

September 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

2012 Budget

- Together Driving Transformation

As members are aware, the 2012 Budget with the theme *Together Driving Transformation* will be announced on **Friday, October 7, 2011** by the Minister of Finance.

To support and promote the Institute as a Centre of Technical Excellence, the following media activities were planned in conjunction with Budget Day, both pre and post to highlight some of the wish list and budget proposals, including some of the recent developments that may affect business decisions:

- Pre-budget recorded interview with TV3 commenting on the wish list for the 2012 budget. Dr Veerinderjeet Singh, Alternate Chairman, Tax Practice Committee represented the Institute;
- Pre-budget recorded interview with Bernama TV – SWOT WATCH. Dr Veerinderjeet Singh, Alternate Chairman, Tax Practice Committee represented the Institute. **The programme will be aired on Saturday, October 1, 2011 between 10:00 – 11:00 p.m.** with repeats up until budget day;
- Pre-budget interview with China Press. Mr Beh Tok Koay, Chairman, Tax Practice Committee represented MICPA;
- Pre-budget interview with Sin Chew Daily. Mr Beh Tok Koay, Chairman, Tax Practice Committee represented MICPA;
- Pre-budget live interview with TRAXX101 FM on **Friday, October 7, 2011 at 11:15 – 11:45 a.m.** Ms Theresa Goh, Council Member & Member of MICPA Tax Practice Committee will represent the Institute;
- Contribution of Pre-budget article to The Malaysian Reserve by Ms Woon Yoke Lee and Mr David Lai, BDO Malaysia;
- Post-budget live interview on “Helo Malaysia” on **Friday, October 7, 2011 at 10:00 – 11:00 p.m.** Ms Theresa Goh, Council Member & Member of MICPA Tax Practice Committee will represent the Institute; and
- Contribution of Post-budget article to The Malaysian Reserve by Dr Veerinderjeet Singh.

The Public Affairs Committee of the Institute would like to thank all council members and firms for their technical input for the above media activities.

13th MICPA Accountancy Week - An Accounting Adventure

We have pleasure in informing that the Institute will be holding its 13th MICPA Accountancy Week with the theme **An Accounting Adventure** from **November 12 – 19, 2011**

A series of events have been planned for the week including:

- Accounting Quiz (AccQuiz) for upper secondary schools;
- Accounting Students Quiz for university and professional level;
- The Business Strategy Challenge - Management Simulation Game jointly organised with the Accounting Club of Universiti Kebangsaan Malaysia;
- Sports and Games Competition jointly organised with the Accounting Clubs of Universiti Teknologi MARA (UiTM) – APAcS, ABACS & AFTAS and Universiti Malaya; and
- Career Counselling Sessions.

For further information, please click [here](#).

MICPA Education & Training

Students Sponsorship Programme

The Students Sponsorship Programme (SSP) is a programme launched jointly by the MICPA and approved accounting firms or approved training organisations recently. The objective of the programme is to assist students who are interested to pursue the revised MICPA programme while pursuing the final year of an accredited Bachelor of Accountancy degree programme. It also provides an avenue to approved accounting firms or approved training organisations in identifying suitable candidates for internship and employment.

Under the SSP, approved accounting firms or approved training organisations will sponsor students who are interested to pursue the Taxation module and the Financial Reporting module of the revised MICPA programme while pursuing the final year of their Bachelor of Accountancy degree programme.

Candidates under the SSP will be required to work for the approved accounting firms or approved training organisations during their internship as well as upon completion of the Bachelor of Accountancy degree programme for a period of not less than 3 years.

The SSP is open to candidates who meet the following minimum criteria:

- Pursuing final year of a 4-year Bachelor of Accountancy degree programme accredited by MICPA or ICAA
- Minimum CGPA of 3.5 after completing 3-years of the Bachelor of Accountancy degree programme
- Active participation in extra-curricular activities
- Excellent communication skills, both oral and written. Fluency in written and spoken English is critical
- Must be a Malaysian citizen with good personality traits

The MICPA will work together with the various accredited public and private universities in Malaysia to identify suitable candidates who are interested to pursue the revised MICPA programme.

The profile of the identified candidates will be submitted to the approved accounting firms or approved training organisations for their consideration. The approved accounting firms or approved training organisations will conduct an interview with the identified candidates in order to consider the suitability of the candidates meeting the needs of the approved accounting firms or approved training organisations. An acceptance letter will be given to the successful candidates.

