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CPA
MALAYSIA

The Malaysian Institute of
Certified Public Accountants

MONTHLY ELECTRONIC NEWSLETTER - JUNE 2020 ISSUE



Whether you realise it or not, we are now living in the New Normal. Always wear a mask, wash your hands with soap or use hand sanitizer, and maintain social distancing.

Tough times never last, but tough people do! Together, we can win this fight against COVID-19!

ANNOUNCEMENTS

MICPA 62nd Annual General Meeting

Members are informed that the 62nd Annual General Meeting of the Institute has been set for Saturday, July 11, 2020 at 10.00a.m.

MICPA Office Operations

The MICPA office has been open since May 4th. Should you require assistance, it is highly advisable for you to reach us via email. We strongly encourage all meetings to be held virtually using video conferencing applications. Should you need to be attended to onsite at the Institute's premises, kindly make an appointment with the relevant departments in advance.

MICPA Virtual CPD

Check on upcoming virtual training events through 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

IAASB - Guidance on Auditor Considerations Relating to Going Concern in Light of Changing Environment Due to the COVID-19 Pandemic

Issue Date May 5

Description The International Auditing and Assurance Standards Board ("IAASB") of the International Federation of Accountants ("IFAC") has recently issued the "Guidance on Auditor Considerations relating to Going Concern in light of Changing Environment due to the COVID19 pandemic".

IASB - Invitation to Comment on the IASB Exposure Draft "Classification of Liabilities as Current or Non-Current – Deferral of Effective Date"

Issue Date May 5

Description The International Accounting Standards Board ("IASB") has proposed to delay the effective date of Classification of Liabilities as Current or Non-current, which amends IAS 1 Presentation of Financial Statements, to annual reporting periods beginning on or after 1 January 2023.

RMCD - Penalty in MySST System for Late Payment of Taxes on Taxable Period Included in the Movement Control Order Period

Issue Date May 5

Description Members are informed that the Royal Malaysian Customs Department (RMCD) had on April 30, 2020 announced that the penalties on late payments in respect of the January 2020 to February 2020 and February 2020 to March 2020 taxable periods will be automatically remitted by the RMCD.

SC - One-Month Extension of Time for the Issuance of Annual Reports and Annual Audited Financial Statements by Listed Issuers with Financial Year Ended March 31, 2020

Issue Date May 8

Description The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform members the Bursa Malaysia Berhad ("the Exchange") has granted an extension of time of one-month for the issuance of annual reports and annual audited financial statements by listed issuers with financial year ended on March 31, 2020.

MICPA TECHNICAL UPDATES (CONT'D)

SC - New Guidelines on Advertising for Capital Market Products and Services

Issue Date May 8

Description The Securities Commission Malaysia ("SC") has recently issued new Guidelines on Advertising for Capital Market Products and Related Services ("Guidelines") to promote responsible advertising of capital markets products and services and encourage greater use of digital channels.

IFAC - Launch of Practice Transformation Action Plan

Issue Date May 8

Description The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform members that the International Federation of Accountants ("IFAC") has recently published a 'Practice Transformation Action Plan – A Roadmap to the Future' ("the Plan"), which covers four key focus areas for small- and medium-sized practices ("SMPs")

SC - Distribution of Capital Market Products via e-Services Platforms

Issue Date May 8

Description The Securities Commission Malaysia ("SC") announced that it will facilitate the online distribution of capital market products such as unit trusts, through e-Services platforms like e-wallet or e-payment service providers.

IRB - Guidelines for Approval under Section 44(11C) for COVID-19 Relief Fund

Issue Date May 8

Description Members are informed that the Inland Revenue Board (IRB) has recently issued the Guidelines for Approval under Section 44(11C) for COVID-19 Relief Fund (Guidelines) (only available in Malay version).

IRB - Guidelines for Approval under Section 44(11C) for COVID-19 Relief Fund

Issue Date May 8

Description Members are informed that the Inland Revenue Board (IRB) has recently issued the Guidelines for Approval under Section 44(11C) for COVID-19 Relief Fund (Guidelines) (only available in Malay version).

MICPA TECHNICAL UPDATES (CONT'D)

IRB - Frequently Asked Questions (FAQ) in International Tax Issues Due to COVID-19 Travel Restrictions

Issue Date May 15

Description Members are informed that the Inland Revenue Board (IRB) has recently issued the Frequently Asked Questions (FAQ) on International Tax Issues Due to COVID-19 Travel Restrictions.

IAASB - Invitation to Comment on the IAASB Exposure Draft Entitled "Proposed International Standard on Auditing 600 (Revised), Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors)"

Issue Date May 19

Description The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform members that the International Auditing and Assurance Standards Board ("IAASB") has recently released an Exposure Draft entitled "Proposed International Standard on Auditing 600 (Revised), Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors)" ("ISA 600 (Revised)").

