

October 2009

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

Diwali Greetings



The President, Council, Management and Staff of the MICPA would like to wish all our Hindu members

Happy Diwali

Congratulatory Message

The President, Council, Management and Staff of the MICPA would like to congratulate YM Raja Tan Sri Arshad Raja Tun Uda, a member of the Institute on his recent appointment as Chairman of Maxis Berhad. Raja Arshad was elected to the MICPA Council in 1980 and served for 24 years until his retirement from the Council in 2004. He was the President of the Institute between 1992 and 1994.

2009 MICPA Excellence Awards

- MICPA presents Excellence Awards to Best Accounting Graduates and The Most Outstanding CPA Student

The Institute presented the Excellence Awards for *Best Accounting Graduates* and *The Most Outstanding CPA Student* at a presentation ceremony held on Saturday, October 24, 2009. The Excellence Awards were presented by Yang Berusaha Prof Dr Raduan bin Che Rose in his capacity as the Special Adviser to the Minister of Higher Education but also representing Yang Berhormat Dato' Seri Mohamed Khaled Nordin, Minister of Higher Education who was unable to be present due to unforeseen rescheduling of his official duties.

The first category of awards were conferred on the best accounting graduates from the local universities that offer the Bachelor of Accountancy programme namely UM, UKM, USM, UUM, UiTM, UNITEN, IIUM MMU, UPM and Monash University, Sunway Campus whilst the second award was bestowed on the best all-round CPA student who has recently completed the MICPA examinations. The recipients of the Excellence Awards are not only outstanding in their academic performance but also in extra-curricular activities and personal development. To view the list of recipients, please click [here](#)

The 2009 Most Outstanding CPA Student Award was presented to Ms Serene Khor Sew Lin who is currently attached to Ernst & Young Kuala Lumpur. Serene joined the MICPA's training programme under Stream I in 2006 with Ernst & Young KL and is currently undertaking her articleship under Stream I and will complete her 3-year training contract in November 2009. She passed each Module of the Advanced Stage Examination of the MICPA examination at the first attempt and in 2007 was awarded the Shamshir Jasani Grant Thornton Gold Medal for Advanced Taxation. To view the list of previous recipients, please click [here](#)

A *Certificate of Meritorious Achievement* was also presented to all the finalists of the two categories of Excellence Awards.

Examination Certificates

At the same ceremony, YBhg Dato' Ahmad Johan Mohammad Raslan, Vice President of the Institute presented examination certificates to students who passed the MICPA examinations in the November 2008 and May 2009 examinations. There were a total of 55 graduates for both the sittings.

Gold Medals for Individual Modules

The Vice President also presented a total of **4 Gold Medals** to students who had passed the MICPA Advanced Stage Examination with high distinction in individual modules. To view the list of recipients of the gold medals, please click [here](#)

Congratulations to all Recipients!

Appreciation Award to Approved Training Organisation

As members are aware, the MICPA provides for two streams of training. The MICPA students may undertake their training in accounting firms or in approved training organisations in commerce, industry or the public sector. The Institute presented an Appreciation Award to Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS) in recognition of the organisation's commitment and support for the MICPA training programme under Stream II at the Excellence Awards Presentation ceremony held on October 24, 2009. Madam Chong Poh Leng, General Manager, Finance received the award on behalf of the organisation.

2010 Budget Activities

The 2010 Budget was announced by the Minister of Finance on Friday, October 23, 2009. The following activities were organised in conjunction with the Budget Day to promote the Institute as a centre of **Technical Excellence**:

