

June 2011

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

Announcements

Recipient of Anugerah Presiden 2011

Anugerah Presiden 2011 was presented to YBhg Dato' Zainal Abidin Putih, who has made exceptional contributions to society, the accountancy profession and the Institute which can be emulated by others.

Dato' Zainal was admitted as a member of MICPA on January 6, 1973. He was elected to the MICPA Council in 1983 and served for a dedicated 18 years until his resignation in 2001 due to work commitments.

On June 3, 1989, Dato' Zainal was elected the 20th President of the Institute and served for a period of two terms until 1991. Over the years, Dato' Zainal has built an unparalleled distinguished career and is extremely well respected throughout the financial and business community. He was on April 12, 2011 appointed Chairman of CIMB Bank's Board of Directors and has been a Director of CIMB Bank since July 2006 and is also the Chairman of its Audit Committee.

Redesigned Website

We are pleased to inform members that the Institute has launched a redesigned website. Visitors to the site will discover that the site is now visually more appealing and focuses on simplicity to be a fresh face for MICPA.

The homepage is divided into four areas – Members, Students, Institute and Explore. The Members area is only accessible by members of the Institute by entering a user ID and password.

We invite you to visit the new www.micpa.com.my today!

Should you have any difficulty in navigating the redesigned website, please contact the Institute's Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: vic.pr@micpa.com.my.

MICPA 52nd Anniversary Commemorative Lecture cum Luncheon

The Institute will be holding its 52nd Anniversary Commemorative Lecture cum Luncheon on **Thursday, July 14, 2011** at Sime Darby Convention Centre at 12.30 p.m.

We are pleased to inform that **YBhg Tan Sri Dato' Dr Lin See-Yan, Independent Strategic & Financial Consultant** will deliver the Commemorative Lecture titled **"Education and Accountants"**.

The Commemorative Lecture cum Luncheon provides an opportunity for members of the accountancy profession, the Government, regulatory authorities and the business community to get together to evaluate the most pertinent issue affecting the Malaysian and global economies, and the role of the accountancy profession.

In this regard, we have pleasure in inviting you, your colleagues and business associates to the Commemorative Lecture and Luncheon. For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my.

Members may also refer to the Circular No. PAC/02/06/11 dated June 25, 2011 which can be downloaded from the MICPA website at www.micpa.com.my in the Members' Area.

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 3.35 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
- Good personality traits
- Must be a Malaysian citizen

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

Revised MICPA Programme - Tuition Provider: Sunway-TES

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

Activities of the Institute

Schedule of MICPA Events for 2011

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

MICPA Participates in Professional Career Talks

The Institute continues to embark on an aggressive marketing strategy to position the Revised MICPA Programme and 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 June 2011:

KPMG

- On June 16, 2011

Deloitte Malaysia

- On June 24, 2011

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 **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 Technical Updates

ROYAL MALAYSIAN CUSTOMS (RMC)

Issues for Discussion by Consultative Panel Between Customs and Private Sector

Further to Circular No. TEC/029/06/2011W, dated June 8, 2011, 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 were invited to submit any suggestions or practical problems that they may have encountered in the course of their work or practice relating to customs and excise, and where deemed appropriate by the Institute, would be submitted for discussion by the Panel.

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

COMPANIES COMMISSION OF MALAYSIA (SSM)

Instruction from the Chief Justice of Malaysia to Include Deponents' Fingerprints on Documents and Register Books

Further to Circular No. TEC/030/06/2011W, dated June 13, 2011, members are informed that the Chief Justice of Malaysia has instructed all Commissioners for Oaths to ensure that deponents impress their fingerprints on all attested documents and register books that involve transactions with Road Transport Department (JPJ) only and is not applicable to documents submitted to the SSM.

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

A copy of the above SSM's notice and the letter from the Chief Justice dated June 8, 2011 has also been uploaded.

INLAND REVENUE BOARD OF MALAYSIA (IRB)

Minutes of Operational Dialogue & Meeting of Working Group with Accounting Bodies – Desire No. 1/2011

Further to Circular No. TEC/031/06/2011/W dated June 16, 2011, members are informed that the Operational Dialogue and Desire Working Group Meeting No. 1/2011 were held between the Inland Revenue Board (IRB) and representatives of the MICPA, MIA, CTIM, MAICSA, ICMA and MATA on March 18, 2011 to discuss operational issues and issues related to general filing and e-filing.