IAASB - Invitation to Comment on the IAASB Consultation Paper "Proposed Non-Authoritative Guidance: Extended External Reporting Assurance"

Issue Date May 19

Description The International Auditing and Assurance Standards Board ("IAASB") recently released a consultation paper entitled "Proposed Non-Authoritative Guidance: Extended External Reporting ("EER") Assurance".

IRB - Operational Guidelines No. 2/2020 (GPHDN 2/2020): Revision of Tax Estimate (CP204) in the Third Month Falling in Calendar Year 2020 and Deferment of Tax Instalment Payments (CP204 And CP500) Announced under the 2020 Economic Stimulus Package

Issue Date May 19

Description Members are informed that the Inland Revenue Board of Malaysia (IRBM) has on May 12, 2020 issued the Operational Guidelines No. 2/2020 (GPHDN 2/2020): Revision of Tax Estimate (CP204) in the Third Month Falling in Calendar Year 2020 and Deferment of Tax Instalment Payments (CP204 and CP500) announced under the 2020 Economic Stimulus Package (available in Malay language only).

MICPA TECHNICAL UPDATES (CONT'D)

IAASB - Support Material for Audit Documentation When Using Automated Tools and Techniques

Issue Date May 19

Description The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform members that the Technology Working Group (TWG) of the International Auditing and Assurance Standards Board (IAASB) has recently released a non-authoritative support material related to the auditor's documentation when using automated tools and techniques (ATT), such as data analytics, robotics automation processes or artificial intelligence applications.

IASB - Narrow-Scope Amendments to IFRS Standards

Issue Date May 19

Description The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform members that the International Accounting Standards Board ("IASB") has recently issued several small amendments to IFRS Standards.

IRB - Guidelines on the Application of Subsections 12(3) and 12(4) of the Income Tax Act 1967 in Determining A "Place Of Business"

Issue Date May 28

Description Members are informed that the Inland Revenue Board has on May 21, 2020 issued the Guidelines on the Application of Subsections 12(3) and 12(4) of the Income Tax Act 1967 in Determining a "Place of Business".

IRB - Public Ruling No. 1/2020: Tax Incentives For Bionexus Status Companies

Issue Date May 28

Description Members are informed that the Inland Revenue Board (IRB) has issued Public Ruling No.1/2020: Tax Incentives for Bionexus Status Companies on May 22, 2020.

MICPA TECHNICAL UPDATES (CONT'D)

IRB - FAQ on Special Tax Treatment to Financial Institutions in Relation to Moratorium Granted to Customers

Issue Date May 28

Description Members are informed that the Inland Revenue Board (IRB) has recently issued the Frequently Asked Questions (FAQ) on Special Tax Treatment to Financial Institutions in Relation to Moratorium Granted to Customers.

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)

Monetary Policy Statement

Issue Date May 5

Description At its meeting today, the Monetary Policy Committee (MPC) of Bank Negara Malaysia decided to reduce the Overnight Policy Rate (OPR) by 50 basis points to 2.00 percent. The ceiling and floor rates of the corridor of the OPR are correspondingly reduced to 2.25 percent and 1.75 percent, respectively.

[Read more](#)

Statement on Statutory Reserve Requirement (SRR)

Issue Date May 5

Description Bank Negara Malaysia is announcing today that MGS and MGII can be used by banking institutions to fully meet the SRR compliance effective 16 May 2020. This flexibility is available until 31 May 2021. This measure will release approximately RM16 billion worth of liquidity into the banking system. The Statutory Reserve Requirement (SRR) ratio remains unchanged at 2.00%

[Read more](#)

REGULATORY BODIES' UPDATES (CONT'D)

BANK NEGARA MALAYSIA (BNM) (CONT'D)

International Reserves of Bank Negara Malaysia as at 30 April 2020

Issue Date May 8

Description The international reserves of Bank Negara Malaysia amounted to USD102.5 billion as at 30 April 2020. The reserves position is sufficient to finance 7.9 months of retained imports and is 1.1 times total short-term external debt.

[Read more](#)

Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2020

Issue Date May 13

Description Click link to read the press release from BNM.

[Read more](#)

International Reserves of Bank Negara Malaysia as at 15 May 2020

Issue Date May 22

Description The international reserves of Bank Negara Malaysia amounted to USD102.6 billion as at 15 May 2020. The reserves position is sufficient to finance 8.1 months of retained imports and is 1.1 times total short-term external debt.

[Read more](#)

Detailed Disclosure of International Reserves as at end-April 2020

Issue Date May 29

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](#)

REGULATORY BODIES' UPDATES (CONT'D)

BANK NEGARA MALAYSIA (BNM) (CONT'D)

Monetary and Financial Developments in April 2020

Issue Date May 29

Description Click link to read the press release from BNM.

