



MONTHLY ELECTRONIC NEWSLETTER - JANUARY 2021 ISSUE



## ANNOUNCEMENTS

### MICPA CPD

Check out upcoming CPD 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

### **IASB - Invitation to Comment on the IASB Exposure Draft '*Lease Liability in a Sale and Leaseback*'**

**Issue Date** December 1

**Description** MICPA wishes to inform that the International Accounting Standards Board ("IASB") has recently proposed to amend IFRS16 Leases ("the Standard") by specifying how a company measures the lease liability in a sale and leaseback transaction.

### **IASB - Invitation to Comment on the IASB Discussion Paper '*Business Combinations Under Common Control*'**

**Issue Date** December 1

**Description** MICPA wishes to inform that the International Accounting Standards Board ("IASB") has recently launched a public consultation on possible new accounting requirements for mergers and acquisitions involving companies within the same group - business combinations under common control.

### **SC - New Framework to Facilitate Offering of Islamic Funds with Waqf Features**

**Issue Date** December 1

**Description** Members are informed that the Inland Revenue Board (IRB) has issued the Tax Audit Framework – Finance and Insurance on November 18, 2020.

### **IRB - IRBM to Stop Accepting Tax Payments by Cheques Delivered via Mail or Courier Services Starting January 1, 2021**

**Issue Date** December 4

**Description** Members are informed that the Inland Revenue Board (IRB) has made an announcement on its' website on November 26, 2020 that they will stop accepting tax payments by cheques delivered via mail or courier services starting January 1, 2021.

### **BNM - New and Enhanced Financing Facilities for SMEs Affected by COVID-19**

**Issue Date** December 4

**Description** Following the Budget 2021 speech by the Minister of Finance, the Bank Negara Malaysia ("BNM") has recently provided further information on the implementation of Targeted Relief and Recovery Facility ("TRRF") and Micro Enterprises Facility ("MEF").

## MICPA TECHNICAL UPDATES (CONT'D)

### **IRB - Operational Guidelines (GPHDN 4/2020): Monthly Tax Deduction under Income Tax (Deduction from Remuneration) Rules 1994**

**Issue Date** December 8

**Description** Members are informed that the Inland Revenue Board (IRB) has issued the Operational Guidelines (GPHDN 4/2020): Monthly Tax Deduction under Income Tax (Deduction from Remuneration) Rules 1994 (Guidelines) (available in Malay version only) on November 17, 2020.

### **IASB - Invitation to Provide Feedback on the IFRS Standards for Group Accounting**

**Issue Date** December 11

**Description** MICPA wishes to inform that the International Accounting Standards Board ("IASB") has recently published Request for Information ("RFI") as part of the Post-Implementation Review ("PIR") of the following Standards:

- IFRS 10 Consolidated Financial Statements - sets out requirements for the preparation of group consolidated financial statements;
- IFRS 11 Joint Arrangements - addresses how to account for interests in joint arrangements; and
- IFRS 12 Disclosure of Interests in Other Entities - sets out the information to be disclosed in the notes to the financial statements about interests in other companies.

### **BNM - Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions**

**Issue Date** December 11

**Description** MICPA wishes to inform that the Bank Negara Malaysia ("BNM") has recently released the following policy documents:

1. Revised Capital Adequacy Framework (Capital Components);
2. Revised Capital Adequacy Framework for Islamic Banks (Capital Components); and
3. Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions.

## MICPA TECHNICAL UPDATES (CONT'D)

### **RMCD - FAQs and Guide on Licensing Procedures on Electronic and Non-Electronic Smoking Devices and Electronic Smoking Liquid/Gel Including Vape Liquid/Gel without Nicotine**

**Issue Date** December 11

**Description** Members are informed that the Royal Malaysian Customs Department (RMCD) has issued the following documents (available in Malay version only) subsequent to the proposal announced in the Budget 2021 to impose excise duty on electronic and non-electronic smoking devices with effect from January 1, 2021.