For further information on the Students Sponsorship Programme, please contact the Institute's Marketing Manager or 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 September, 2011 to the following firms, universities and colleges. It was also an opportunity for the Institute to promote the Students Sponsorship Programme which has been launched by the Institute.

Member Firms

- KPMG On-boarding Session

- On September 6, 2011

Universities/ Colleges

- Universiti Malaya

- On September 20, 2011

- Universiti Teknologi MARA (UiTM) Shah Alam

- On September 21, 2011

- Universiti Sains Malaysia

- On September 26, 2011

- Universiti Utara Malaysia

- On September 27, 2011

- Universiti Teknologi MARA (UiTM) Sabah

- On September 30, 2011

- Tuanku Abdul Rahman College, Setapak

- The Institute made a courtesy visit to TAR College and met with Faculty members on September 7, 2011.

Approved Training Employers

The MICPA provides for two streams of training. The MICPA students may undertake their training with Approved Training Employers - in approved accounting firms or in Approved Training Organisations (ATOs) in commerce, industry or the public sector.

To date, over 480 members' firms and 77 ATOs are registered with the Institute where students can undertake their training. For further information, please visit the MICPA website www.micpa.com.my and go to **Explore and click on Approved Training Employers in the Homepage.**

Job Opportunities on MICPA Website

As part of the Institute's service to members, Members' Firms and Approved Training Organisations of the Institute who wish to advertise any job opportunities in their respective firms are welcome to send in the job vacancy to the Institute. The opening will be posted on the MICPA website for one (1) month from the date of posting.

For further information, please contact the Public Affairs & Communications Manager on Tel: 03-2698 9622 or email: vic.pr@micpa.com.my.

MICPA Technical Updates

MEMBERS' HANDBOOK SUPPLEMENT NO.119

Auditing Technical Release

Further to Circular No.TEC/049/08/2011/W dated August 26, 2011, members are informed that the Council of the Institute has approved the issuance of the Auditing Technical Release 7 (Revised), *Examples of Independent Auditor's Reports*, in August 2011.

This Technical Release sets out examples of auditor's reports which comply with the requirements of Section 174 of the Companies Act, 1965 as well as ISA 700 (Redrafted), *Forming an Opinion and Reporting on Financial Statements*, ISA 705 (Revised and Redrafted), *Modifications to the Opinion in the Independent Auditor's Report*, and ISA 706 (Revised and Redrafted), *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*.

ISA 700 (Redrafted), ISA 705 (Revised and Redrafted) and ISA 706 (Revised and Redrafted) are effective for audits of financial statements for periods beginning on or after January 2010. No early adoption is allowed. The examples illustrate circumstances that may result in unqualified opinion, qualified opinion, disclaimer of opinion and adverse opinion.

The examples of independent auditor's reports supersede the examples of auditor's reports issued together with ISA 700 (Revised), *The Independent Auditor's Report on a Complete Set of General Purpose Financial Statements* and ISA 701, *Modifications to the Independent Auditor's Report*, once ISA 700 (Redrafted), ISA 705 (Revised and Redrafted) and ISA 706 (Revised and Redrafted) become effective.

A copy of the Supplement 119 and this Technical Release can be downloaded from the MICPA website www.micpa.com.my under Member's Handbook in the Members' Area.

INLAND REVENUE BOARD OF MALAYSIA (IRB)

Public Ruling No.7/2011

– Notification of Change in Accounting Period of A Company/ Trust Body/ Co-Operative Society

Further to Circular No.TEC/050/09/2011/W dated September 6, 2011, members are informed that the IRB has issued Public Ruling No.7/2011: Notification of Change in Accounting Period of a Company/ Trust Body/ Co-operative Society on August 23, 2011.

Public Ruling No.7/2011 which is effective from Year of Assessment 2012 and subsequent years of assessment explains the procedure to inform the IRB on the change in accounting period of a company, trust body or co-operative society.

The above Public Ruling can be downloaded from the IRB's website at:

http://www.hasil.gov.my/pdf/pdfam/PR7_2011.pdf.