- Pre-budget phone-in interview with Traxx FM on **Friday, October 16, 2009**. Ms Peggy Then, Executive Director, KPMG Tax Services represented MICPA. The interview was aired over Traxx FM periodically up until budget day;
- Pre-budget live interview with Traxx FM on **Thursday, October 22, 2009**. Ms Theresa Goh, Council Member & Member of the Tax Practice Committee, MICPA represented MICPA – *Budget proposals submitted by MICPA to MOF*
- Pre-budget live conference interview with Traxx FM on **Friday, October 23, 2009**. Ms Theresa Goh, Council Member & Member of the Tax Practice Committee, MICPA represented MICPA – *Consumerism budget issues*;
- Live interview with TV3 in Bahasa Malaysia on the 2010 Budget on **Friday, October 23, 2009**. MICPA was represented by Mr K Sandara Segaran, Technical Director, Deloitte Malaysia's Tax Practice;

- Live interview with BFM Media, The Business Station on Friday, **October 23, 2009**. MICPA was represented by Ms Theresa Goh, Council Member & Member of the Tax Practice Committee, MICPA represented the Institute;
- Budget Hotline organised by Sin Chew Jit Poh on **Friday, October 23,, 2009**. Ms Tong Siew Choo, Member of the Tax Practice Committee, MICPA represented the Institute;
- Post-budget pre-recorded interview on ASTRO's Bernama News TV (BRTV, Channel 502) on **Saturday, October 24, 2009** which was aired over "Helo Malaysia" the same night. Ms Theresa Goh , Council Member & Member of the Tax Practice Committee, MICPA represented the Institute; and
- Post-budget live interview by Traxx FM on **Wednesday, October 28, 2009** between 11:15 a.m. to 12:00 p.m. Ms Theresa Goh, Council Member & Member of the Tax Practice Committee, MICPA represented the Institute.

MICPA Education & Training

Revised MICPA Programme

In February 2009, The Institute of Chartered Accountants in Australia (ICAA) and The Malaysian Institute of Certified Public Accountants (MICPA) entered into a partnership that will encourage high-level standards for education and continuous training across national borders.

In this regard, we are pleased to inform members that the Institute has implemented its new examination structure for the revised MICPA programme effective June 2009.

New students who register under the revised MICPA programme will follow an almost identical course of study to their counterparts completing the Chartered Accountants Program in Australia, by completing four common modules. A unique feature of the revised MICPA programme is the taxation module, reflecting Malaysian taxation regulations and providing greater relevance for accountants working in Malaysia.

Upon satisfactory completion of the examinations and other admission requirements, students will be eligible to be admitted as members of MICPA and ICAA.

For further information on the revised MICPA programme, please click [here](#)

ICAEW Recognition

We are pleased to announce that the CPA Malaysia qualification was recognised by The Institute of Chartered Accountants in England and Wales (ICAEW) in 2004 where exemptions were granted. Recently, ICAEW have undertaken further assessment of the CPA Malaysia qualification in comparison with the ACA qualification introduced in 2007.

Members of MICPA are now able to gain credit from ICAEWs Professional Stage comprising of 12 Papers and the Advanced Stage Technical Integration Business Reporting paper. In order to gain the ACA qualification, members of MICPA will need to pass the Advanced Stage Technical Integration Business Change paper and Case Study, as well as complete the Structured Training in Ethics programme. Members of MICPA will no longer be required to acquire three years' work experience in an

ICAEW authorised training employer, which further simplifies the process for MICPA members to become ICAEW members.

The exemption awarded by ICAEW to the CPA qualification offered by the MICPA further endorses the close co-operation between the two bodies in the education and training of professional accountants.

Activities of the Institute

MICPA-Bursa Malaysia Business Forum 2009

The *MICPA-Bursa Malaysia Business Forum 2009* is scheduled to be held on **November 9-10, 2009 (Monday & Tuesday) at Shangri-La Hotel Kuala Lumpur**. The event will be officiated by YB Dato' Mukhriz Tun Mahathir, Deputy Minister (Trade), Ministry of International Trade and Industry.

