepage and then click on commercial firms.

The Institute also made visits to Prokhas Sdn Bhd and Tenaga Nasional Berhad, potential ATOs.

Appointment of Marketing Manager

The Institute is pleased to announce the appointment of Ms Evelyn Lim as Marketing Manager. She can be contacted on Tel: 03-2698 9622 or e-mail: evelyn.mktg@micpa.com.my

Appointment of Assistant Manager, Membership Services

The Institute is pleased to announce the appointment of Ms Salyasusanti Achom as Assistant Manager, Membership Services. She can be contacted on Tel: 03-2698 9622 and e-mail: membership@micpa.com.my

Appointment of Senior Executive, Technical

The Institute is pleased to announce the appointment of Ms Chrystin Liew as Senior Executive, Technical. She can be contacted on Tel: 03-2698 9622 and e-mail: chrystin.tech@micpa.com.my

Practical Auditing in Malaysia

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

Veerinder on Taxation

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

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

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

Job Opportunities on MICPA Website

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

SME Recognition Award (SMERA) 2008

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

Members Update

MICPA Technical Updates

Inland Revenue Board

Minutes of Meeting of Working Group with Accounting Bodies – Desire Bil 2/2008

Members are informed that the minutes of the working group with accounting bodies (Bil 2/2008) setting out the issues discussed and the comments / clarification provided by the IRB are now available on the MICPA's website www.micpa.com.my in the Members' Area.

For further information on the above, Members are requested to refer to Circular No. TEC/021/06/2008/W dated June 16, 2008.

Public Rulings

The IRB has issued the following Public Rulings on April 3, 2008:

- Public Ruling No. 2/2008 – Reinvestment Allowance
- Addendum to Public Ruling No. 5/2004 – Double Deduction Incentive on Research Expenditure

The Public Ruling No.2/2008 and Addendum to Public Ruling No.5/2004 can be downloaded from IRB's website at www.hasil.org.my

For further information on the above, Members are requested to refer to Circular No. TEC/021/06/2008/W dated June 16, 2008.

Submission of Borang Nyata for Year of Assessment 2007 in PDF Format

The IRB has informed the Institute that they have allowed tax agents and tax payers to download the borang nyata in PDF format from the IRB website only.

Tax agents are also encouraged to use the e-Filing or original forms when assisting their clients in submitting borang nyata to the IRB.

The IRB has also advised that only borang nyata in PDF format which is downloaded from the IRB website is to be used.

For further information on the above, Members are requested to refer to Circular No. TEC/021/06/2008/W dated June 16, 2008.

Translation of Borang B in Chinese Language

Borang B 2007, which has been translated into Chinese language, is now available on the IRB's website at www.hasil.org.my and can only be used as a reference. The translated copy of Borang B cannot be used for filing purposes.

For further information on the above, Members are requested to refer to Circular No. TEC/021/06/2008/W dated June 16, 2008.

FRS 2 Share-Based Payment and Employee Share Option Scheme

Members are advised to comply with the guidance given in Circular No. TEC/022/06/2008/W dated June 16, 2008 which has been posted on the MICPA website in the Members' area on the following:

- *FRS 2 Share-Based Payment; and*
- *Employee Share Option Scheme*

Bursa Malaysia Berhad

Members are informed that amendments have been made to the Listing Requirements of Bursa Malaysia Securities Berhad (LR) arising from:

- *Securities Commission's Guidelines on the Offering of Equity and Equity-Linked Securities (SC's Equity Offering Guidelines);*
- *Guidelines on Principal Advisers for Corporate Proposals; and*
- *Removal of the Fungibility Restriction in relation to Dual Listing*

For further information, please refer to Circular No. TEC/023/06/2008/W dated June 16, 2008 which has been posted on the MICPA website www.micpa.com.my in the Members' Area.

Members are also informed that amendments have been made to the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market (MMLR) arising from the Securities Commission's guidelines on:

- *Offering of Equity and Equity-Linked Securities for the MESDAQ Market (SC's MESDAQ Equity Offering Guidelines); and*

- Guidelines on Principal Advisers for Corporate Proposals.