New Order for Penalty Imposed Under Section 112(3) of the Income Tax Act, 1967

Further to Circular No.TEC/052/09/2011/W dated September 28, 2011, members are informed that following the Circular No.TEC/046/08/2011/W dated August 1, 2011, the Inland Revenue Board (IRB) has issued a letter with regard to the IRB's response to the supplementary issue raised at the Desire Meeting No. 2/2011 on the new penalty rate imposed under Section 112(3) of the Income Tax Act, 1967.

Please be informed that the IRB has given concession to those late filing cases which have been submitted before September 30, 2011 by imposing the penalty based on the old penalty rates.

For those late filing cases before September 30, 2011 which have been imposed by the IRB with the new penalty rate, appeals could be made to the Assessment Branches, Information Processing Department or the Tax Operation Department of the IRB.

A copy of the above IRB's letter is now available on the MICPA's website www.micpa.com.my in the Members' Area.

MICPA Study Tour to Cambodia

– November 3 – 6, 2011

Further to Circular No.TEC/051/09/2011/W dated September 27, 2011, members are informed that the Public Practice Committee is organising a *MICPA Study Tour* to Cambodia, which has been planned for November 3 – 6, 2011.

In conjunction with the Study Tour, a conference featuring the theme *Business Opportunities in Cambodia*, has been scheduled for Friday, November 4, 2011 from 8:00 a.m. to 1:00 p.m. to be held in Cambodia.

The conference is intended to cover the following areas:

- Business Opportunities in Cambodia
- Accounting Profession and Applicable Regulatory Requirements in Cambodia
- Challenges of Operating a Practice in Cambodia

- Listing of Companies in Cambodia
- Development in Cambodia

The main objective of the study tour and conference is to provide a venue for members to discuss and exchange views on current issues pertinent to public accounting practice as well as to gain an insight of the accountancy profession and business environment in Cambodia. It will also serve to allow members to interact and foster professional relationship at a social level.

A presentation on Business Climate, Business Opportunities and Experiences of Malaysian Businesses in Cambodia by the Malaysian Business Council of Cambodia has also been scheduled for Thursday, November 3, 2011 from 2:00 – 5:00 p.m. The presentation aims to provide an opportunity for the exchange of views on the current business developments in the accountancy profession in Cambodia and challenges often faced by Malaysian businesses looking to expand to the Cambodian market.

Members who are interested to participate in the MICPA study tour to Cambodia are kindly requested to complete the registration form and return together with the appropriate payment to the Secretariat by **Friday, October 14, 2011**. A social programme will be arranged for accompanying persons if there is sufficient response.

For further information, please refer to the circular which has been uploaded in the Members' area on the MICPA website www.micpa.com.my or you may contact Ms Chow Hsiao Mei, Technical Manager at 03-2698 9622 x 105 or email: chm.tech@micpa.com.my.

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:

Analytical Procedures

The MICPA is organising a one-day Workshop on *Analytical Procedures* on October 4, 2011 at Seri Pacific Hotel Kuala Lumpur.

Analytical procedures consist of the analysis of significant ratios and trends including the resulting investigation of fluctuations and relationships that are inconsistent with other relevant information or which deviate from predictable amounts.

The Workshop is tailored for staff of small and medium sized audit firms including accounting personnel in small and medium enterprises. Mr Yung Chuen Seng will lead discussions at the workshop. For further information, please click [here](#).

CFO of the Future – Intensive Workshop 2011

The MICPA in collaboration with the Institute of Chartered Accountants in Australia (ICAA) is organising the *CFO of the Future – Intensive Workshop 2011* on October 5 & 6, 2011 at the Renaissance Kuala Lumpur Hotel.

Gain insights into the strategic skills and mindset a CFO needs to lead future business growth to help your organisation maintain its strategic competitive advantage. Designed specifically for aspiring and existing CFO's, the intensive two-day workshop will give you the practical tools to guide your organisation's strategic direction.

The workshop will be led by Mr John Petty, FCA – Client Director, Bentleys NSW. For further information, please click [here](#).

News from Regulatory Bodies

SECURITIES COMMISSION MALAYSIA (SC)

SC Statement on the Sime Darby-E&O Shares Transaction

The SC continues to receive queries on the Sime Darby-E&O shares transaction. We would like to reiterate that we are examining the circumstances surrounding the transaction for any Takeover Code implications. We are also reviewing all stock transactions by all parties over the relevant period related to this matter. The outcome of these two reviews will only be known after all the relevant facts have been established.