As the new chapter of globalisation presents unprecedented shifts, corporations are finding it increasingly difficult to compete by conventional means. Remaining competitive in the new global landscape requires innovation and corporations must devise new ways to maintain their lead. It also demands an understanding of the new global playing field. Close linkages of economies as a result of globalisation causes increased competitiveness of industries and products in the new global landscape and this has to be consistently monitored and managed.

Featuring the theme, ***Competing in the New Global Landscape***, the MICPA-Bursa Malaysia Business Forum 2009 will provide an interactive platform for the exchange of ideas and experiences on the innovative strategies and measures undertaken to compete in the new global landscape.

We take great pleasure in inviting members, your colleagues and business associates to the Business Forum 2009. For further information, please contact the Institute's Education and Research Manager on Tel: 03-2698 9622 or e-mail: bizforum09@micpa.com.my

To download the Business Forum brochure, please click [here](#)

NACRA 2009

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 and The Malaysian Institute of Certified Public Accountants. The NACRA 2009 Awards Presentation Ceremony will be held on **Tuesday, December 1, 2009 at the Sime Darby Convention Centre**.

Visits to Members' Firms and Approved Training Organisations

The Institute continues in its efforts to make courtesy visits to members' firms and ATOs as a means of further enhancing the synergistic partnership which already exists between both parties and to identify ways to collaborate and strengthen professional relationship.

Collaboration with Universities and Colleges of Advanced Education

With the signing of the Memorandum of Understanding with The Institute of Chartered Accountants in Australia (ICAA), the Institute has embarked on an active marketing strategy to promote the MICPA programme to Universities and Institutions of higher learning by making scheduled visits and participating in road-shows.

During the career talks, our speakers communicate the value of our home-grown qualification as the preferred choice for prospective accountants, share the ingredients for success with the students and highlighted that the Institute has a strong pool of successful luminaries and business professionals in our fold of CPAs and the diverse roles they undertake in their careers. The aim is to also attract the younger generation to join the revised MICPA programme.

Career Talks at Secondary Schools

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

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.

Members Update

MICPA Technical Updates

CPA Tax & Investment Review 2009

Further to Circular No. TEC/046/09/2009/W dated September 30, 2009 members are informed that the publication CPA Tax & Investment Review 2009 will be available on the Institute's website www.micpa.com.my in the Members' Area by November 15, 2009.

The publication contains updates on tax laws and regulations, a summary of the Public Rulings issued by the Inland Revenue Board, an index of current amendments to the Income Tax Act and related legislation, and a summary of recent tax cases. It also contains quick information on doing business in Malaysia, including Malaysia's investment policies and incentives; the procedures for incorporation of companies; guidelines on foreign investment; banking, finance and exchange control rules; list of promoted activities and products; immigration procedures and the contact numbers of the relevant Ministries, Government agencies and regulatory authorities.

Members who wish to receive a print copy of the publication is required to complete the request form and return it to the MICPA Secretariat (Fax No: 03-2698 9403) by

October 30, 2009. The Request Form can be downloaded from the MICPA website www.micpa.com.my in the Members' Area.

Joint Tax Working Group on Financial Reporting Standards

Further to Circular No. TEC/047/09/2009W dated September 30, 2009, members are informed that the Joint Tax Working Group on Financial Reporting Standards (JTWG-FRS) has further reviewed the following Financial Reporting Standards (FRS):

- FRS 102 Inventories
- FRS 140 Investment Property

Members were encouraged to study the draft write-ups on major tax implications related to the implementation of the FRS and provide comments to the JTWG-FRS. The comments would be collated and, where appropriate be incorporated into the write-ups before finalisation.

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

Issues for Discussion by Consultative Panel Between Customs and Private Sector

Further to Circular No. TEC/048/10/2009/W dated October 6, 2009 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 you may have encountered in your 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 www.micpa.com.my in the Members' Area.