Some of the issues discussed at the above dialogue/ meeting include the following:

- Availability of income tax return forms for prior years
- Filing of e-CP204A
- Submission of amended return Form C – Section 77B
- New business codes

- Availability of income tax return forms
- Real Property Gains Tax
- Letter on outstanding tax liability for YA 2009 (Form CP227X and CP547X)
- Incomplete income tax return forms

Members are informed that the Minutes of the above-mentioned dialogue/ meeting is now available on the MICPA's website at www.micpa.com.my in the Members' Area.

Form CP204 for Small & Medium Enterprises

Further to Circular No.TEC/032/06/2011/W dated June 16, 2011, members are informed that following the Meeting of Working Group with Accounting Bodies – Desire No. 2/2010 held on July 30, 2010 (Item 2.5 of the minutes), please be informed that the Inland Revenue Board (IRB) has issued an amended Form CP204 to enable small and medium enterprises (SME) to inform the IRB about their SME status without furnishing the amount of tax estimate. Amendments have also been made on the submission of Form CP204 via e-Filing. The above amendments are effective March 3, 2011.

Pursuant to the provision of subsection 107C(4A) of the Income Tax Act 1967 (ITA), a new company resident in Malaysia which as a paid up capital in respect of ordinary shares of not more than RM2.5 million at the beginning of the basis period for a year of assessment (defined as SME) is not required to submit a tax estimate for the first two years of operation. Nevertheless, this treatment does not apply to the conditions as provided in paragraphs 2A, 2B and 2C of Schedule 1 of the ITA.

SME companies, which did not submit Form CP204 in the first year, are required to submit it in the second year if they are still under the status of "SME". Nevertheless, if the increase in tax under subsection 107C(10) of the ITA is imposed or prosecution for the offence under Subsection 120(1)(f) of the ITA is issued because the IRB did not have the status of the company, the case should be referred to the IRB branch which handles the company's files.

A copy of the IRB's letter with regard to the above matter is available on the MICPA's website at www.micpa.com.my in the Members' Area.

Guidelines for Tax Treatment on Interest Income of Pawn Broking Industry

Further to Circular No.TEC/033/06/2011/W dated June 16, 2011, members are informed that the IRB has issued a technical guideline for tax treatment on interest income of the pawn broking industry on June 3, 2011.

The guideline provides explanation on the basis for the recognition and tax treatment on interest income of the pawn broking industry.

Please be informed that the above Guideline can be downloaded from the IRB's website at: <http://www.hasil.gov.my/pdf/pdfam/GarisPanduanIndustriPajakGadai.pdf>.

Clarification Related to Instructions on Monthly Tax Deduction

Further to Circular No.TEC/034/06/2011/W dated June 21, 2011, members are informed that the IRB has recently issued a press release on its website to clarify the IRB's instructions on monthly tax deduction (STD).

The press release was issued following a few recommendations from the employers related to the confusion arising from the STD directive issues which were reported in several newspapers on June 9 and 10, 2011.

To view or download the press release, please click on the following link:
<http://www.hasil.gov.my/pdf/pdfam/PENJELASANLHDNMBERKENAANPCB13062011.pdf>.

Practical Issues in Respect of Public Rulings No. 1/2011 to 6/2011

Further to Circular No.TEC/035/06/2011/W dated June 28, 2011, members are informed that the Institute with other professional bodies are in the process of preparing a memorandum on practical issues in respect of Public Rulings No. 1/2011 to 6/2011 for discussion with the Inland Revenue Board.

In this regard, members are invited to submit to the Institute any practical issues that you may have encountered in your work or practice and where deemed appropriate, would be submitted to the IRB for discussion at the relevant dialogues.

Members may forward their submission to the Secretariat by fax (03-2698 9403) or email: technical@micpa.com.my latest by July 6, 2011.

MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB)

MASB Exposes IFRS-Compliant Standards

In August 2008, the Malaysian Accounting Standards Board (MASB) together with its trustees, the Financial Reporting Foundation, jointly issued a statement about their plans to converge with International Financial Reporting Standards (IFRS) in 2012 for entities other than private entities (hereinafter referred to as 'non-private entity'). Convergence with IFRS, besides facilitating comparability and increasing transparency of businesses, will provide Malaysian companies and our capital market the recognition they deserve as they operate in an increasingly global environment.

On June 28, 2011, MASB issued an exposure draft, MASB Exposure Draft 75 *IFRS-compliant Financial Reporting Standards* (FRS) reaffirming its plan to fully converge with IFRS on January 1, 2012. The standards contained in the Exposure Draft, when finalised, will result in the Malaysian financial reporting framework being recognised as an IFRS-compliant financial reporting framework.

IFRS-Compliant FRS Framework

Convergence with IFRS means full compliance with IFRSs issued by the International Accounting Standards Board (IASB) as a basis for financial reporting in Malaysia. The FRSs contained in the Exposure Draft are equivalent to the IFRSs issued by the IASB. Therefore financial statements that are drawn up in accordance with the new IFRS-compliant FRS framework will be equivalent to financial statements that have adopted the IFRS framework.

However, as a first step, under the new IFRS-compliant FRS framework, non-private entities are required to apply FRS 1 *First-time Adoption of Financial Reporting Standards*. Adoption of FRS 1 will enable financial statements in Malaysia under the new IFRS-compliant FRS framework to assert full compliance with IFRSs. This means financial statements from 2012 onwards will simultaneously assert compliance with FRSs and IFRSs. The Board is of the view that a dual compliance reporting approach will provide clarity that financial statements in Malaysia, whilst prepared under our local framework, are based upon globally accepted standards.

The existing framework is virtually the same as the IFRS framework except for IAS 41 *Agriculture*, IFRIC 15 *Agreements for the Construction of Real Estate*, different effective dates and additional transitional provisions in a limited number of standards. The Board will deal with entities affected with IAS 41 and IFRIC 15 separately. For all other entities, the Board does not expect significant impact arising from full convergence with IFRS.

MASB's chairman, En Mohammad Faiz Azmi said, "Accounting professionals and non-private entities are advised not to delay their preparations to converge with IFRS. In fact, non-private entities should have already developed and implemented its formal transition plan. On an individual level, all accounting professionals must make a personal commitment to be conversant with the new IFRS-compliant framework".

Interested parties, including the business communities, are encouraged to study the Exposure Draft and provide feedback to MASB. **The deadline to comment on the ED is July 29, 2011.** The Exposure Draft is available on MASB website at <http://www.masb.org.my>. The public is encouraged to provide their comments electronically through "Comment Online" on MASB website.

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 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:

Updates of 2011 New and Revised Standards and New Bursa Malaysia Listing Requirements

The MICPA is organising a two-day Seminar on *Updates of 2011 New and Revised Standards and New Bursa Listing Requirements* on July 11 – 12, 2011 at Concorde Hotel Kuala Lumpur.

The Seminar will highlight the salient features of the principles prescribed in the new standard and guidance and explain their application aspects. Participants will be able to incorporate the new requirement in their financial reporting for the years 2010 and 2011.

The seminar will be led by Mr Tan Liong Tong, Technical Consultant to MAZARS Malaysia and Mr Woon Chin Chan, Consultant cum Trainer in financial corporate accounting, auditing and other related areas. For further information, please click [here](#).

Accounting for Construction, Property Development and Real Estate Activities

The MICPA is organising a one-day Workshop on *Accounting for Construction, Property Development and Real Estate Activities* on July 14, 2011 at Hotel Istana Kuala Lumpur.

The workshop aims to discuss the important aspects of the FRSs and to highlight the major areas of difficulty in measuring and recognising revenue and costs associated with construction contracts and property development/ real estate activities.

The workshop will be led by Ms Lim Geok Heng, Technical and Training Consultant with Evo Training & Consulting. For further information, please click [here](#).

Basic Practical Guide to Auditing

The MICPA is organising a two-day Workshop on *Basic Practical Guide to Auditing* on July 18 – 19, 2011 at Menara SSM @ Sentral, 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 the clarified International Standards on Auditing, which have been adopted for application in Malaysia.

