

MONTHLY ELECTRONIC NEWSLETTER - MAY 2020 ISSUE



In these challenging times, remember that we're all in this together. Let's support the collective efforts of the Nation by playing our part and together, we will see the end of this trying period. This too, shall pass.

Do continue to be vigilant and take the necessary measures to stay fit and healthy, and most importantly, stay home and obey the MCO to ensure that our Nation gets through this trying period as quickly as possible. Take care, everyone and stay safe!

ANNOUNCEMENTS

MICPA COVID-19 Resource & Support

MICPA is closely monitoring the development of COVID-19, to share information with members on a timely basis as well as to ensure we are taking the appropriate action to protect the wellbeing of our members, stakeholders and employees. The Institute has launched a COVID-19 Resource & Support page on its

website containing resources, along with the latest information from the Malaysian Government and regulatory bodies, to provide support to members and their clients in navigating these unprecedented times.

MICPA Virtual CPD

Since the announcement of the MCO, the Institute has actively organised its training programmes virtually. To check on upcoming training events, visit our website at www.micpa.com.my/calendar/training.

For further information on our training events or the registration details, please contact the Institute's CPD Department via e-mail at cpd@micpa.com.my.



MICPA TECHNICAL UPDATES

MICPA COVID-19 Resource & Support

Issue Date April 3

Description MICPA wishes to inform Members of the launch of its' MICPA COVID-19 Resource & Support. This webpage is curated to keep Members abreast of the latest information relating to the Institute's measures, advice and support, international updates, and the Government and regulatory responses relating to the impact of COVID-19 in a timely manner.

AOB - Impact of COVID-19 Pandemic on Financial Reporting of Public Interest Entities

Issue Date April 10

Description MICPA wishes to inform members that the Securities Commission Malaysia (SC)'s Audit Oversight Board ("AOB") closely monitors the impact of the COVID-19 pandemic on the financial reporting of public-interest entities ("PIEs") that operate in the Malaysian capital market.

MICPA & MARC - Mitigating the Impact of COVID-19: Learning Points

Issue Date April 14

Description MICPA and Malaysian Rating Corporation Berhad ("MARC") hereby jointly issued a publication entitled 'Mitigating the Impact of COVID-19'.

SSM - Initiatives to Ease Burden of Corporate Sector Due to COVID-19

Issue Date April 14

Description Members are informed that the Companies Commission in Malaysia (SSM) in its' press release on April 10, 2020 had announced five (5) initiatives to ease the burden of corporate sector to meet their obligations under the laws regulated by SSM.

Bursa - Additional Relief Measures to Provide Flexibilities in Fundraising and Ease Compliance for Listed Issuers

Issue Date April 17

Description Following the second extension of the Movement Control Order ("MCO") for another two weeks due to the COVID-19 pandemic, MICPA recognised that reporting entities will continue to face barriers to obtaining the information needed for reporting purpose and encounter difficulties in meeting their reporting timelines due to the MCO period.

MICPA TECHNICAL UPDATES (CONT'D)

IRB - Practice Notes No. 1/2020 and 2/2020

Issue Date April 21

Description Members are informed that the Inland Revenue Board of Malaysia (IRBM) had issued Practice Note No. 1/2020: Clarification Relating to the Loss Provision under the Income Tax (Exemption) (No. 3) Order 2018 in respect of Carrying on Business in International Currency Unit (Malay version only) and Practice Note No. 2/2020: Claiming Capital Allowance on the Development Cost for Customised Computer Software under The Income Tax Rules 2019 on February 17, 2020 and March 16, 2020 respectively.

IRB - Frequently Asked Questions on Revision and Deferment of Tax Estimates under the 2020 Economic Stimulus Package

Issue Date April 24

Description Members are informed that the Inland Revenue Board of Malaysia (IRBM) had on April 21, 2020 announced the issuance of the Frequently Asked Questions (FAQ) on Revision and Deferment of Tax Estimates under the 2020 Economic Stimulus Package.

IRB - Commencement of Operations

Issue Date April 24

Description Please be informed that the Inland Revenue Board of Malaysia (IRBM) has in its media release on April 22, 2020 announced that having been classified as provider of essential services, all IRBM's premises had commenced operations on April 23, 2020 with provision of limited services until the end of Phase 3 of the Movement Control Period.

SC - Guidance on Virtual Meetings for Listed Issuers

Issue Date April 28

Description The Securities Commission Malaysia ("SC") issued a Guidance Note on the Conduct of General Meetings for Listed Issuers ("Guidance Note") and stated that listed issuers shall only conduct fully virtual general meetings during the Movement Control Order ("MCO") period.