Companies Commission of Malaysia

Extension of Moratorium Period to December 31, 2009 to Strike Off Name of a Dormant Company Under Section 308 of the Companies Act 1965

Further to Circular No. TEC/050/10/2009W dated October 7, 2009, members are informed that the Companies Commission of Malaysia (SSM) has announced an extension of moratorium period up to December 31, 2009 to strike off the name of a dormant company under Section 308 of the Companies Act 1065 (CA 1965).

A press release related to the extension of moratorium period up to December 31, 2009 to strike off the name of a dormant company under Section 308 of the Companies Act 1965 as per Annexure I can be downloaded from the MICPA website www.micpa.com.my in the Members' Area.

Members may also contact SSM at 03-4047 9066/ 4047-9657/ 4047 9644 or visit SSM's website www.ssm.com.my for any enquiries or further clarification.

Securities Commission of Malaysia

Rulings in Relation to Selective Capital Reductions and Making Announcements on Competing Offers

Further to Circular No. TEC/051/10/2009/W dated October 8, 2009, members are informed that the Securities Commission (SC) has issued rulings pursuant to Section 33A(4) of the Securities Commission Act 1933 in relation to the following:

1. Selective Capital Reductions

When the major shareholder of a company ("the Company") and persons acting in concert with him (collectively known as "the Offerors") collectively held more than 50% interest in the Company proposed to privatise the Company via a Selective Capital Reductions (SCR) that involved capital reduction by way of cancelling all shares held by shareholders other than the Offerors and a certain portion of the shares held by the Offerors, the SC requires that:

- (a) The independent adviser ("IA") of the SCR was to confirm its appointment with the SC and the contents of the independent advice circular were to comply with the requirements of the Malaysian Code on Take-overs and Mergers, 1998 ("the Code");
- (b) The IA was to confirm that the Offerors and all other interested parties abstained from voting on the SCR; and
- (c) The pricing for the shares be subjected to the requirements of the Code, whereby the Offerors were to revise the price if they acquired shares of the company at a higher price during the period from the date of the announcement of the SCR until the implementation of the SCR.

2. Announcement under Section 12(1) of the Malaysian Code on Take-overs and Mergers 1998 (the Code) on Competing Offers.

Arising from a take-over offer for shares in an offeree company, the board of directors of the offeree ("Offeree Board") had announced its intention to seek an alternative person to undertake a competing offer for the offeree's shares.

In the absence of any further information on the competing offer even after the dispatch of the offer document on the take-over offer, the SC requires the Offeree Board to make an announcement on whether the competing offer would be forthcoming or otherwise, following from its intention to seek a competing offer. The ruling required that should the competing offer be forthcoming, the party undertaking the competing offer was to make an announcement under section 12(1) of Malaysian Code on Take-overs and Mergers, 1998 ("the Code"). All these announcements were to be made within 5 days from the date of the ruling.

Copies of the rulings can be downloaded from the MICPA website www.micpa.com.my as per Annexure I and II for members' reference in the Members' Area.

Inland Revenue Board of Malaysia

Operational Guideline (GPHDN 3/2009): Application for Temporary Release from Stoppage Order Issued Under Section 103 of the Income Tax Act 1967/ Section 22 of the Real Property Gains Tax Act 1976

Further to Circular No. TEC/052/10/2009/W dated October 9, 2009 members are informed that the Inland Revenue Board (IRB) has issued an Operational Guideline (GPHDN 3/2009) pertaining to Application for Temporary Release from Stoppage Order Issued under Section 104 of the Income Tax Act 1967 / Section 22 of the Real Property Gains Tax Act 1976.

The Guideline can be downloaded from the IRB website at:

<http://www.hasil.gov.my/lhdnv3e/documents/GarisPanduanOperasi/GPHDN%203%20of%202009.pdf>

Minutes of Meeting of Working Group with Accounting Bodies - Desire Bil.4/2009

Further to Circular No. TEC/053/10/2009/W dated October 26, 2009 members are informed that a meeting was held between the Inland Revenue Board (IRB) and representatives of the MICPA, CTIM, MIA, MAICSA, ICMA and MACS on October 6, 2009 to discuss issues on general filing and e-filing.