Each participant will receive a complimentary copy of the MICPA Audit Guide for Practitioners (Revised 2011) worth RM350.00. The Audit Guide contains

comprehensive guides on the development of an audit, plan, performance of audit procedures and audit management. It also contains sample audit working papers, checklists and specimen audit letters. The Audit Guide has been updated to include ISAs and ISQC issued under the IAASB's Clarity Project and acts as a useful tool for accounting firms to maintain quality control for audit work.

The workshop will be led by Mr Yung Chuen Seng, an associate consultant and a free-lance trainer. He is also a member of the MICPA. For further information, please click [here](#).

News from Regulatory Bodies

BANK NEGARA MALAYSIA (BNM)

Issuance of New International Islamic Bank Licence

In a press release dated June 15, 2011, Bank Negara Malaysia (BNM) announced that the Minister of Finance has granted an approval to Elaf Bank B.S.C (c) (Elaf Bank) to conduct an international Islamic banking business in Malaysia pursuant to Islamic Banking Act 1983. Elaf Bank is allowed to conduct a wide array of Islamic banking business in international currencies other than Malaysian ringgit.

Elaf Bank's presence will further strengthen the economic and financial linkages between Malaysia and Bahrain and contribute further to the development of the Islamic financial system in Malaysia.

Updates: Guidelines & Circulars Listing on Website

Guidelines on *Classification and Impairment Provision for Loans/Financing* has been updated. The PDF format document is now available for download via the URL provided as follows: <http://bit.ly/gg2C2z>

Frequently Asked Questions (FAQs) on Payment for Trade in Renminbi

Malaysian companies can now have the option to settle their trade transactions with their counterparts in China in Renminbi (RMB) in addition to other currencies such as the US dollar. All current account (goods and services) transactions are eligible for trade settlement in RMB. Since July 2009, China's government has started the use of RMB for settlement of cross-border trade.

Settlement in RMB may reduce the foreign exchange risk for exporter and importers from China and this can result in better pricing of goods and services transactions for Malaysian companies. Malaysian companies will also benefit from savings from the currency conversion spreads as it is now a direct quote from RMB to Ringgit.

Click on the following link for FAQs related to Trade Settlement in Renminbi (in PDF format) for public reference - <http://bit.ly/klz4K9>.

Introduction of Bank Negara Monetary Notes-Istithmar

Bank Negara Malaysia wishes to announce the introduction of a new Islamic monetary instrument, the Bank Negara Monetary Notes-*Istithmar* (BNMN-*Istithmar*). Issuance of BNMN-*Istithmar* is based on the *Istithmar* (investment) concept which refers to portfolio investments into a combined structure of sale and lease-back of assets (*Ijarah*) and commodity mark-up sale transaction (*Murabahah*).

The main objective of issuing BNMN-*Istithmar* is to increase efficiency and flexibility of liquidity management in the Islamic money market by expanding the Shariah concept used in Bank Negara Malaysia's Islamic monetary instruments. BNMN-*Istithmar* would contribute towards expanding investment instruments and the investor base as well as promote greater liquidity in the Islamic money market.

BNMN-*Istithmar* will be traded using current market conventions and is accorded the same regulatory treatment as all existing Bank Negara Monetary Notes Issuance. The issuance of BNMN-*Istithmar* will be conducted through competitive auction via the domestic Principal Dealer network. The inaugural issuance was on June 21, 2011 with an issue size of RM500 million.

SECURITIES COMMISSION MALAYSIA (SC)

SC Receives Awards for ICM Efforts

The Securities Commission Malaysia (SC) has received the prestigious *Outstanding Contribution to the Development of Islamic Capital Marke*" award at a dinner held in conjunction with the 5th London Sukuk Summit from June 8-9, 2011. The SC's Islamic Capital Market Consultant, Encik Wan Abdul Rahim Kamil was also recognised with an award for *Outstanding Leadership in Islamic Finance*.

The award recognises the depth and breadth of Malaysia's Islamic capital market and the pivotal role played by the SC in this regard. Accounting for 72.5% of global Sukuk issuances by domicile in 2010 and 65% of global sukuk outstanding by domicile as at December 2010, Malaysia's pole position in the global Sukuk market was widely recognised by all the events.

