

MICPA e-NEWSLINE

MONTHLY ELECTRONIC NEWSLETTER - MARCH 2020 ISSUE



UPCOMING CPD

- Mar 13 Valuation Basics of a Private Company
- Mar 23 One-Day Workshop on Corporate Grooming
- Mar 28 Data Analytics for Absolute Beginners
- Apr 2 NEW : One-Day Seminar on MPERS: Practical Issues and Fair Value Measurements
- Apr 9 & 10 One-Day Workshop on Effective Emailing
- Apr 16 UPDATED One-Day Seminar on Accounting for Share Capital: Issuance of Shares, Share Buybacks, Capital Reduction & Reconstruction, Redeemable Preference Shares and Distributions
- Apr 27 Hands on Excel Training for Selected MFRS

MICPA takes the COVID-19 outbreak seriously and is monitoring the situation closely in order to ensure the safety and wellbeing of our members, candidates, stakeholders and staff.

Read the Institute's full statement on our website www.micpa.com.my

ANNOUNCEMENTS

MICPA-MARC Economic Outlook Report 2020



We are cautious about the prospects of a global economic recovery this year. We think that a broad-based recovery is unlikely as much of the turnaround would likely be driven by improvements in emerging markets and developing economies, not advanced economies.

MICPA, in conjunction with the Malaysian Rating Corporation Berhad (MARC) is pleased to present to you the Economic Outlook Report 2020.

The Report is attached for your reading. You may access it through our website - <https://bit.ly/3aAQhZN>

MICPA TECHNICAL UPDATES

RMC - Issues for Discussion by Consultative Panel between Customs and Private Sector

Issue Date February 7

Description 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 policy related customs and excise matters submitted by the private sector.

IRB - Operational Guidelines No. 2/2019: Tax Clearance Letter Application for Companies, Limited Liability Partnerships (LLP) and Labuan Entities

Issue Date February 7

Description Members are informed that the Inland Revenue Board of Malaysia (IRBM) has issued an updated Operational Guidelines No. 2/2019 on the Tax Clearance Letter Application for Companies, Limited Liability Partnerships (LLP) and Labuan Entities (available in Malay language only) on November 12, 2019.

IESBA - Invitation to Comment on IESBA Exposure Draft, 'Proposed Revision to the Code Addressing the Objectivity of Engagement Quality Reviewers'

Issue Date February 7

Description The International Ethics Standards Board for Accountants ("IESBA") has, on January 30, 2020, issued an IESBA Exposure Draft entitled "*Proposed Revision to the Code Addressing the Objectivity of Engagement Quality Reviewers*"

IRB - Minutes of Dialogue for Post 2020 Budget Issues

Issue Date February 14

Description A dialogue between the Inland Revenue Board of Malaysia and Ministry of Finance as well as representatives from MICPA, CTIM, MIA and MAICSA, amongst other bodies was held on January 9, 2020 to discuss on issues arising from the 2020 Budget.

MICPA TECHNICAL UPDATES (CONT'D)

MICPA - A Reminder to Members to Take Note of the Most Common Inspection Findings

Issue Date February 14

Description As part of the MICPA's continuous effort to promote and help auditors enhance their quality of audits, this circular serves as a reminder to members to take note of the most common inspection findings made by the regulator at the engagement level.

IRB - Restructuring of Information Processing Centre

Issue Date February 21

Description Please be informed that the Inland Revenue Board of Malaysia (IRBM) has in its media release on February 17, 2020 announced that the Information Processing Centre of the IRBM has been restructured and is now known as the Tax Information and Record Management Division effective February 1, 2020.

IASB - Invitation to Comment on IASB Request for Information "Comprehensive Review of the IFRS for SMEs Standard"

Issue Date February 21

Description The International Accounting Standards Board ("IASB") has recently issued an IASB Request for Information "Comprehensive Review of the IFRS for SMEs Standard", asking for views on its approach to updating the IFRS for SMEs Standard – the simplified accounting standard for small and medium-sized entities.

IRB - Amendments to the Guidelines for Approval of Director General of Inland Revenue under Subsection 44(6) of the Income Tax Act 1967

Issue Date February 28

Description Members are informed that further to the Institute's Circular Nos. TEC/046/06/2019/W and TEC/066/09/2019/W dated June 14, 2019 and September 13, 2019, the Inland Revenue Board of Malaysia (IRBM) has issued an amended Guidelines for Approval of Director General of Inland Revenue under Subsection 44(6) of the Income Tax Act 1967 (ITA 1967) (Guidelines) on January 30, 2020.

MICPA TECHNICAL UPDATES (CONT'D)

IPSASB - Invitation to Comment on (1) IPSASB Exposure Draft 70 'Revenue with Performance Obligations'; (2) IPSASB Exposure Draft 71 'Revenue without Performance Obligations'; (3) IPSASB Exposure Draft 72 'Transfer Expenses'.