For further information, please refer to Circular No. TEC/024/06/2008/W dated June 16, 2008 which has been posted on the MICPA website www.micpa.com.my in the Members' Area.

Royal Malaysian Customs

We are pleased to inform members that Circular No. TEC/025/06/2008/W dated June 17, 2008 has been posted on the MICPA website on the following:

- Storage Period for Goods Stored in Public Licensed Warehouse and Private Licensed Warehouse
- Amendments to Customs Act 1967 and Other Subsidiary Legislations Governed by the Royal Malaysian Customs
- Abolishment for Requirement for Applicant's Photograph in the Application for Customs Approval / Licence
- Payment of Duties / Taxes Through Electronic Fund Transfer
- Implementation of Amended Harmonised System (HS) 2007

The Circular can be downloaded from the MICPA website www.micpa.com.my in the Members' Area.

Companies Commission of Malaysia

- Requirements Relating to the Lodgement of Annual Return of Companies

Further to Circular No. TEC/026/06/2008W dated June 18, 2008, members are informed that the Companies Commission of Malaysia (SSM) has issued SSM's Practice Note No. 1/2008 relating to the requirements under section 165 of the Companies Act (CA) 1965 in respect of lodgement of annual returns of companies with the Registrar of Companies.

Section 165 of the CA 1965 requires all companies to lodge annual return within one (1) month after the annual general meeting (AGM). The annual return of a company shall be in accordance with the Eighth Schedule of the CA 1965 and be accompanied by such copies of documents as required or such certificates or other particulars as prescribed in Part II of that Schedule. For further information, please click here

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. For further information, please contact Mr Joseph Leong, Training Manager at 03-2698 9622 or e-mail: joseph.edu@micpa.com.my

Young CPA Group

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

MICPA Practising Certificate

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

Change of Correspondence and E-mail Address

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

Continuing Professional Development (CPD) Programmes

Recent Case Laws and Tax Developments

A one-day Workshop on *Recent Case Laws and Tax Developments* will be held on July 2, 2008 at the Legend Hotel, Kuala Lumpur. The workshop will provide participants with an in-depth understanding of the tax changes and developments brought about by the decisions made to the recent case laws. Mr Harvinder Singh, Managing Partner of Harvey & Associates will lead discussions. For further information, please click [here](#)

Accounting for Construction and Property Development Activities

A one-day Workshop on *Accounting for Construction and Property Development Activities (FRS 111, FRS 123₂₀₀₄ and FRS 201₂₀₀₄)* will be held on July 14, 2008 at the Legend Hotel Kuala Lumpur. The workshop aims to discuss the important aspects of these FRSs and to highlight the major areas of difficulty in measuring and recognizing revenue and costs associated with construction contracts and property development activities. Ms Lim Geok Heng, a freelance technical and training consultant will lead the discussions. For further information, please click [here](#)

Understanding Financial Statements for Directors and Senior Management

A one-day Workshop on *Understanding Financial Statements for Directors and Senior Management* will be held on July 17, 2008 at the Legend Hotel, Kuala Lumpur. Ms Ng Mi Li, Mr Ong Ching Chuan and Ms Yee Chai Yun will lead

participants to consider how to manage shareholders' expectations, knowing how the financials will be reported, and the communication of the financial information thereof. Participants will also receive a checklist of questions they should consider asking executive management in discharging their duties, particularly pertaining to the financial information. For further information, please click [here](#)

A Practical Guide to Auditing

A two-day Workshop on *A Practical Guide to Auditing* will be held on July 28 & 29, 2008 at the Legend Hotel, Kuala Lumpur. The objective of the workshop is to equip participants with the technical knowledge and skills in conducting an audit of financial statements in accordance with international standards on auditing, which have been adopted for application in Malaysia.