With its compounded annual growth rate (CAGR) of 22.2% from 2000-2010 and an expectation of double digit growth over the coming ten years, Malaysia was also acknowledged at the Summit as the engine for Sukuk market growth.

The awards were received on behalf of the SC and Wan Abdul Rahim Kamil by Dato Dr Nik Ramlah Mahmood, Managing Director of the SC who had earlier presented to the forum on the growth and diversity of Malaysia's Sukuk market.

Established to help raise the standards in the Islamic finance sector and to set the highest benchmarks for the industry globally, the London Sukuk Summit Awards underline the international community's recognition of the important role the SC has played and will continue to play in the development and growth of Islamic finance and Sukuk in particular.

BURSA MALAYSIA BERHAD

Malaysia Now on FTSE Advanced Emerging Market

Malaysia's elevation to *Advanced Emerging* market status from Secondary Emerging market status in the FTSE Global Equity Index Series took effect yesterday, 20 June 2011.

Global index provider FTSE Group first announced Malaysia's progression to the FTSE Advanced Emerging Market in September last year after the country met the "Quality of Markets Assessment" criteria for the category.

YBhg Dato' Tajuddin Atan, Chief Executive Officer of Bursa Malaysia Berhad, said, "We are very pleased that Malaysia is now officially on the Advanced Emerging list. This will raise the country's profile further as FTSE is a major indexing group. FTSE's recognition highlights the continuous effort and commitment by the Government, regulators and market participants to build a market of quality. This will attract more investments from global investors.

Malaysia now joins Brazil, Czech Republic, Hungary, Mexico, Poland, South Africa, Taiwan and Turkey in the Advanced Emerging market category. Malaysia joined the FTSE Watch List for possible inclusion in the Advanced Emerging market status in 2009 when FTSE announced the results of its Country Classification Annual Review in September 2009.

Please refer to FTSE Country Classification updates on FTSE's website at www.ftse.com/country.

News from IFAC and IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IAESB Proposes Clarified Standard on Professional Accounting Education Entry Requirements

The International Accounting Education Standards Board has released for public exposure a proposed revision of International Education Standard (IES) 1, *Entry Requirements to a Program of Professional Accounting Education*.

The revised education standard is intended to protect the public interest by both establishing fair and proportionate entry requirements—which help those individuals considering professional accounting education make appropriate career decisions—and ensuring that requirements for entry to professional accounting education are not misrepresented.

IES 1, originally approved in 2004, currently prescribes the principles to be used by professional accountancy organisations, including member bodies of the IFAC, when setting entry requirements for professional accounting education and practical experience. The revised standard proposes:

- specification of entry requirements for professional accounting education;
- explanation for the rationale behind the entry requirements;
- a requirement that excessive barriers to entry are not put in place; and
- a requirement to make relevant information publicly available so that candidates can assess their chances of successful completion.

"The proposed revisions reflect the IAESB's view that the overall objective of accounting education is to develop a competent professional accountant," stated Mark Allison, chairman of the IAESB. "Further, the IAESB acknowledges that there are different processes and activities that contribute to achieving such competence. These revisions to IES 1 are intended to ensure that entry requirements for professional accountancy education are designed fairly for aspiring professional accountants."

The IAESB has undertaken a project to redraft all eight of its IESs in accordance with its new clarity drafting conventions, as outlined in its *2010-2012 Strategy and Work Plan*. This project began in December 2010 with the proposed revision of IES 7, *Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence*. Proposed revisions of IES 4, *Professional Values, Ethics, and Attitudes*, and IES 6, *Assessment of Professional Competence*, were released for exposure in April 2011, and the comment period is still open. The current timetable envisages that all IESs will have been revised and redrafted, or redrafted only, by the first quarter of 2013.

How to Comment

The IAESB invites all stakeholders to comment on its proposals. To access the Exposure Draft and submit a comment, visit the IAESB's website at www.ifac.org/Education/ExposureDrafts.php. Comments on the Exposure Draft are requested by September 21, 2011.

New Publication from ISACA and IFAC Helps Organisations Maximise the Value of XBRL

ISACA and the International Federation of Accountants (IFAC)'s Professional Accountants in Business (PAIB) Committee have jointly developed a paper, [Leveraging XBRL for Value in Organisations](#), to provide guidance on how to leverage the value of eXtensible Business Reporting Language (XBRL) through effective implementation.