The Minutes of the meeting of the working group with accounting bodies (Desire Bil. 4/2009) setting out issues discussed and the comments / clarifications provided by the IRB as per Annexure I can be downloaded from the MICPA website www.micpa.com.my in the Members' Area.

Malaysian Accounting Standards Board

MASB ED 67, MASB ED i-4 and Draft IC Interpretations 4 & 18

Further to Circular No. TEC/054/10/2009/W dated October 26, 2009 members are informed that the Malaysian Accounting Standards Board (MASB) has recently issued two (2) Exposure Drafts (ED) and two (2) Draft IC Interpretations for comment. The Exposure Drafts and Draft IC Interpretations are as follows:

- MASB ED 67, *Improving Disclosures about Financial Instruments (Amendments to FRS 7)*
- MASB ED i-4, *Shariah Compliant Sale Contracts*
- [draft] IC Interpretation 4 *Determining whether an Arrangement contains a Lease*
- [draft] IC Interpretation 18 *Transfers of Assets from Customers*

MASB ED 67, [draft] IC Interpretations 4 & 18 are virtually identical to those issued by the International Accounting Standards Board (IASB).

Members are encouraged to study the Exposure Drafts and Draft IC Interpretations and provide feedback to MASB. The Exposure Drafts and IC Interpretations are available on MASB website www.masb.org.my.

Members who wish to provide their comments electronically may do so through ED online on MASB website. The deadline for the submission of comments to MASB is November 13, 2009. For further information, please visit MASB website on www.masb.org.my.

Royal Malaysian Customs

Minutes of Meeting of the Consultative Panel Between Customs and Private Sector 1/2009

Further to Circular No. TEC/055/10/2009/W dated October 26, 2009 members are informed that additional comments/ clarifications on issues discussed at the meeting of the Consultative Panel 1/2009 which was held on July 15, 2009 were provided by the Royal Malaysian Customs. The additional comments/ clarifications are now available on the MICPA website www.micpa.com.my in the Members' Area.

MICPA Practising Certificate

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

CPD On-Line Record

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

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

Young CPA Group

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

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

Practical Application of Financial Reporting Standards

The MICPA is organising a one-day Workshop on *Practical Application of Financial Reporting Standards* on November 12, 2009 at Hotel Istana Kuala Lumpur.

The workshop will discuss some common and key application issues encountered by preparers in their application of certain FRS. At the end of the workshop, participants should be able to have a better appreciation and understanding of some of the application issues faced by preparers. For further information, please click [here](#)

Financial Reporting For Insurance Business: Insurance Contracts (FRS 4)

The MICPA is organising a one-day Seminar on *Financial Reporting for Insurance Business: Insurance Contracts (FRS 4)* on December 2, 2009 at Best Western Premier Seri Pacific Kuala Lumpur.

The seminar will aim to explain the principles and application of FRS 4 as well as the disclosure requirements for insurance business as set out in Model Insurance Berhad. Model Insurance Berhad contains a set of specimen financial statements for insurance business which comply with the disclosure requirements prescribed in FRS 4 as well as Bank Negara Malaysia Guidelines.

A team of experts have been invited to lead discussions. The seminar is supported by MIA, Life Insurance Association of Malaysia (LIAM) and Persatuan Insurans Am Malaysia (PIAM). 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 December 9-10 2009 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 Mr Yung Chuen Seng, Associate Consultant and a freelance trainer. For further information, please click [here](#)

Updates from Regulatory Bodies

SECURITIES COMMISSION OF MALAYSIA (SC)

SC Issues Guidelines on Venture Capital Tax Incentives

In a press release dated September 28, 2009, the SC announced the *Venture Capital Tax Incentives Guidelines* (VC Tax Incentives Guidelines), to incorporate the new tax incentive for the venture capital industry as stipulated in the *Income Tax (Exemption)(Amendment) Order 2009* (Tax Order 2009). These new guidelines

supersede the *Guidelines for Annual Certification for Tax Incentives for the Venture Capital Industry* first issued in 2001 and last amended in 2007.