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

Updates from Regulatory Bodies

SECURITIES COMMISSION

The 2nd Financial Leaders Forum

We are pleased to inform members that the Securities Commission, Malaysia in collaboration with the International Institute for Management (IMD), Lausanne, Switzerland will be organising the *2nd Financial Leaders Forum: Advanced Business Management Programme (ABMP)* for Senior Leaders in the Capital Markets. This programme is specially designed for members of the senior management team of market intermediaries, financial institutions, PLCs, GLCs and regulators. For further information on the programme and registrations details, please visit www.sc.com.my

SC Chairman Elected to Leadership Role in World's Securities Regulator Body

In a press release issued on May 29, 2008, the SC announced that YBhg Dato' Zarinah Anwar, has been elected as the Vice-Chairman of the Emerging Markets Committee (EMC) of the International Organisation of Securities Commissions (IOSCO) at its 33rd Annual Conference in Paris.

As Vice-Chairman of the EMC, Dato' Zarinah will work together with the EMC Chairman, Guillermo Larrain (of Chile) in leading the group in discussing key regulatory issues and challenges that are relevant to emerging market jurisdictions, with a view to developing international guidance and best practices to regulate the capital market. For further information, please visit www.sc.com.my

Updated List of Shariah-Compliant Securities by SC's Shariah Advisory Council

The SC on May 30, 2008 released an updated list of Shariah-Compliant Securities approved by its Shariah Advisory Council (SAC). The updated list of Shariah-Compliant securities listed on Bursa Malaysia Berhad took effect on May 30, 2008. The updated list comprises a total of 843 securities which are classified by the SAC

as Shariah-Compliant securities. These constitute 85 per cent of the listed securities on Bursa Malaysia. In classifying the listed securities, the SAC has applied a standard criterion in focusing on the activities of the companies listed on Bursa Malaysia. The approach and criteria in classifying the securities as well as the SAC's advice and guidance on disposal of Shariah non-compliant securities are stated in the list.

The full list, which is updated twice a year, is available on the SC's website www.sc.com.my. The next updated list will be available in November 2008. The list will also be published in a booklet form and made available at the SC by end of June 2008.

BANK NEGARA MALAYSIA

BNM Guidelines & Circulars

Bank Negara Malaysia's Guidelines and Circulars are now available for public viewing. For further information, please visit www.bnm.gov.my

INLAND REVENUE BOARD

Programme for Submission of Year 2007 Income Tax Return Forms

Members are informed that a copy of the programme for submission of year 2007 income tax return forms has been issued by the IRB. Members are advised to take note and comply with the due dates for the filing of income tax return forms for the various categories of taxpayers. All income tax return forms should be submitted to Pusat Pemprosesan of the IRB in Pandan Indah, Kuala Lumpur. The programme and due dates can be downloaded from the IRB's website www.hasil.org.my

COMPANIES COMMISSION OF MALAYSIA

SSM e-Lodgement Services

e-Lodgement is a facility offered by SSM to enable the lodgement or filing of company and business statutory documents electronically. Steps to use the SSM e-Lodgement include:

- User must have e-mail address, mykad and internet line
- Go to website www.gov.my or www.ssm.com.my and click e-Lodgement icon
- Click "Register" for registration as a PSP (Public Service Portal)/myGovernment Portal user
- Follow e-mail instruction from PSP (admin@portal.gov.my) to activate user ID and Password
- Register as a SSM Subscriber
- Please follow the instruction shown on the screen according to service required
- Click "myHome" to check on submission status
- Application result will be notified via e-mail

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

PEMBANGUNAN SUMBER MANUSIA BERHAD

Development Programmes

Pembangunan Sumber Manusia Berhad (PSMB) in an Employers Circular No. 2/2008 dated April 30, 2008 announced that employers registered with PSMB are allowed to apply for training grants for fees and “allowable costs” when Malaysian employees are sent for development courses up to Masters and Ph.D levels. For further information, please visit www.hrdnet.com.my