XBRL is a universal language of business reporting that is increasingly being used for both external and internal reporting by organisations and is gaining traction worldwide.

"Understanding how to embed XBRL within an organization's information processes can enhance management communication, increasing the value of the information used within an enterprise," said Roger Debreceeny, Ph.D., FCPA, CGEIT, member of ISACA and co-developer of the XBRL paper. "ISACA collaborated with IFAC to develop this paper to provide accounting and assurance professionals with guidance they can rely on from trusted sources to leverage value from XBRL initiatives and compliance requirements."

"Many organisations have not yet realized how useful XBRL can be for them; professional accountants in business can assist them in navigating and making the most of XBRL," said Roger Tabor, chair of IFAC's PAIB Committee. "This paper can serve as a starting place to integrate XBRL and help organizations leverage its value."

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

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

IFRS Foundation Publishes Proposed IFRS Taxonomy Enhancements for Reporting Common-Practice

The IFRS Foundation has published for public comment an exposure draft of the IFRS Taxonomy 2011 interim release: common-practice concepts. The proposed interim release contains supplementary tags for the IFRS Taxonomy that reflect disclosures that are commonly reported by entities in their IFRS financial statements.

The supplementary tags are intended to enhance the comparability of financial information, and are consistent with IFRSs and with the XBRL (eXtensible Business Reporting Language) architecture of the IFRS Taxonomy 2011.

In April the IFRS Foundation announced its intention to enhance the usability of the IFRS Taxonomy by providing additional elements that reflect common reporting practice across the world and across industries. The proposed interim release is the first part of this process.

Once these initial common-practice tags are finalised, entities will be able to apply these tags to line items in their primary financial statements and to notes and accounting policies within these financial statements (using text blocks) with fewer entity-specific tags. It is expected that reducing the need for entity and jurisdiction-specific tags will reduce divergence in reporting practice, thereby enhancing the comparability of IFRS financial information. The next part of the process will involve the detailed analysis of disclosures within notes to financial statements and identifying common reporting practice in these note disclosures.

The exposure draft of the IFRS Taxonomy 2011 interim release: common-practice concepts is open for comment until August 2, 2011. The IFRS Foundation will consider the feedback received from this consultation, after which a final version of the interim release will be published. The supplementary tags will be consolidated into the IFRS Taxonomy 2012.

IASB and ASBJ Announce their Achievements under the Tokyo Agreement and their Plans for Closer Co-operation

The IASB and the Accounting Standards Board of Japan (ASBJ) have announced their achievements under their August 2007 Memorandum of Understanding (MoU), known as the Tokyo Agreement, to improve International Financial Reporting Standards (IFRSs) and Japanese generally accepted accounting principles (GAAP) and to bring about their convergence.

The boards, meeting in Tokyo on June 6 & 7, 2011, also announced their intention to deepen their co-operation in preparation for a decision around 2012 on the mandatory application of IFRSs in Japan. Some Japanese domestic companies are already permitted to prepare financial statements in accordance with IFRSs.

At the meeting Sir David Tweedie, chairman of the IASB, and Ikuo Nishikawa, chairman of the ASBJ, expressed their belief that their boards' work for the convergence of their standards was an important step on the path towards Japan's possible adoption of IFRSs and noted that the ASBJ's continuing participation in the IASB's standard-setting process contributes significantly to the development of a single set of high quality global accounting standards. A summary of the results of the Tokyo Agreement so far is attached. This initiative will continue to seek further convergence of IFRSs and Japanese GAAP.

The representatives of the boards also discussed the remaining projects as described in the MoU between the IASB and the US national standard-setter, the Financial Accounting Standards Board (FASB), including revenue recognition, leases, financial instruments and insurance contracts, as well as interpretation and practical issues relating to the voluntary application of IFRSs in Japan.

As Sir David Tweedie and two other members of the IASB, Warren McGregor and Tatsumi Yamada, will end their term of duty at the end of this month, Ian Mackintosh,

Vice-Chairman-Elect of the IASB, and Takatsugu (Tak) Ochi, member-elect of the IASB, also took part in the meeting to help to maintain the close relationship between the IASB and the ASBJ. The IASB's director of international activities, Wayne Upton, who has also been involved in this initiative, was also present at the meeting.

