



## MONTHLY ELECTRONIC NEWSLETTER - AUGUST 2020 ISSUE

### ANNOUNCEMENTS

#### Happy Birthday MICPA & Introducing, MICPA's New Logo!

Happy 62<sup>nd</sup> Birthday to the only Malaysian Professional Accounting Body!

MICPA celebrated its 62nd Anniversary on July 26th with the launch of the Institute's new logo – watch our new logo launch video by clicking on the image.



#### MICPA Virtual CPD

Check on upcoming virtual training events through our website at [www.micpa.com.my/calendar/training](http://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](mailto:cpd@micpa.com.my).



### MICPA TECHNICAL UPDATES

#### Members' Handbook Supplement No. 136 - Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services

**Issue Date** July 3

**Description** Please be informed that the Council of the Institute has, in July 2020, approved the adoption of the following revised International Standard on Auditing ("ISA") and International Standard on Related Services ("ISRS") as the approved standards on auditing, review, other assurance and related services.

## **MICPA TECHNICAL UPDATES (CONT'D)**

### **IASB - Deferral of Effective Date on Amendments to IAS1 Presentation of Financial Statements**

**Issue Date** July 17

**Description** The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform that the International Accounting Standards Board ("IASB") has issued an amendment to defer the effective date of Classification of Liabilities as Current or Non-current, which amends IAS 1 Presentation of Financial Statements.

### **MASB - Issuance of the MFRS Application & Implementation Guide 2 "Classification by the Borrower of A Term Loan that Contains A Repayment on Demand Clause"**

**Issue Date** July 17

**Description** The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform that the Malaysian Accounting Standards Board ("MASB") has recently approved the issuance of the Malaysian Financial Reporting Standards ("MFRS") Application & Implementation Guide 2 "Classification by the borrower of a term loan contains a repayment on demand clause" ("MAIG 2").

### **IRB - Audit Framework for Compliance under Subsections 44(6), 44(6B), 44(11D) of the Income Tax Act, 1967 and P.U. (A) 139/2020**

**Issue Date** July 21

**Description** Members are informed that the Inland Revenue Board (IRB) has issued the new Audit Framework for Compliance under Subsections 44(6), 44(6B), 44(11D) of the Income Tax Act, 1967 and P.U. (A) 139/2020 (available in Malay version only) on June 15, 2020.

### **SC - Introduction of Enhanced Initial Public Offering Framework for Main Market**

**Issue Date** July 24

**Description** The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform that the Securities Commission Malaysia ("SC") has recently released an enhanced initial public offering ("IPO") framework to promote greater shared responsibility among key stakeholders involved in the submission of an IPO for listing on the Main Market of Bursa Malaysia.

## **MICPA TECHNICAL UPDATES (CONT'D)**

### **BNM - Data & Compliance Report ("DCR") 2020 Clinic for Designated Non-Financial Businesses and Professions And Non-Bank Financial Institutions**

**Issue Date** July 24

**Description** Pursuant to the Anti-Money Laundering and Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA"), Bank Negara Malaysia ("BNM") has issued a Data and Compliance Report ("DCR") that contains features that allow reporting institutions to self-assess their risks and vulnerabilities to money laundering and terrorism financing as well as help them to understand and mitigate the risk of their business from being exploited by criminals.

### **BURSA - Invitation to Comment on Proposed Amendments to the Main Market and ACE Market Listing Requirements in relation to Public Security Holding Spread**

**Issue Date** July 28

**Description** The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform that the Bursa Malaysia Securities Berhad ("the Exchange") released a consultation paper soliciting public feedback on the proposed amendments to the Main Market and ACE Market Listing Requirements ("Listing Requirements") in relation to the public security holding spread.

### **MOF - MyCukai Announcement**

**Issue Date** July 30

**Description** Members are informed that Ministry of Finance (MOF) had in June 2020 announced on its MyCukai portal that the MOF will not be extending the deadline to renew the licence for income tax agent during the Movement Control Order (MCO) period.