Increase in the Rate of Meal Allowance

PSMB in an Employers Circular No. 3/2008 dated May 2, 2008 announced that the rate for daily meal allowance has been increased from RM10.00 to RM20.00 per person for trainees and internal trainers when in-house training programmes of 7 hours are conducted in the employers’ premises. For further information, please visit www.hrdnet.com.my

Payment of Training Grants Through e-Disbursement System

PSMB in an Employers Circular No. 6/2008 dated June 2, 2008 announced the payment of training grants through the e-disbursement system, effective August 1, 2008 for employers and training providers registered with PSMB. The e-disbursement system was first introduced in 2002 as part of PSMB’s initiatives to improve its delivery system. For further information, please visit www.hrdnet.com.my

News from Other Regulatory / Professional / Bodies

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

PIOB Issues Third Report on Public Interest Oversight

The Public Interest Oversight Board has issued its third public report on its independent oversight of IFAC’s public interest activities, including international standard setting for auditing, ethics and education, and the Member Body Compliance Programme. The full report, which summarises the PIOB’s activities during the past year, is available on its website www.ipiob.org

BRIC Countries Express Commitment to Convergence to International Standards at IFAC Forum

The International Federation of Accountants (IFAC) held a meeting with representatives of the emerging economies of Brazil, Russia, India and China (BRIC) to discuss their processes, achievements and challenges in adopting IFAC’s international standards. More than 20 leaders of the accountancy profession, regulators and senior government officials from the BRIC countries attended this milestone event designed to help foster greater collaboration in achieving convergence to the global auditing, ethics and public sector accounting standards established by IFAC’s independent standard-setting boards.

Government officials and leaders of the profession in all four countries indicated their commitment to adhering to IFAC standards and recognized that these standards play a vital role in ensuring that professional accountants and governments alike deliver high quality financial information. Each country presented an overview of their convergence plans and identified some of the challenges that they currently face, including capacity development, lengthy legislative processes, complex regulatory

environments, and the need for translations of standards. For further information, please visit www.ifac.org

New IFAC Paper Focuses on the Crucial Role of Professional Accountants in Mid-Sized Enterprises

Mid-sized enterprises, compared with their small and large counterparts, face unique challenges in virtually all aspects of their businesses, including strategic management, organisational and financial structure, corporate governance, risk management and internal control, management accounting, and business reporting. Recognizing that professional accountants in business play an important role in each of these business areas, the Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC) has released a new publication entitled *The Crucial Roles of Professional Accountants in Business in Mid-Sized Enterprises*.

This information paper features interviews conducted by Eric Krell, an experienced financial journalist, with 10 senior-level professional accountants in business on their experiences in mid-sized enterprises. The interviews illustrate the critical roles that professional accountants in business play in identifying and addressing the unique challenges that mid-sized enterprises face.

The paper, along with a range of other publications on topics of interest to professional accountants in business, can be downloaded free-of-charge from the IFAC online bookstore at <http://www.ifac.org/store>. For further information, please visit www.ifac.org

Further Independence Proposals Issued by IFAC's International Ethics Standards Board for Accountants

The International Ethics Standards Board for Accountants (IESBA), an independent standard-setting board within the IFAC, has issued a re-exposure draft of proposals to strengthen two areas of the independence requirements contained in the IFAC *Code of Ethics for Professional Accountants* (the Code). The proposals re-exposed for comment relate to the provision of internal audit services to a public interest audit client and the safeguards that are required when the fees from a public interest audit client exceed 15 percent of the total fees of the firm. The re-exposure draft relates to matters that were exposed for comment in July 2007.

The re-exposure draft contains two key proposals. The first would prohibit independent auditors from providing internal audit services related to internal controls, financial systems or financial statements to an audit client that is a public interest entity, thereby further strengthening their objectivity in carrying out audits. The second proposal requires that an annual pre or post issuance review be conducted by a professional accountant who is not a member of the firm when the revenues from one public interest entity client exceed 15 percent of total firm revenue for two consecutive years. The proposal provides an important safeguard against the threat to independence when a firm receives a significant portion of its revenues from a single client.