In accordance with the SC's internal governance processes, the reviews are being led by the two most senior Commission Members, YBhg Datuk Francis Tan and YBhg Datuk Gumuri Hussain and the SC Chairman had, from the onset, recused herself.

The SC's Statement of Principles and Standards requires the SC to observe the highest ethical and governance standards in the discharge of our functions. The SC's Statement of Principles and Standards requires the SC to observe the highest ethical and governance standards in the discharge of our functions. The SC has always upheld this and will continue to do so.

SC Partners with MOE to Make Kids Financially Savvy

The Securities Commission Malaysia (SC) has embarked on a partnership with the Ministry of Education (MOE) to build financial literacy amongst school children.

The "Train the Trainer for Teachers" programme (Train the Teachers) was launched by the Deputy Education Minister, Wee Ka Siong on September 14, 2011 and aims to equip teachers with financial literacy teaching skills. These teachers will then serve as "change agents" to create a significant multiplier effect to reach out to school children, aged between 10 to 15 years.

Investor education has long been a regulatory priority for the SC which believes it is essential that people develop the necessary skills to safely avoid the many scams and fraudulent schemes in the market and to assess the suitability of legitimate financial products and services in accordance with their financial capabilities and risk appetite. Through its training and development arm, the Securities Industry Development Corporation (SIDC), the SC delivers a range of investor education programmes such as Be Money Wise and Money@Work which cater to adults, as well as programmes for children such as Kids & Cash, Teens & Cash, Cash@Campus and Kampus kaChing.

The SC started developing Train the Teacher programme as part of a broader train the trainer initiative for investor education to leverage on its multiplier effect in building financial literacy & responsibility and resistance to scams and to ensure the sustainability of efforts supporting the journey from financial literacy to financial capability.

Train the Teacher, which was piloted earlier this year on 100 teachers from Selangor and Terengganu, is part of the SC's long-term plan to provide young kids a head start in financial literacy. It equips teachers with the tools and skills to run activity-based workshops to help children learn about money management and formulate smart spending habits in fun-filled and creative ways.

SC Collaborates with Top Chinese Business School

The SC has signed a letter of intent with Tsinghua University's School of Economics and Management (Tsinghua SEM), one of the top business schools in China, to develop an annual five-day Malaysia-China Financial Programme for Senior Executives (MCFP). The MCFP aims to provide participants in-depth knowledge and innovative thinking on China.

The three-year commitment kicks off with the inaugural session in Beijing from October 17- 21, 2011. It will provide participants a cross-cultural experience into the fast developing Chinese capital market, as well as to share views and develop ties with Chinese government officials and business experts, who will be participating as guest speakers.

MCFP will be conducted through lectures, interactive discussions and networking sessions. The programme will be jointly taught by professors from Tsinghua University, representatives from the China Securities Regulatory Commission and China Banking Regulatory Commission, officials from the Ministry of Foreign Affairs in China as well senior management from reputable investment banks in China.

Tsinghua University is China's foremost institution of higher learning with an highly influential alumni, including former premier Zhu Rongji and other top leaders in both the political and economic front of China. Tsinghua SEM, being one of the top business schools in China, actively collaborates with top universities around the world, including Harvard, MIT, Stanford and INSEAD.

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

BURSA MALAYSIA BERHAD

Bursa Malaysia Amends Listing Requirements and Issues Guide to Raise Disclosure Standards

As part of its ongoing efforts to promote high standards of corporate disclosure, Bursa Malaysia has made various amendments to its Listing Requirements (LR) and introduced a Corporate Disclosure Guide (CD Guide) aimed at assisting listed issuers elevate their standards of disclosure. High standards of disclosure is a value proposition that can enhance a listed issuer's investability.

Bursa Malaysia's Chief Executive Officer, Dato' Tajuddin Atan said, "Bursa Malaysia's regulatory framework aims primarily to maintain market integrity and investor protection. In this regard, reliable, informative and timely disclosures are key towards building a corporate community that is disclosure based and transparent.

"The amendments made are part of the Exchange's continuous review given the ever-changing capital market environment. In this dynamic environment, investors demand for timely, adequate and relevant information to make informed decisions."