In working together under the Tokyo Agreement the boards have strengthened their relationship and made good progress towards the goal of global accounting standards for use in capital markets. The IASB and the ASBJ agreed that they should continue the effort for convergence and establish a closer relationship.

IASB and FASB to RE-Expose Revenue Recognition Proposals

The IASB and the US-based Financial Accounting Standards Board (FASB) agreed today to re-expose their revised proposals for a common revenue recognition standard. Re-exposing the revised proposals will provide interested parties with an opportunity to comment on revisions the boards have undertaken since the publication of an exposure draft on revenue recognition in June 2010.

It was the unanimous view of the boards that while there was no formal due process requirement to re-expose the proposals it was appropriate to go beyond established due process given the importance of the revenue number to all companies and the need to take all possible steps to avoid unintended consequences.

Consequently, the boards intend to re-expose their work in the third quarter of 2011 for a comment period of 120 days. Further details will be available shortly from the revenue recognition project sections of the IASB and FASB websites.

IASB and EFRAG Meet to Discuss Completion of Work Plan and Future Agenda of the IASB

The IASB and the European Financial Reporting Advisory Group (EFRAG) met on June 14, 2011 to review the IASB's current work programme. EFRAG is the private sector body responsible for stimulating debate in Europe around the evolution of International Financial Reporting Standards (IFRSs) and providing input to the work of the IASB, after appropriate due process, on behalf of Europe.

Led by Ian Mackintosh, Vice-Chairman Elect of the IASB, and Françoise Flores, EFRAG Chairman, the meeting focused on the main projects that the IASB intends to finalise in 2011, as well as the time line for completion of those projects. EFRAG recommendations on the projects on revenue recognition, leases, financial instruments and insurance contracts were discussed.

The IASB and EFRAG also agreed to work in close co-operation to ensure a broad European input into the standard-setting process and to organise field testing where appropriate.

The next meeting of the IASB and EFRAG will take place in the third quarter of 2011. EFRAG is publishing a summary of the messages expressed at the meeting. This summary is available to download from www.efrag.org.

IASB and FASB Align Presentation Requirements for Other Comprehensive Income

The IASB and the Financial Accounting Standards Board (FASB), the US national standard-setter, have issued amendments that will improve and align the presentation of items of other comprehensive income (OCI) in financial statements

prepared in accordance with International Financial Reporting Standards (IFRSs) and those prepared in accordance with US Generally Accepted Accounting Principles (GAAP).

The amendments to IAS 1 *Presentation of Financial Statements* require companies preparing financial statements in accordance with IFRSs to group together items within OCI that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

The FASB issued an Update to Topic 220: *Presentation of Comprehensive Income* that brings US GAAP into alignment with IFRSs for the presentation of OCI. The changes issued do not address which items should be presented in OCI or which and when items should be recycled through profit or loss. However, requiring OCI to be presented as part of, or in close proximity to, the profit or loss (income) statement will make it easier for users of financial statements to assess the impact of OCI items on the overall performance of an entity and improve comparability between IFRSs and US GAAP.

The IASB's amendments to IAS 1 are set out in *Presentation of Items of Other Comprehensive Income* and are effective for financial years beginning on or after 1 July 2012. An IASB Project Summary and Feedback Statement explaining how the IASB responded to views received during its consultations as well as a podcast introducing the amendments is available on the project page on www.ifrs.org.

IASB Introduces Improvements to the Accounting for Post-Employment Benefits

The IASB has announced the completion of its project to improve the accounting for pensions and other post-employment benefits by issuing an amended version of IAS 19 *Employee Benefits*.

The amendments make important improvements by:

- eliminating an option to defer the recognition of gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation.
- streamlining the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income (OCI), thereby separating those changes from changes that many perceive to be the result of an entity's day-to-day operations.
- enhancing the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

The amendments will provide investors and other users of financial statements with a much clearer picture of an entity's obligations resulting from the provision of defined benefit plans and how those obligations will affect its financial position, financial performance and cash flow.

The project also formed part of the Memorandum of Understanding (MoU) between the IASB and the Financial Accounting Standards Board, the US national standard-setter. The elimination of the corridor method further aligns IFRSs and US generally accepted accounting principles.