### **IPSASB - Non-Authoritative Amendments to IPSAS 41, Financial Instruments**

**Issue Date** December 15

**Description** MICPA wishes to inform that the International Public Sector Accounting Standards Board ("IPSASB") has recently issued Non-Authoritative Amendments to IPSAS 41, Financial Instruments ("Non-Authoritative Guidance"), to clarify the requirements for classifying, recognizing, and measuring a range of important public sector specific financial instruments

### **IRBA, IESBA, IAASB - Staff Guidance on Navigating the Heightened Risks of Fraud and Other Illicit Activities During the COVID-19 Pandemic**

**Issue Date** December 18

**Description** MICPA wishes to inform that the Staff of the South African Independent Regulatory Board for Auditors ("IRBA"), the International Ethics Standards Board for Accountants ("IESBA") and the International Auditing and Assurance Standards Board ("IAASB") jointly released the publication, Navigating the Heightened Risks of Fraud and Other Illicit Activities During the COVID-19 Pandemic, including Considerations for Auditing Financial Statements.

### **BNM - Establishment of RM1 Billion High Tech Facility National Investment Aspirations**

**Issue Date** December 18

**Description** Following the Budget 2021 speech by the Minister of Finance, the Bank Negara Malaysia ("BNM") has recently established a RM1 billion High Tech Facility – National Investment Aspirations ("HTF-NIA"), as part of efforts to provide additional assistance for Small and Medium-Sized Enterprises ("SMEs") affected by COVID-19.

## MICPA TECHNICAL UPDATES (CONT'D)

### IAASB - Quality Management Standards

**Issue Date** December 23

**Description** MICPA wishes to inform that the International Auditing and Assurance Standards Board ("IAASB") has recently released the following three (3) quality management standards.

### MICPA - New Age of Technology for Accountants

**Issue Date** December 23

**Description** Technology disruption sounds like a scary thing. Maybe the word 'disruption' is what makes things so chilling. Technology has become an important enabler to businesses and is now a critical success factor for enhancing their value and ensuring their continuity.

### SSM - Extension of Transitional Period in Relation to the Guideline for the Reporting Framework for Beneficial Ownership of Legal Persons

**Issue Date** December 23

**Description** MICPA wishes to inform that the Companies Commission of Malaysia ("SSM") has provided an extension of transitional period stated in the Guideline for the Reporting Framework for Beneficial Ownership of Legal Persons ending December 31, 2020 to a later date which to be determined by the Registrar to coincide with the enforcement date of the proposed Companies (Amendment) Bill and Limited Liability Partnerships (Amendment) Bill.

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

## REGULATORY BODIES' UPDATES

### BANK NEGARA MALAYSIA (BNM)

#### **Establishment of RM1 billion High Tech Facility – National Investment Aspirations (HTF-NIA)**

**Issue Date** December 15

**Description** As announced in the Budget 2021 speech by the Minister of Finance, Bank Negara Malaysia (BNM) is establishing a RM1 billion High Tech Facility – National Investment Aspirations (HTF-NIA), as part of efforts to provide additional assistance for SMEs affected by COVID-19.

[Read more](#)

#### **The Financial Markets Committee (FMC) will drive the development of an alternative financial benchmark rate for Malaysia**

**Issue Date** December 21

**Description** The Financial Markets Committee[1] (FMC) has been appointed as the committee to oversee the development of an alternative reference rate (ARR) for Malaysia and to deliberate on the continuity of Kuala Lumpur Interbank Offered Rate (KLIBOR).

[Read more](#)

#### **Policy Document on Licensing Framework for Digital Banks**

**Issue Date** December 31

**Description** Bank Negara Malaysia (the Bank) today issued the Policy Document on Licensing Framework for Digital Banks (Policy Document) following a six-month public consultation. The Bank wishes to convey its appreciation on the feedback provided by various parties during the consultation period.