"For listed issuers, it is in their interest to ensure timely disclosure of accurate and quality information in order to maintain investors' confidence. The CD Guide will help listed issuers better understand their disclosure obligations and improve overall transparency in the marketplace, thereby enhancing their investability."

The amendments to the LR for the Main and ACE markets and the issuance of the CD Guide were made following consultations with the public, industry groups and stakeholders. The amendments are in the following key areas:

1. improving the quality of information for financial reporting;
2. improving disclosure by listed issuers in areas of related party transactions, poll voting, corporate proposals, boardroom/senior management/external audit announcements;
3. according greater flexibility to listed issuers in structuring share scheme for employees;
4. promoting greater transparency in respect of share schemes for employees which do not involve issuance of new shares;
5. facilitating listed issuers to pay dividends in shares to their shareholders through a “ Dividend Reinvestment Scheme”; and
6. promoting greater efficiency in the market by allowing listed issuers to buy back odd lot shares through direct business transactions.

The amendments to the LR will take effect from January 3, 2012. In respect of the enhanced disclosure requirements in the quarterly financial reports and annual reports, all listed issuers must comply with the enhanced disclosures in the LR for the financial periods/ years ending on or after December 31, 2011.

In conjunction with the issuance of the amendments to the LR and the CD Guide, Bursa Malaysia plans to organise a series of advocacy programmes for chief executive officers and chief financial officers to aid in the application of the corporate disclosure policy under the LR.

For the full list of the LR amendments and details of the CD Guide, please visit Bursa Malaysia's website at www.bursamalaysia.com.

BANK NEGARA MALAYSIA (BNM)

Opening of Sasana Kijang

The Prime Minister of Malaysia, Y.A.B Datuk Seri Mohd Najib Tun Abdul Razak, today officiated the opening of Sasana Kijang. Sasana Kijang is the realisation of Bank Negara Malaysia's aspiration to establish a centre of excellence in knowledge and learning in central banking and finance.

Sasana Kijang is also home to the international Islamic Financial Services Board (IFSB), an international organisation for the setting of prudential standards for the Islamic Finance and its global development, The SEACEN Centre, a regional learning and research Centre for Central Banks in Asia is also located in Sasana Kijang. The SEACEN Centre, represents the nation's commitment to training in areas including central banking, banking supervision, Islamic finance, executive learning as well as research and development.

Designed to be a nexus for thought leadership and collaboration in central banking, Sasana Kijang hosts a learning centre with state-of-the-art training facilities for assisting structured programmes and high level seminars for local and foreign participants and provides opportunities for the exchange of views and experience towards promoting capacity building in central banking to be better positioned in meeting future challenges.

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

News from IFAC and IASB

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

New IFAC Website Launched

In addition to supporting the independent standard-setting boards and leading the development of the global accountancy profession, IFAC aims to provide tools and resources for our members and our stakeholders. Particularly in today's digital, fast-paced environment, easier access to the information you need is not just a benefit—it's a necessity.

The new IFAC website has been launched and features a clean and modern design, a more intuitive architecture, navigation, expanded content and topical and timely issues and insights:

IIRC Releases Discussion Paper

The International Integrated Reporting Committee (IIRC) has released its Discussion Paper, *Towards Integrated Reporting - Communicating Value in the 21st Century*. The paper, which is the result of extensive input from experts around the world, presents the rationale for integrated reporting, offers initial proposals for the development of an international integrated reporting framework, and outlines next steps toward its creation and adoption. The goal of the paper is to solicit input from all stakeholders. The IIRC will also be commencing a Pilot Programme in October 2011 to "road test" this framework.

Integrated reporting will allow organizations to release more inclusive and useful reports on all aspects of performance, including environmental, social, and governance, as well as economic, in a concise and user-friendly format. This inclusion of more meaningful and understandable information will allow organizations to provide a significant assessment of the long-term viability of an organisation, as well as meet the information needs of investors and other stakeholders.

The Discussion Paper follows up on many of the themes and recommendations of the IFAC report *Integrating the Business Reporting Supply Chain*.

Comments are encouraged from various stakeholders, including reporting organizations, investors, policymakers, regulators, standard setters, civil society, employees, assurance providers, academics, and others. The Comment Deadline is **December 14, 2011** and should be submitted to dpresponses@theiirc.org or through www.theiirc.org.