IAS 19 was inherited by the IASB when it began its work in 2001. However, it was not included in the initial set of improvements made by the IASB to achieve a stable platform for IFRS adoption in Europe and other jurisdictions in 2005. The review of IAS 19 began in 2006 with the formation of a working group to advise the IASB on the development and refinement of its proposals.

The IASB published a discussion paper for public comment in March 2008 and an exposure draft in April 2010. The exposure draft attracted more than 220 comment letters. In finalising its work, the IASB conducted extensive consultations with interested parties.

The amended version of IAS 19 comes into effect for financial years beginning on or after January 1, 2013. Earlier application is permitted.

A project summary and feedback statement is available on the project page of the IFRS website shortly (www.ifrs.org).

IASB Publishes Proposals for Amendments Under its Annual Improvements Project

The IASB has published for public comment an exposure draft of proposed amendments to five International Financial Reporting Standards (IFRSs) under its annual improvements project. The project provides a streamlined process for dealing efficiently with a collection of narrow scope amendments to IFRSs.

The proposed amendments reflect issues discussed by the IASB in the project cycle that began in 2009. These amendments meet the enhanced criteria for the annual improvements process that were approved by the IFRS Foundation Trustees in February 2011 as part of a revision to the Due Process Handbook for the IASB. The revised criteria were developed to help determine whether a matter relating to the clarification or correction of IFRSs should be addressed using the annual improvements process.

The proposed effective date for the amendments is for annual periods beginning on or after 1 January 2013, although entities are permitted to adopt them earlier.

The exposure draft can be accessed via the project website or on the 'Comment on a proposal' page on www.ifrs.org. The IASB requests comments on the exposure draft by October 21, 2011.

For more information about the criteria used to determine whether a topic should be added as part of the annual improvements projects, visit www.ifrs.org.

SME Implementation Group Publishes its First Q&A Guidance

The SME Implementation Group, responsible for assisting the IASB on matters related to the implementation of the *International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)*, has published its first question and answer (Q&A) guidance on the IFRS for SMEs. The guidance is set out in Q&A 2011/01 Use of the IFRS for SMEs in a Parent's Separate Financial Statements.

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

Q&A 2011/01 addresses whether a parent entity that itself does not have public accountability may present its separate financial statements in accordance with the *IFRS for SMEs* if it is part of a group that is required (or elects) to present consolidated financial statements in accordance with full IFRSs.

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

News from Professional and Other Bodies

THE INSTITUTE OF INTERNAL AUDITORS (IIA) MALAYSIA

IIA International Conference 2011

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

The conference will feature more than 90 distinguished thought-leading presenters and nine program tracks covering a wide range of topical issues relevant to the accountancy profession. For further information on the conference, fees and registration, please visit the conference website, www.iaa2011kl.org.

The MICPA will be participating as an Exhibitor at the above conference and members are encouraged to visit Booth No.26.

THE MALAYSIAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS (MAICSA)

MAICSA Annual Conference 2011

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

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

THE CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS (CIMA)

CIMA Green Sustainability Conference Asia 2011

The Chartered Institute of Management Accountants (CIMA) will be holding the *CIMA Green Sustainability Conference Asia 2011* with the theme *Going Green – Profiting from Sustainability* on July 12 - 13, 2011 at the InterContinental Kuala Lumpur.

The MICPA is a supporting body of the conference and members will be able to enjoy a preferential rate of registration fee of RM1,400 for those who register before May 21, 2011 and the normal rate of RM1,600 for the two-day Conference. For further information, please click [here](#).

THE CHARTERED TAX INSTITUTE OF MALAYSIA (CTIM)

National Tax Conference 2011

The Chartered Tax Institute of Malaysia in collaboration with Lembaga Hasil Dalam Negeri Malaysia is organising the *National Tax Conference 2011* with the theme Economic Transformation: Role of Taxation on July 19 – 20, 2011 at the Kuala Lumpur Convention Centre.

The MICPA is a supporting body of the conference and members will be able to enjoy a preferential rate of registration fee of RM1,100 for those who register before June 24, 2011 and the normal rate of RM1,300 for the two-day Conference. 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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