Under the Tax Order 2009, venture capital companies (VCCs) registered with the SC are eligible for tax exemption for five years of assessment subject to them investing at least 30% of their invested funds in the form of seed capital, start-up and/or early stage financing in qualified investee companies. Application for this exemption must be submitted to the SC by December 31, 2013.

This new and more attractive tax exemption incentive supplements existing incentives, where VCCs registered with the SC are eligible for tax exemption for ten years of assessment if they invest either at least 70% of their invested funds in the form of seed capital, start-up and/or early stage financing or at least 50% of their invested funds in the form of seed capital in qualified investee companies.

In addition to tax incentives in the form of tax exemption for VCCs registered with the SC, the current venture capital tax framework also provides tax deduction for an amount equivalent to the value of the investment made by an individual or a company in qualified investee companies.

Venture capital management companies (VCMC) registered with the SC can also enjoy tax exemption on income arising from a profit-sharing agreement between the VCMC and the VCC. The VCMC, however, need not obtain certification from the SC provided that the VCC under the profit-sharing agreement is registered with the SC and has received certification for tax exemption from the SC.

Applicants for the tax incentives are advised to read and understand the content of the VC Tax Incentives Guidelines before submitting any application for certification to the SC. The VC Tax Incentives Guidelines and application forms are available on the SC website at www.sc.com.my.

Budget 2010: SC Details Some New Capital Market Initiatives

Following the Budget speech delivered by YAB Dato' Sri Mohd Najib Tun Abdul Razak's in Parliament on October 23, 2009, the Securities Commission Malaysia announced in a press release dated October 26, 2009 additional details on some measures relating to the capital market.

- **Phased liberalisation of commission-sharing arrangements**

The process is being undertaken in two phases following industry feedback and to provide a transition period for industry participants to adjust to a fully deregulated commission-sharing environment.

The first stage, which takes effect immediately, allows a flexible brokerage sharing rate with a minimum 40% sharing rate for remisiers. Under the second stage, which takes effect on January 1, 2011, commission-sharing arrangements will be fully liberalised.

- **Promoting electronic payments in the capital market**

The e-Dividends and e-Share Payment initiatives are an integral part of the initiative to move towards a paperless environment and promote the usage of electronic payments in the capital market.

The requirement for PLCs to provide e-Dividends is expected to be implemented by the third quarter of 2010. Prior to that, a series of investors' awareness

programmes will be undertaken to familiarize investors with the benefits of e-Dividends. Investors will be given a one-year grace period to provide their bank account number to Bursa Malaysia Depository to enable the dividend payments to be credited directly into their bank account.

For further information, please visit the SC website www.sc.com.my.

BURSA MALAYSIA BERHAD

Bursa Malaysia Advises Companies to be Prepared for FRS 139

Bursa Malaysia organised a forum on the **Financial Reporting Standard 139** (FRS 139) to ensure listed companies are prepared in meeting the requirements of the new standard of financial reporting. The FRS 139 is targeted to be implemented on January 1, 2010 as notified by the Malaysian Accounting Standards Board (MASB). The forum, which was well attended by over 150 audit committee chairmen from various public listed companies in Malaysia, was organised to raise awareness and highlight the implementation challenges of FRS 139 to the audit committees.

Themed *'The Challenges of Implementing FRS 139'*, the forum was opened by Selvarany Rasiah, Chief Regulatory Officer of Bursa Malaysia. Selvarany said, "The drive towards convergence of the new financial reporting standards is driven largely by the demands and the realities of the marketplace. The challenge in the global market is to reduce the costs associated with the access and comparability of information that has historically been constrained by different accounting standards, legal and cultural traditions, as well as regulatory regimes. To achieve this, a common accounting language is needed that can be translated and understood globally such as the International Financial Reporting Standards (IFRS)."