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

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

IASB Proposes to Exempt Investment Entities from Consolidation Requirements

The International Accounting Standards Board (IASB) has published proposals to define investment entities as a separate type of entity that would be exempt from the accounting requirements in IFRS 10 *Consolidated Financial Statements*.

Investment entities are commonly understood to be entities that pool investments from a wide range of investors for investment purposes only. Currently, IFRS 10 *Consolidated Financial Statements* would require consolidation if an investment entity controls an entity it is investing in. However, when developing IFRS 10, investors commented that this would not provide them with the information they need to assess the value of their investments. To address this issue, the exposure draft published today proposes criteria that would have to be met by an entity in order to qualify as an investment entity. These entities would be exempt from the consolidation requirements and instead would be required to account for all their investments at fair value through profit or loss. The exposure draft also includes disclosure requirements about the nature and type of these investments.

This project is being undertaken jointly by the IASB and the US national standard-setter, the Financial Accounting Standards Board (FASB). Both boards' proposals are broadly aligned. However, the FASB is considering proposing that the exemption would extend to cases in which the investment entity is owned by a larger group that is not itself an investment entity. The FASB will publish its exposure draft in due course.

The exposure draft *Investment Entities* is open for public comment until January 5, 2012 and can be accessed via <http://go.iasb.org/open+to+comment>. The FASB will align its comment period with that of the IASB to ensure joint re-deliberations. A podcast on these proposals and a high-level summary of the proposals (IASB Snapshot) is available on the project page. If adopted, the proposals would be integrated into IFRS 10.

IFRS Taxonomy Interim Release for Common-Practice Concepts

The IFRS Foundation, the oversight body of the IASB, have completed the first part of its project to address requests by regulators and preparers for extensions to the full International Financial Reporting Standards (IFRS) XBRL Taxonomy.

The IFRS XBRL Taxonomy is used to help those filing IFRS financial statements electronically to 'tag' the information with identification tags (called 'concepts' in an XBRL taxonomy). Currently, the IFRS taxonomy includes all core concepts included in IFRSs as issued by the IASB.

However, preparers often need to provide more detailed financial information than is reflected by the core IFRS concepts. To ensure that those creating and using electronic filings do not need to create their own extensions to the IFRS taxonomy, the IFRS Foundation has created an 'extension taxonomy' by analysing and drawing from common practice. For instance, although IFRSs require the disclosure of an analysis of expenses, the IFRSs do not include a prescriptive listing of all the possible categories of expenses. The common-practice taxonomy includes concepts for the most commonly used types of expenses, such as 'sales and marketing'.

The interim taxonomy released today completes the first part of a project to address this issue, by providing about 350 extensions for the most common concepts used in the financial statements. Work is continuing on extensions to the detailed tagging of the footnotes to the financial statements. The IFRS XBRL team is expected to publish the proposals in October 2011.

The common-practice concepts are in line with IFRS requirements and will help to alleviate the burden on preparers and to increase the comparability between financial statements in accordance with IFRSs that are electronically submitted.

Effect Analysis for IFRS 10 and IFRS 11 Now Available

The effect analysis for IFRS 10 Consolidated Financial Statements, which also includes the effect analysis for IFRS 12 Disclosure of Interests in Other Entities, and the effect analysis IFRS 11 Joint Arrangements are now available for download on the project pages.

The effect analyses provide detailed insights into the potential impacts of the new requirements using case studies and other quantitative and qualitative material, as appropriate

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

News from Professional and Other Bodies

MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

Accountancy: Education & Career Seminar (ACES)

The Malaysian Institute of Accountants is organising the *Accountancy: Education & Career Seminar (ACES) Road Show* which will be held in early 2012.

The road show is expected to target and reach out to 1,400 MARA Junior Science Colleges (MRSM) students from 5 zones – Alor Gajah, Kuantan, Pengkalan Chepa, Merbok and Taiping.

The MICPA will be participating in the above Education & Career Seminar.

MIA-AFA Conference 2011

The MIA is collaboration with the ASEAN Federation of Accountants (AFA) is organising the *MIA International Accountants Conference and the 17th AFA Conference* on November 2 – 3, 2011 at the Kuala Lumpur Convention Centre.

With the theme *Converge, Transform, Sustain: Towards World Class Excellence*, the conference is set to attract over 2, 500 accountants, senior business leaders and decision makers from ASEAN and the Asia Pacific region.

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

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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