### **IAASB - Auditor Reporting Post-Implementation Review Stakeholder Survey**

**Issue Date** July 30

**Description** The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform that the International Auditing and Assurance Standards Board ("IAASB") invites interested stakeholders to complete an online survey sharing their experience with, and providing feedback relating to, the Auditor Reporting Standards that were issued in 2015.

## MICPA TECHNICAL UPDATES (CONT'D)

### SSM - Commencement of the 30-Day Moratorium for Submission of Statutory Documents

**Issue Date** July 30

**Description** The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform that following the announcement by the Companies Commission of Malaysia (SSM) on April 10, 2020 pertaining to the 30 days moratorium period for the submission of affected statutory documents to SSM, please be informed that the moratorium period of 30 days will commence on September 1, 2020 and end on September 30, 2020.

### BNM - Banks to Provide Loan Repayment Flexibility to Borrowers Affected by COVID-19

**Issue Date** July 30

**Description** The Malaysian Institute of Certified Public Accountants ("MICPA") wishes to inform that the Bank Negara Malaysia ("BNM") recently announced to provide a targeted extension of the moratorium and repayment flexibility to individuals and SMEs who continue to be affected by COVID-19.

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** July 7

**Description** At its meeting today, the Monetary Policy Committee (MPC) of Bank Negara Malaysia decided to reduce the Overnight Policy Rate (OPR) by 25 basis points to 1.75 percent. The ceiling and floor rates of the corridor of the OPR are correspondingly reduced to 2.00 percent and 1.50 percent, respectively.

[Read more](#)

## REGULATORY BODIES' UPDATES

### BANK NEGARA MALAYSIA (BNM) (CONT'D)

#### International Reserves of Bank Negara Malaysia as at 30 June 2020

**Issue Date** July 7

**Description** The international reserves of Bank Negara Malaysia amounted to USD103.4 billion as at 30 June 2020. The reserves position is sufficient to finance 8.3 months of retained imports and is 1.1 times total short-term external debt.

[Read more](#)

#### Detailed Disclosure of International Reserves as at end-June 2020

**Issue Date** July 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](#)

### SECURITIES COMMISSION (SC)

#### SC Cautions Investors on the Usage of Crypto ATMs

**Issue Date** July 8

**Description** The Securities Commission Malaysia (SC) today cautioned the public against the usage of Crypto Automatic Teller Machines (Crypto ATMs).

[Read more](#)

#### SC to Seek Feedback on Regulatory Framework for Digital Asset Wallet Providers

**Issue Date** July 23

**Description** The Securities Commission Malaysia (SC) is seeking industry feedback on the regulatory framework for digital asset wallet providers, which will complement the existing frameworks for Digital Asset Exchange (DAX) and Initial Exchange Offering (IEO).

[Read more](#)

## REGULATORY BODIES' UPDATES (CONT'D)

### SECURITIES COMMISSION (SC) (CONT'D)

#### SC Issues New Guidelines on Conduct of Directors of Listed Issuers and Their Subsidiaries

**Issue Date** July 30

**Description** The Securities Commission Malaysia (SC) today issued new Guidelines on Conduct of Directors of Listed Issuers and Their Subsidiaries (Guidelines) to strengthen board governance and oversight in listed issuers and their subsidiaries.

[Read more](#)

#### SC: Bursa to Ensure Systems Integrity and Reliability

**Issue Date** July 30

**Description** Following the trading halt on the local stock exchange on 16 July 2020, the Securities Commission Malaysia (SC) has reviewed the incident report and met with senior officials of Bursa Malaysia Berhad (Bursa Malaysia) to assess the measures being taken to address the situation.