The objective of the IESBA is to serve the public interest by setting high quality ethical standards for professional accountants and by facilitating the convergence of international and national ethical standards, thereby enhancing the quality and consistency of services provided by professional accountants.

Comments on the exposure draft are requested by August 31, 2008. The exposure draft may be viewed by going to <http://www.ifac.org/EDs>. Comments may be submitted by email to edcomments@ifac.org. All comments will be considered a matter of public record and will ultimately be posted on IFAC's website. For further information, please visit www.ifac.org

PAIB Committee Releases Guidance for Accountants in Business

The Professional Accountants in Business (PAIB) Committee has released three new publications:

- *Preface to IFAC's International Good Practice Guidance* sets out the scope, purpose and due process of the PAIB Committee's new International Good Practice Guidance, which will cover financial and management accounting topics and other areas of importance to accountants in business.
- International Good Practice Guidance, *Project Appraisal Using Discounted Cash Flow*, addresses the use of discounted cash flow analysis and net present value in evaluating investments.
- *The Crucial Roles of Professional Accountants in Business in Mid-Sized Enterprises*, a new information paper, illustrates the essential role played by professional accountants in identifying and addressing the unique challenges faced by mid-sized enterprises. It features interviews of a diverse group of senior-level professional accountants on their experiences in mid-sized enterprises.

All publications are available for download from the IFAC online bookstore at <http://www.ifac.org/store>.

IFAC Launches Discussion Board for SMPs and SMEs

To facilitate open dialogue among small and medium practitioners (SMPs) and others who serve small and medium entities (SMEs), IFAC has launched a discussion board in the International Center for SMPs. Professional accountants and other visitors to IFAC's website are invited to share their views and perspectives on key issues impacting SMPs and SMEs, including the usefulness of new guidance to promote high quality SME audits and the suitability of international standards for SMPs. For more information on IFAC resources for SMPs and SMEs, visit: <http://www.ifac.org/SMP>.

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

IASB Concludes First Annual Improvements Project

The International Accounting Standards Board (IASB) on May 22, 2008 issued Improvements to IFRSs - *a collection of amendments to International Financial Reporting Standards (IFRSs)*. These amendments are the result of conclusions the Board reached on proposals made in its annual improvements project. The IASB decided to initiate an annual improvements project in 2007 as a method of making necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project.

The IASB's objective was to ease the burden for all concerned by presenting the amendments in a single document rather than as a series of piecemeal changes. The amendments issued today are presented in two parts:

- those that involve accounting changes for presentation, recognition or measurement purposes; and
- those involving terminology or editorial changes with minimal effect on accounting.

Unless otherwise specified the amendments are effective for annual periods beginning on or after **January 1, 2009**, although entities are permitted to adopt them earlier. For further information, please visit www.iasb.org

IASB Issues Amendments for Determining the Cost of an Investment in the Separate Financial Statements

The International Accounting Standards Board (IASB) on May 22, 2008 issued amendments to International Financial Reporting Standards (IFRSs) for determining the cost of an investment in the separate financial statements.

The amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 27 *Consolidated and Separate Financial Statements* respond to constituents' concerns that retrospectively determining cost and applying the cost method in accordance with IAS 27 on first-time adoption of IFRSs cannot, in some circumstances, be achieved without undue cost or effort.

The amendments address that issue:

- by allowing first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements; and
- by removing the definition of the cost method from IAS 27 and replacing it with a requirement to present dividends as income in the separate financial statements of the investor.

The amendments to IAS 27 also respond to queries regarding the initial measurement of cost in the separate financial statements of a new parent formed as the result of a specific type of re-organisation. The amendments require the new parent to measure the cost of its investment in the previous parent at the carrying amount of its share of the equity items of the previous parent at the date of the reorganisation.

These amendments result from the IASB's consideration of responses to proposals in two exposure drafts: *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (December 2007)* and *Cost of an Investment in a Subsidiary (January 2007)*.