Emphasising on the audit committee's role, Selvarany said, "A demanding regulatory and governance environment is elevating expectations of an audit committee's performance. The audit committee has to be up-to-speed on key financial reporting issues and developments. An ongoing challenge for audit committees will be to understand the implications of important financial reporting issues and developments affecting the company."

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

Bursa Malaysia Stresses on Corporate Governance and Investor Protection as a Priority Criteria for a Quality Market

In response to recent media articles which makes reference to 'poor' quality of foreign listings on Bursa Malaysia, the Exchange reiterates that the listing framework requires advisers to undertake rigorous due diligence exercises including corporate governance assessments. The Exchange's primary aim is to maintain investor confidence and sustainable investor interest in order to uphold the quality of the capital market. Hence, investor protection remains the top driving factor that promotes a high level of corporate governance standard among public listed companies in Malaysia.

Principal advisers who submit an initial public offering listing application on behalf of a company are tasked to ensure that thorough assessment is done which focuses primarily on the issuer's compliance with the requirements, its suitability for listing and corporate governance record particularly of the promoters of the company. When

in doubt, advisers are encouraged to consult with the Securities Commission and/or the Exchange prior to submitting a listing application.

The regulators nonetheless, emphasise on full disclosure as it is paramount to ensure that investors have access to the relevant information of the companies in order for them to make informed investment decisions.

To ensure that an appropriate oversight structure is in place for a dynamic capital market, the Exchange constantly reviews and enhances its monitoring, surveillance and supervisory role and would not hesitate to take enforcement actions for breaches of its rules. As part of the pre-emptive measures, Bursa Malaysia monitors and engages with listed issuers, directors and auditors in line with the corporate surveillance and engagement framework. This includes performing trend analysis, identification of red flags, compliance review of corporate governance disclosures in the listed issuers' annual reports and on-site examination on selected issuers.

The Exchange also encourages existing and potential listed companies to initiate and execute active investor relations engagement. In this respect, the Exchange has established Malaysian Investor Relations Association (MIRA) to assist and foster communication between listed companies and the investment community. Issuers from foreign jurisdictions will have to intensify and conduct regular engagements with the investment community in order to enable them to get a better understanding of the company.

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

BANK NEGARA MALAYSIA (BNM)

Bank Negara Malaysia Opens Public Service Centers (BNMLINK) Nationwide

In a press release dated October 22, 2009, Bank Negara Malaysia (BNM) announced the commencement of its walk-in public service centers (BNMLINK) in Kuala Terengganu on October 19, 2009 to provide financial advisory to the members of the public and businesses in the east coast of Peninsular Malaysia . There are now a total of six BNMLINK centres nationwide. The first BNMLINK was established in Kuala Lumpur on February 25, 2005 followed by the opening of a series of public service centers in Pulau Pinang and Johor Bahru in 2008, and in Kota Kinabalu and Kuching in 2009.

BNMLINK or Bank Negara Malaysia Laman Informasi Nasihat dan Khidmat assists the public and businesses on issues and complaints relating to financial products and services. This includes advisory to SMEs relating to access to financing, validation of credit status and reports (CCRIS), foreign exchange administration procedures, as well as enquiries on illegal financial schemes.

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

News from IFAC and IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

IAASB Releases New Tools to Support Clarity ISA Implementation

To promote awareness and understanding of the newly clarified¹ International Standards on Auditing (ISAs), the International Auditing and Assurance Standards Board (IAASB) on October 5, 2009 released a series of "ISA Modules" focusing on some of the new and more significantly revised ISAs. Developed by IAASB staff, each of these modules combines short video presentations and accompanying slides that explain the key principles of, and major changes in, individual ISAs, including the implications for audits of small-and medium-sized entities (SMEs).