[Read more](#)

SECURITIES COMMISSION (SC)

SC: Clone Firm Scams On the Rise

Issue Date May 29

Description The Securities Commission Malaysia (SC) today issued a warning to the investing public on the rise of clone firm scams where a fraudulent company will set itself up to look like a capital market intermediary that is licensed or registered with the SC, in order to deceive investors.

[Read more](#)

SURUHANJAYA SYARIKAT MALAYSIA (SSM)

Nor Azimah Abdul Aziz Dilantik Sebagai Ketua Pegawai Eksekutif Baharu SSM

Issue Date May 1

Description YBrs. Puan Nor Azimah Abd Aziz telah dilantik sebagai Ketua Pegawai Eksekutif (KPE) Suruhanjaya Syarikat Malaysia (SSM) berkuatkuasa 1 Mei 2020.

[Read more](#)

MALAYSIAN ACCOUNTING STANDARD BOARD (MASB)

What's next for Standard-setters in 2020?

Issue Date May 12

Description Click link to read the article from MASB.

[Read more](#)

REGULATORY BODIES' UPDATES (CONT'D)

ROYAL MALAYSIAN CUSTOMS DEPARTMENT (CUSTOMS)

Pindaan kepada Jadual Pertama, Peraturan-peraturan Cukai Perkhidmatan 2018, Layanan Cukai Perkhidmatan Ke Atas Kumpulan G: Professional (announced on May 21, 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 May 29, 2020)

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

[Read more](#)

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

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

[Read more](#)

OTHER PROFESSIONAL BODIES

CHARTERED ACCOUNTANTS AUSTRALIA AND NEW ZEALAND (CAANZ)

JUNE 2020 Acuity is out now

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

Main article: 6 ways Australia can step up its economic self-sufficiency

[Read more](#)

OTHER INTERNATIONAL UPDATES

INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

Accountancy Careers and Roles – A View from the Market

Issue Date May 7

Description The gap between the perception and the reality of what finance and accounting professionals do is widening. Perceptions can often focus on traditional accounting tasks, many of which are susceptible to automation.

[Read more](#)

Welcome to the Fast Future

Issue Date May 8

Description IFAC has developed thought leadership on practice transformation, focused on how SMPs can embrace change, leverage technology, manage talent and have a renewed emphasis on providing relevant and value-added services.

[Read more](#)

COVID Makes Clear Why We Need to Improve Corporate Reporting

Issue Date May 13

Description The COVID crisis is a human crisis. Its impacts are far-reaching and deeply felt. And, as countries manage the simultaneous public health and economic emergencies, the pandemic is demonstrating clearly how business interruptions can cause huge social and economic impacts.

[Read more](#)

From Crisis to Recovery

Issue Date May 18

Description In the 14th century, the bubonic plague wiped out a third of Western Europe's population and countless many lives globally. More recently, the influenza pandemic of 1918 infected a third of the world's population, killing at least 50 million people.

[Read more](#)

OTHER INTERNATIONAL UPDATES (CONT'D)

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

5 Steps to Consider When Making Technology Investments

Issue Date May 18

Description Technology is a game changer and a disruptive force on so many business fronts; thus, it is important for firms to make the necessary investment in technology to remain relevant to their clients.

[Read more](#)

Implications for Audit Committees Arising from COVID-19

Issue Date May 26

Description The fundamentals of good governance and effective oversight arrangements are all the more important during the COVID-19 crisis, as organizations face significant uncertainty, a rapidly changing risk landscape, and an increased need for transparency and confidence in reported information on its implications.

[Read more](#)

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

IASB proposes deferring IAS 1 amendments' effective date due to covid-19

Issue Date May 4

Description The International Accounting Standards Board (Board) has proposed to defer by one year the effective date of Classification of Liabilities as Current or Non-current, which amends IAS 1 Presentation of Financial Statements.

[Read more](#)

Forthcoming publication: IASB to issue package of narrow-scope amendments to IFRS Standards

Issue Date May 12

Description The International Accounting Standards Board expects to issue a package of narrow-scope amendments to IFRS Standards on 14 May 2020.

[Read more](#)

OTHER INTERNATIONAL UPDATES (CONT'D)

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

May 2020 IASB Update available and work plan updated

Issue Date May 22

Description The May 2020 IASB Update has been published.

[Read more](#)

IASB issues amendment to IFRS Standard on leases to help lessees accounting for covid-19-related rent concessions

Issue Date May 28

Description The International Accounting Standards Board (Board) has today issued an amendment to IFRS 16 Leases to make it easier for lessees to account for covid-19-related rent concessions such as rent holidays and temporary rent reductions.

[Read more](#)

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