MICPA TECHNICAL UPDATES (CONT'D)

CPA Members in Public Practice

Issue Date April 28

Description Members are reminded to comply with the Institute's Bye-Laws [Bye-Law 55(1) & Bye- Law 56 (1)] when you engage in public practice in Malaysia.

Bursa - Amendments to Main and ACE Market Listing Requirements to Facilitate Application of Specified Corporate Exercises via Electronic Means

Issue Date April 28

Description MICPA wishes to inform members that the Bursa Malaysia Securities Berhad ("the Exchange") has amended the Main and ACE Market Listing Requirements (collectively "Listing Requirements") to provide securities holders with an option to subscribe for rights shares, exercise convertible securities and participate in a Dividend Reinvestment Scheme ("DRS") electronically ("eCorporate Exercises Amendments") to promote operational efficiency and efficacy for listed issuers and greater convenience for investors.

SSM - Extension of Time for Renewal of Company Secretary's Licence under Section 20G(1)(b) of the Companies Commission of Malaysia Act 2001

Issue Date April 28

Description MICPA wishes to inform members that Companies Commission of Malaysia ("SSM") hereby grants an extension of time for Licenced Secretaries ("LS") to apply for renewal of company secretary's licence.

SC - Flexibilities for Businesses Issuing Convertible Notes to Venture Capital and Private Equity Firms

Issue Date April 28

Description MICPA wishes to inform members that the Securities Commission Malaysia ("SC") grants flexibilities for businesses issuing convertible notes to venture capital ("VC") and private equity ("PE") firms registered with the SC.

MICPA TECHNICAL UPDATES (CONT'D)

SSM - Increase in the Value of Indebtedness from RM10,000 to RM50,000 until December 31, 2020

Issue Date April 30

Description MICPA wishes to inform members that the YB Minister of Domestic Trade and Consumer Affairs has issued a directive pursuant to Section 466(1)(a) of the Companies Act 2016 (Act 777) ("CA 2016") that the amount of indebtedness of a company is an amount exceeding RM50,000 to help ease the burden on the corporate communities as a result of the COVID-19 pandemic.

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)

Bank Negara Malaysia Publishes Annual Report 2019, Economic and Monetary Review 2019 and Financial Stability Review for Second Half 2019

Issue Date April 3

Description Click link to access to the Bank Negara Annual Report 2019.

[Read more](#)

Financial Innovation Gig Economy Challenge Launch: Driving Financial Health for Gig Workers

Issue Date April 25

Description Today, APEC Malaysia, Bank Negara Malaysia (BNM), the Malaysia Digital Economy Corporation (MDEC) and the United Nations Capital Development Fund (UNCDF) launched the Financial Innovation Gig Economy Challenge. The challenge is funded by MetLife Foundation through the i3 (Innovate, Implement and Impact) programme.

[Read more](#)

REGULATORY BODIES' UPDATES (CONT'D)

BANK NEGARA MALAYSIA (BNM) (CONT'D)

Detailed Disclosure of International Reserves as at end-March 2020

Issue Date April 30

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](#)

Operationalisation of Moratorium for Hire-Purchase Loans and Fixed Rate Islamic Financing

Issue Date April 30

Description Further to Bank Negara Malaysia's (BNM) announcement on 25 March 2020, banking institutions are in the process of formalising agreements which reflect the revised payment terms with borrowers/customers with hire-purchase (HP) loans and fixed rate Islamic financing to give effect to the 6-month moratorium on loan/financing payments.

[Read more](#)

SECURITIES COMMISSION (SC)

The SC's AOB Emphasise the Need for High Quality Audit in light of Covid-19

Issue Date April 7

Description The Securities Commission Malaysia (SC)'s Audit Oversight Board (AOB) today issued a circular to auditors and audit committees regarding the importance of ensuring high quality of audit on financial reports of Public Interest Entities (PIEs) in light of the challenges posed by the Covid-19 pandemic.

[Read more](#)

REGULATORY BODIES' UPDATES (CONT'D)

SECURITIES COMMISSION (SC) (CONT'D)

SC Advises Investors to be on Alert for Covid-19 Investment Scams and Unauthorised Digital Asset Exchanges

Issue Date April 24

Description The Securities Commission Malaysia (SC) today cautions the public to be on the alert for any individuals or entities that may try to take advantage of the latest developments of Covid-19 to entrap them into investing in illegal investment schemes.

[Read more](#)

SC and Bursa Extend Temporary Short Selling Suspension Amid Covid-19 Volatility

Issue Date April 28

Description The Securities Commission Malaysia (SC) and Bursa Malaysia Berhad (Bursa Malaysia) have extended the temporary suspension of short-selling to 30 June 2020.