This new resource includes modules that provide an introduction to, and an overview of, the clarified ISAs, including ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*, and audit documentation and SME audit considerations. Additional modules cover ISAs that address related parties, auditing accounting estimates, including fair value estimates, communication with those charged with governance, and communicating deficiencies in internal control.

The ISA Modules are available to download free of charge from the IAASB Clarity Center on the IFAC website (web.ifac.org/clarity-center/support-and-guidance). The IAASB encourages IFAC members, associates, regional accountancy bodies, and firms to use these materials and to promote their availability to their members and employees.

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

IAASB Seeks Views on Auditing Complex Financial Instruments

The International Auditing and Assurance Standards Board (IAASB) has released a Consultation Paper seeking views on developing new fair value auditing guidance where it is most critical in today's environment. Entitled *Auditing Complex Financial Instruments*, the paper recognises the strong demand from auditors and preparers for further guidance on auditing complex financial instruments, e.g., in situations of illiquid markets, which currently pose the greatest challenges for them.

The current economic environment has given rise to particular issues relating to the reliability and auditability of fair value information. This consultation addresses these issues and solicits discussions. The IAASB intends to use the feedback from the consultation in the revision of its Practice Statement 1012 on auditing derivative Financial instruments.

Comments on the Consultation Paper are requested by January 15, 2010. For further information, please visit www.ifac.org.

IAASB Issues Consultation Paper to Enhance Reporting on Greenhouse Gases

In a press release dated October 22, 2009, the International Auditing and Assurance Standards Board (IAASB) announced that it is making significant progress to develop a new assurance standard on carbon emissions and other greenhouse gases (GHG) by releasing a Consultation Paper seeking views on key issues in developing that standard.

Entitled *Assurance on a Greenhouse Gas Statement*, the Consultation Paper asks a series of questions addressing such matters as: the form of assurance report that users would find most useful; the nature and extent of requirements; how a standard should best integrate with regulatory requirements; and technical aspects of applying the assurance process to GHG emissions.

The IAASB intends to use the feedback from the consultation to develop an exposure draft of a proposed new assurance standard on GHG statements for release in 2010. All stakeholders are encouraged to respond to the Consultation Paper, either in its entirety or to select questions that are of special interest to them.

Comments on the Consultation Paper are requested by February 19, 2010. For further information, please visit www.ifac.org.

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

IASB Amends the Accounting for Rights Issues

The International Accounting Standards Board (IASB) on October 8, 2009, issued an amendment to IAS 32 *Financial Instruments: Presentation*.

The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment issued today requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.

The global financial crisis has led to an increase in the number of such rights issues as entities seek to raise additional capital. The IASB has moved swiftly to address this issue. Entities are required to apply the amendment for annual periods beginning on or after February 1, 2010, but earlier application is permitted.

For further information, please visit www.iasb.org

News from Other Professional Bodies

MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

World Congress of Accountants 2010

As members are aware, Malaysia will host the 18th *World Congress of Accountants 2010* which will be held in Kuala Lumpur on November 8-11, 2010 at the Kuala Lumpur Convention Centre. For further information, please click [here](#).

SMI ASSOCIATION OF MALAYSIA

SME Recognition Award Series 2009

The SMI Association of Malaysia is organising the SME Recognition Award Series 2009. The main objective of the award is primarily to give due recognition to the SMEs who excel in respective fields and become role models for other SMEs. The launch of the SME Recognition Award Series 2009 was held on August 11, 2009 and

the presentation dinner will be held on December 16, 2009. The MICPA is a supporting organisation of the Awards.

News from Universities

Universiti Putra Malaysia (UPM)

FEP Seminar 2009

The Faculty of Economics and Management, UPM is organising the *Seminar FEP 2009* with the theme *Culturising Research Excellence* on December 1–3, 2009 at Port Dickson, Negeri Sembilan. The MICPA is a sponsor for the seminar.

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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