[Read more](#)

## REGULATORY BODIES' UPDATES (CONT'D)

### SECURITIES COMMISSION (SC)

#### SC and Bursa Malaysia to Uplift Temporary Suspension of Regulated Short Selling on 1 January 2021

**Issue Date** December 16

**Description** The Securities Commission Malaysia (SC) and Bursa Malaysia Berhad (Bursa Malaysia) will uplift the temporary suspension of Regulated Short Selling (RSS) and have reviewed other market management measures that were introduced this year following heightened market volatility arising from the broader impact of COVID-19.

[Read more](#)

#### SC Issues Guidance Note on Provision of Investment Advice

**Issue Date** December 30

**Description** The Securities Commission Malaysia (SC) today issued a Guidance Note on Provision of Investment Advice (guidance note) in order to provide clarity to the industry and members of the public on conduct which the SC would consider as falling within the regulated activity of providing investment advice under the Capital Markets and Services Act 2007 (CMSA).

[Read more](#)

### MINISTRY OF FINANCE (MOF)

#### Fitch Sovereign Rating Revision

**Issue Date** December 4

**Description** As the world navigates COVID-19, one of history's worst pandemics, we have seen policymakers take urgent and vital measures to protect lives and livelihood. Governments globally have committed approximately USD11.7 trillion in economic stimulus packages, leading to an increase in fiscal deficits by an average of 10% of GDP, with global public debt projected to approach 100% of GDP by end- 2020.

[Read more](#)

## OTHER PROFESSIONAL BODIES

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

#### January 2021 Acuity is out now

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

Main article: Why insolvency is not the only option, post-lockdown

[Read more](#)

## OTHER INTERNATIONAL UPDATES

### INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)

#### IFAC Releases Latest Point-of-View: Embracing a People-Centered Profession

**Issue Date** December 7

**Description** The new publication explores the connection between the people in the accountancy profession, the core components of the profession (education, professional judgment, ethics, values) and the profession's commitment to the public interest.

[Read more](#)

#### IFAC Responds to IFRS Foundation Sustainability Reporting Consultation

**Issue Date** December 10

**Description** The International Federation of Accountants (IFAC) today submitted its response to the IFRS Foundation's Consultation Paper on Sustainability Reporting, issuing a resounding "yes" to the question of whether an international sustainability standards board is needed to lead a coherent global system of interconnected corporate reporting that will rationalize the current fragmented ecosystem for sustainability information.

[Read more](#)



## OTHER INTERNATIONAL UPDATES (CONT'D)

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

#### **Ethics Is Inseparable from Accounting Practices**

**Issue Date** December 17

**Description** Across the world, economies face the unprecedented impact of major simultaneous public health and economic crises. These circumstances require professional accountants and auditors to adjust their operations to virtual/remote settings and realign their services to address the needs of their clients.

[Read more](#)

#### **The Most In-demand Accounting Specialty Today? Having None at All.**

**Issue Date** December 17

**Description** In a year like no other, it is difficult to assess how the pandemic and subsequent economic crisis will affect us all. One thing is unquestionable: different trends from different directions are converging to create a future unlike anything we have ever imagined.

[Read more](#)

#### **IFAC Welcomes New Report on Climate-Related Financial Disclosure**

**Issue Date** December 18

**Description** IFAC applauds the publication today of Reporting on Enterprise Value, Illustrated with a Prototype Climate-Related Financial Disclosure Standard, a new report from leading sustainability and integrated reporting organizations CDP, CDSB, GRI, IIRC, and SASB.

[Read more](#)

## OTHER INTERNATIONAL UPDATES (CONT'D)

### INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

#### Academic research input to the IASB's work

**Issue Date** December 4

**Description** Academic teams from Canada, Sweden, the UK and the US have discussed their accounting research projects with members of the International Accounting Standards Board (Board) and its technical staff.

[Read more](#)

#### IASB reviews package of IFRS Standards for group accounting

**Issue Date** December 9

**Description** The International Accounting Standards Board (Board) is calling for feedback on the IFRS Standards for group accounting—IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities.

[Read more](#)

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

**Issue Date** December 18

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

[Read more](#)

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