Issue Date February 29

Description The International Public Sector Accounting Standards Board ("IPSASB") has, on February 21, 2020, issued the IPSASB Exposure Draft 70 'Revenue with Performance Obligations', IPSASB Exposure Draft 71 'Revenue without Performance Obligations' and IPSASB Exposure Draft 72 'Transfer Expenses'.

For further details on MICPA Technical Updates, log on to <http://www.micpa.com.my/resources/for-members/circulars/>

REGULATORY BODIES' UPDATES

BANK NEGARA MALAYSIA (BNM)

Domestic Systemically Important Banks (D-SIB) Framework

Issue Date February 2

Description Bank Negara Malaysia (the Bank) today issued the policy document on Domestic Systemically Important Banks (D-SIB) Framework, which sets out the Bank's assessment methodology to identify D-SIBs in Malaysia, and the inaugural list of D-SIBs.
[Read more](#)

Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2019

Issue Date February 12

Description This document is in Portable Document File (PDF) format. Click link to access the document.
[Read more](#)

REGULATORY BODIES' UPDATES (CONT'D)

BANK NEGARA MALAYSIA (BNM) (CONT'D)

Statement by Bank Negara Malaysia

Issue Date February 24

Description In light of recent developments that are currently unfolding, Bank Negara Malaysia (BNM) is closely monitoring conditions in the financial markets. While ringgit movements will continue to be market determined, BNM's market operations will ensure sufficient liquidity and orderly financial market conditions.

[Read more](#)

Measures to Assist Businesses and Households Affected by the COVID-19 Outbreak

Issue Date February 27

Description To assist businesses and households impacted by the COVID-19 outbreak, Bank Negara Malaysia (BNM) is allocating RM3.3 billion of financing facilities under BNM's Fund for SMEs to provide support for SMEs in sustaining business operations, safeguard jobs and encourage domestic investments.

[Read more](#)

Detailed Disclosure of International Reserves as at end-January 2020

Issue Date February 28

Description In accordance with the IMF SDDS format, the detailed breakdown of international reserves provides forward-looking information on the size, composition and usability of reserves and other foreign currency assets, and the expected and potential future inflows and outflows of foreign exchange of the Federal Government and Bank Negara Malaysia over the next 12-month period.

[Read more](#)

Monetary and Financial Developments in January 2020

Issue Date February 28

Description This document is in Portable Document File (PDF) format. Click link to access the document.

[Read more](#)

REGULATORY BODIES' UPDATES (CONT'D)

SECURITIES COMMISSION (SC)

Statement by Chairman of the Securities Commission Malaysia

Issue Date February 2

Description The statement of facts in the case of Regina vs Airbus SE discloses several allegations against AirAsia Group Bhd and AirAsia X Bhd.

[Read more](#)

SC Releases AGM CG Checklist to Enhance Shareholder Activism

Issue Date February 5

Description The Securities Commission Malaysia (SC) today released the Annual General Meeting Corporate Governance Checklist for Shareholders (AGM CG Checklist) to promote meaningful dialogue between shareholders and board of directors at annual general meetings (AGM). The AGM CG Checklist was developed in collaboration with the Institutional Investors Council Malaysia and the Minority Shareholders Watch Group.

[Read more](#)

SC Liberalises Regulation on Private Retirement Schemes to Enhance Competitiveness of the Industry

Issue Date February 21

Description The Securities Commission Malaysia (SC) today announced liberalisation measures of the Private Retirement Schemes (PRS) to enhance the competitiveness of the industry.

[Read more](#)

Malaysian Capital Market Remains Fair and Orderly

Issue Date February 25

Description The Securities Commission Malaysia (SC) is closely monitoring the ongoing developments in the capital market given the current domestic and global situations.

[Read more](#)

REGULATORY BODIES' UPDATES (CONT'D)

SECURITIES COMMISSION (SC) (CONT'D)

SC and Bursa Malaysia announce the setting up of a Regulatory Subsidiary

Issue Date February 25

Description The Securities Commission Malaysia ("SC") and Bursa Malaysia Berhad ("Bursa Malaysia") today announced that Bursa Malaysia will establish a wholly-owned subsidiary to assume the regulatory functions currently undertaken by Bursa Malaysia ("Bursa RegSub").

[Read more](#)

Capital Market-related Measures to Support the Malaysian Economy

Issue Date February 27

Description The Securities Commission Malaysia (SC) is working with the Government and other relevant parties to implement capital market-related measures announced in the economic stimulus package by YAB Tun Dr Mahathir Mohamad.

[Read more](#)

ROYAL MALAYSIAN CUSTOMS DEPARTMENT (CUSTOMS)

Penentuan Jualan Nilai Barang Bercukai dibawah Seksyen 9(3) ACJ 2018 (as at January 30, 2020)

Description Click to download the Specific Guide on Sales and Tax.

[Read more](#)

Panduan Pembayaran Balik (Refund), Pulang Balik (Drawback) dan Rayuan Cukai Jualan (as at February 17, 2020)

Description Click to download the Industry Guide on Service Tax.