[Read more](#)

### ROYAL MALAYSIAN CUSTOMS DEPARTMENT (CUSTOMS)

#### Exemption of Import Duty and Sales Tax on KN95 Face Mask (announced on July 1, 2020)

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

[Read more](#)

#### Guide on Transmission and Distribution of Electricity Services (as at July 1, 2020)

**Description** Click to download the Industry Guide on Sales and Service Tax.

[Read more](#)

#### Guide on Information Technology Services (as at July 13, 2020)

**Description** Click to download the Industry Guide on Sales and Service Tax.

[Read more](#)

## REGULATORY BODIES' UPDATES (CONT'D)

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

#### Guide on Digital Services by Foreign Service Provider (as at August 1, 2020)

**Description** Click to download the Industry Guide on Sales and Service Tax.

[Read more](#)

#### Refund on the Acquisition of Services by Foreign Missions and International Organizations (as at June 23, 2020)

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

[Read more](#)

#### Service Tax Policy No. 9/2020 (Amendment No. 1) (amended on June 17, 2020)

**Description** Click to download the Service Tax Policy on Sales and Service Tax.

[Read more](#)

## OTHER PROFESSIONAL BODIES

### CHARTERED ACCOUNTANTS AUSTRALIA AND NEW ZEALAND (CAANZ)

#### August 2020 Acuity is out now

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

Main article: Your must-have skill for 2020? Resilience

[Read more](#)

#### The benefits of forward career planning

**Issue Date** July 17

**Description** Developing a career plan and thinking into the future can shape the decisions we make today, define our personal brand and set our direction for tomorrow.

[Read more](#)

## OTHER PROFESSIONAL BODIES (CONT'D)

### CHARTERED ACCOUNTANTS AUSTRALIA AND NEW ZEALAND (CAANZ) (CONT'D)

#### Accountants are pivotal in identifying and managing non-financial risk

**Issue Date** July 30

**Description** Risks are becoming increasingly global, interconnected and multi-tiered but non-financial risk management is currently underdeveloped.

[Read more](#)

## OTHER INTERNATIONAL UPDATES

### INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

#### Confidence Starts with Good Governance

**Issue Date** July 20

**Description** COVID-19 is creating radically new conditions in which organizations must think, plan, and operate. Such challenges can shake the foundation upon which relevant, reliable and high-quality information—relied on by markets and economies to function – is based.

[Read more](#)

#### Global Accounting Bodies Launch New Tool for Governments Grappling with Fiscal Impact of COVID-19 Interventions

**Issue Date** July 22

**Description** With more than \$9 trillion spent by governments globally on fiscal interventions in the past three months, the effect of the pandemic on public finances will be both immediate and long-lasting.

[Read more](#)

#### Accounting Transparency & Macroeconomic Performance

**Issue Date** July 29

**Description** The focus on corporate transparency has been on the rise globally since the Enron collapse crisis in 2001, which created turmoil in the financial market. The US enacted the Sarbanes-Oxley Act of 2002 to strengthen external audit on accounting.

[Read more](#)



## OTHER INTERNATIONAL UPDATES (CONT'D)

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

#### IFAC Releases Latest Installment of Exploring the IESBA Code

**Issue Date** July 30

**Description** The International Federation of Accountants (IFAC) today released the latest in its Exploring the IESBA Code educational series: Installment 8: Responding to Non-compliance with Laws and Regulations (NOCLAR) [for PAIBs].

[Read more](#)

### INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

#### Digital reporting - Questions for practitioners, standard-setters and researchers

**Issue Date** July 7

**Description** Board Member Ann Tarca delivered a speech at a virtual annual conference. She discussed developments in digital reporting, including tagging of financial statements.

[Read more](#)

#### IASB defers the effective date of amendments to IAS 1

**Issue Date** July 15

**Description** The International Accounting Standards Board (Board) has issued an amendment 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](#)

#### July 2020 IASB Update available and work plan updated

**Issue Date** July 24

**Description** The July 2020 IASB Update has been published.

[Read more](#)

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