The amendments to IFRS 1 and IAS 27 will apply for annual periods beginning on or after **January 1, 2009**, with earlier application permitted. For further information, please visit www.iasb.org

IASB Forms an Expert Advisory Panel to Discuss the Valuation of Financial Instruments in Inactive Markets

At its May 2008 meeting, the IASB announced its plans for forming an expert advisory panel in response to the recommendations made by the Financial Stability Forum. The panel will assist the IASB in reviewing best practices in the area of valuation techniques and formulating any necessary additional practice guidance on

valuation methods for financial instruments and related disclosures when markets are no longer active. For further information, please visit www.iasb.org

IASB and US FASB Seek Views on Two Consultative Documents on the Conceptual Framework

The IASB and the US Financial Accounting Standards Board (FASB) on May 29, 2008 published consultative documents that seek public comment on two of the eight phases of their joint project to develop an improved conceptual framework. The objective of the project is to develop an improved conceptual framework that provides a sound foundation for developing future accounting standards. For further information, please visit www.iasb.org

MALAYSIAN INSTITUTE OF ACCOUNTANTS

Accountancy & Career Education Fair (ACEF) 2008

The Malaysian Institute of Accountants (MIA) will be organising the *Accountancy & Career Education Fair (ABEF) 2008* on July 26 & 27, 2008 at the Sunway Pyramid Convention Centre. The MICPA will be participating in the fair as part of the accountancy pavilion.

Regional Conference 2008

The Malaysian Institute of Accountants (MIA) will be organising its Regional Conference 2008 on August 18 & 19, 2008 at Shangri-La's Tanjung Aru Resort, Kota Kinabalu. The main objective of the conference is to showcase the latest business trends and opportunities, regional economic developments, management best practices and standards, professional development aspects and other value added information, while providing an excellence platform for networking and socialising. For further information on the Conference, please contact Lim Chia Lee at Tel: 03-2279 9336 or Hani at 03-2279 9324 (Sponsorship & Exhibition).

THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA

2008 National Conference on Internal Auditing

The Institute of Internal Auditors Malaysia will be organising its *2008 National Conference on Internal Auditing* with the theme "*Great Expectations – Future and Beyond*" on July 28 & 29, 2008 at the Kuala Lumpur Convention Centre.

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 of RM1,680 for the two day conference and early birds who register and pay before June 20, 2008 will enjoy a registration fee of RM1,480. For further information please visit www.iam.com.my

THE MALAYSIAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS

MAICSA Annual Conference 2008

MAICSA will be organising the *MAICSA Annual Conference 2008* with the theme *Corporate and Regulatory Updates 2008* on July 7 & 8, 2008 at Nikko Hotel Kuala Lumpur. 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 of RM1,180 for the two day conference and early birds who register and pay before June 6, 2008 will enjoy a registration fee of RM1,060. For further information on the conference and registration details, please click link here: http://www.maicsa.org.my/training_conference_2008.aspx

MALAYSIAN INSTITUTE OF TAXATION

National Tax Conference 2008

The Malaysian Institute of Taxation and the Inland Revenue Board Malaysia (IRB) will be jointly organising the *National Tax Conference 2008* on August 19 & 20, 2008 at the Kuala Lumpur Convention Centre. 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 of RM1,000 for those who register before July 19, 2008 and RM1,200 for normal registration. For further information on the conference, please contact Pn Nursalmi Haslina, Manager, CPD Department at MIT on Tel: 03-2162 8989 x 106 or e-mail: nur@mit.org.my

THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

ACCA Appoints New Chief Executive

Helen Brand has been appointed ACCA's new Chief Executive effective September 1, 2008. She is currently the Managing Director of Strategy and Development and joined ACCA in 1996. She will replace Mr Allen Blewitt, who is leaving ACCA to return to Sydney, Australia after five years based at the London HQ.

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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The Malaysian Institute of Certified Public Accountants

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