[Read more](#)

REGULATORY BODIES' UPDATES (CONT'D)

ROYAL MALAYSIAN CUSTOMS DEPARTMENT (CUSTOMS)

Service Tax Policy

- Description** Click to download the following from the Customs website:
- "Service Tax Policy No. 7/2020 – Accounting of Service Tax for Persons Exempted from Payment of Service Tax under Item 3 and 4, Service Tax (Persons Exempted from Payment of Tax) Order 2018 (issued on February 28, 2020)
 - Service Tax Policy No. 8/2020 – Accounting of Service Tax for Persons Exempted from Payment of Service Tax under Item 3 and Group Relief Facility on Provision of Taxable Services to Company within the Same Group of Companies (issued on February 28, 2020)
 - Service Tax Policy No. 9/2020 – Accounting of Service Tax for Persons Exempted from Payment of Service Tax under Item 3 and 4, Service Tax (Persons Exempted Service Tax Treatment on Group A: Accommodation First Schedule Service Tax Regulations 2018 under Economic Stimulus Package 2020 (ESP 2020) (issued on March 6, 2020)

[Read more](#)

OTHER PROFESSIONAL BODIES

CHARTERED ACCOUNTANTS AUSTRALIA AND NEW ZEALAND (CAANZ)

March 2020 Acuity is out now

- Description** Acuity - CAANZ's bi-monthly magazine on economics, finance and business.

Main article: Get up to speed on cryptocurrencies

[Read more](#)

OTHER INTERNATIONAL UPDATES

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

Professional Accountants: Taking the Lead on Ethics and Trust in Tax Systems

Issue Date February 4

Description Taxpayers everywhere want to be taxed fairly and efficiently. But many don't see this happening.

[Read more](#)

Ten Improvements in Data Quality Provided by the Internet of Things

Issue Date February 5

Description Good data quality is the foundation from which accountants provide effective decision-support and business partnering.

[Read more](#)

IFAC Outlines Five Factors for High-Quality Audit, Issues Call to Action for Stakeholders in Audit Ecosystem

Issue Date February 12

Description The International Federation of Accountants (IFAC) and the global accountancy profession are committed to continuous improvement and recognize the negative consequences of any audit failure.

[Read more](#)

From Non-Financial Disclosure to Integrated Reporting

Issue Date February 18

Description The present time is characterized by constant business changes, which have a major impact on the competitiveness, growth, efficiency, and survival of any enterprise.

[Read more](#)

New Report Reveals the Ideal Accounting Practices for Governments to Deliver Transparency for their Citizens

Issue Date February 26

Description Good decision-making requires the right information. Given that most government decisions have financial implications, understanding the economic reality of a government's activities improves the quality of decisions made.

[Read more](#)

OTHER INTERNATIONAL UPDATES (CONT'D)

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC) (CONT'D)

One Language, One Profession, One Culture, One Bright Future

Issue Date February 21

Description In September 2019, during the VI Congress of Ordem dos Contabilistas Certificados in Lisbon, Portugal, the União dos Contabilistas e Auditores de Língua Portuguesa (UCALP)—translated as the Portuguese Speaking Countries Accountancy Union—was launched to serve as a platform to enhance both the communication between professional accountants and the mutual collaboration among its members.

[Read more](#)

Re-imagining the Future Accountant—Our Call to Action

Issue Date February 22

Description Transformational changes are re-shaping the roles accountants perform within society.

[Read more](#)

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

Help shape IFRS Standards in 2020

Issue Date February 7

Description To develop high-quality accounting standards, the International Accounting Standards Board (Board) seeks views from people interested in and affected by financial reporting. This engagement helps the Board to generate ideas and evaluate suggested solutions to accounting problems so that IFRS® Standards reflect the needs of the companies that use them when preparing their financial statements and of investors that use those financial statements when making investment decisions.

[Read more](#)

Disclaimer:

The views expressed in this e-Newsline are not necessarily those of the Institute. All rights reserved. Using partially or wholly, copying, changing, publishing or printing of content from this e-Newsline without prior consent of MICPA is prohibited. No translation or reproduction, either electronically or mechanically is permitted without obtaining a written permission.

MICPA does not warrant or make any representations regarding the use or the results of the use of the contents in this e-newsletter in terms of its correctness, accuracy, reliability, or otherwise. Under no circumstances, including, but not limited to negligence, shall MICPA be liable for any special or consequential damages or fees that result from the use of, or the inability to use, the content in this e-Newsline, even if MICPA or MICPA's authorised representative have been advised of the possibility of such damages.

The Malaysian Institute of Certified Public Accountants (MICPA)

No.15 Jalan Medan Tuanku
50300 Kuala Lumpur
Tel: 03-2698 9622
Fax: 03-2698 9403

Email: micpa@micpa.com.my
Website: www.micpa.com.my