[Read more](#)

ROYAL MALAYSIAN CUSTOMS DEPARTMENT (CUSTOMS)

Notice on Review Application under Customs Act 1967, Excise Act 1976, Sales Tax Act 2018, Service Tax Act 2018 and Departure Levy Act 2019 (announced on April 1, 2020)

Description Click to download the Announcement on Sales and Service Tax.

[Read more](#)

Service Tax Policy No. 10/2020: Service Tax Exemption on Provision of Digital Services Related to Banking/Financial Services (published on April 14, 2020)

Description Click to download the Announcement on Sales and Service Tax.

[Read more](#)

REGULATORY BODIES' UPDATES (CONT'D)

ROYAL MALAYSIAN CUSTOMS DEPARTMENT (CUSTOMS) (CONT'D)

RMCD's Operations and Services during MCO (announced on April 29, 2020)

Description Click to download the Announcement on Sales and Service Tax.

[Read more](#)

Penalty in MySST System for Late Payment of Taxes on Taxable Period included in the Movement Control Order (MCO) Period (announced on April 30, 2020)

Description Click to download the Announcement on Sales and Service Tax.

[Read more](#)

OTHER PROFESSIONAL BODIES

CHARTERED ACCOUNTANTS AUSTRALIA AND NEW ZEALAND (CAANZ)

May 2020 Acuity is out now

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

Main article: CA ANZ unveils new tools and resources hub for members

[Read more](#)

OTHER INTERNATIONAL UPDATES

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

Young Accountants to the Leaders of the Profession: Here's How and Why to Get Future-Fit

Issue Date April 5

Description Every day we see leaps in technology and more evidence of a deepening climate crisis. Professional accountants want to know what the future looks like for the organizations they serve. Young professionals want to know how they'll fit into that future—and what they can do to prepare for it.

[Read more](#)

OTHER INTERNATIONAL UPDATES

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

The Financial Reporting Implications of COVID-19

Issue Date April 13

Description The COVID-19 pandemic crisis and its economic effects mean that investors and other stakeholders need high-quality financial information more than ever.

[Read more](#)

Supporting Members through a Global Pandemic: Experiences from Asia and the Pacific Region

Issue Date April 14

Description The Asia and Pacific region are no strangers to pandemics or crisis, having tackled the consequences of the severe acute respiratory syndrome (SARS) outbreak in 2003, the influenza A H1N1 outbreak in 2008, and the 2008 global financial crisis.

[Read more](#)

COVID-19 Resources from IFAC's Network

Issue Date April 14

Description Coronavirus (COVID-19) is presenting unexpected and extreme challenges for organizations of all sizes and sectors across the world. It is quickly changing how entities operate and how individuals live and work.

[Read more](#)

Future-Ready CFO and Finance Function

Issue Date April 21

Description To help address the changing role of accountants in business, IFAC has been engaging with business and finance leaders to explore how finance functions are transforming from back office support functions to business-facing functions that support and enable decision making across an organization.

[Read more](#)

OTHER INTERNATIONAL UPDATES (CONT'D)

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

March monthly news summary

Issue Date April 1

Description Click link to read the summary of news and events from the International Accounting Standards Board (Board) and the IFRS® Foundation over the past month.

[Read more](#)

IASB proposes further amendments to IFRS Standards in response to interest rate benchmark reform

Issue Date April 9

Description The International Accounting Standards Board (Board) has proposed amendments to IFRS Standards to assist companies in providing useful information to investors about the effects of interest rate benchmark reform on financial statements.

[Read more](#)

Application of IFRS 16 in the light of the covid-19 uncertainty

Issue Date April 10

Description A document responding to questions regarding the application of IFRS 16 Leases to rent concessions granted as a result of the covid-19 pandemic has been published.

[Read more](#)

IASB to publish Exposure Draft Covid-19-Related Rent Concessions (Proposed amendment to IFRS 16)

Issue Date April 22

Description The International Accounting Standards Board expects to publish the Exposure Draft Covid-19-Related Rent Concessions (Proposed amendment to IFRS 16) on 24 April 2020 with a 14-day comment period.

[Read more](#)

OTHER INTERNATIONAL UPDATES (CONT'D)

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB) (CONT'D)

IFRS 17 Insurance Contracts—why annual cohorts?

Issue Date April 28

Description The requirement to use annual cohorts as part of the process of accounting for insurance contracts has been the cause of much debate since IFRS 17 was issued in May 2017.

[Read more](#)

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