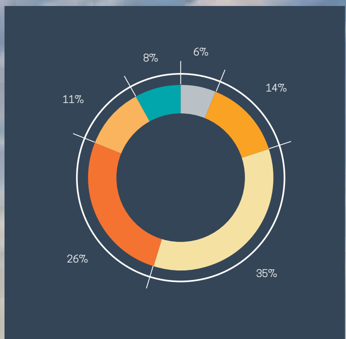
CPA MALAYSIA

Engaging the Future

Annual Report 2016

TABLE OF CONTENTS



18
Performance

"ONE OF THE KEYS TO REMAINING RELEVANT IS TO ANTICIPATE THE CHANGING TIDES AND TO TAKE STEPS TO MEET THE NEEDS AHEAD, AS EMBODIED IN THE THEME OF THIS YEAR'S REPORT – ENGAGING THE FUTURE.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty Ninth Annual General Meeting of the Institute will be held at **Roof Garden Lounge, RG Floor, Sime Darby Convention Centre, Jalan Bukit Kiara, 60000 Kuala Lumpur,** on **Saturday, June 17, 2017** at **10:00 a.m.** for the following purposes:

1. To receive and adopt the Report of the Council and the Financial Statements of the Institute for the year ended December 31, 2016.

2. To elect ten Council members from the following nominees:

   Abdul Halim bin Lassim
   Gan Ah Tee, Dato'
   Lim Thiam Kee
   Ng Kim Tuck
   Poon Yew Hoe
   Tan Theng Hooi
   Teh Chee Ghee, Dr
   Teo Swee Chua
   Venkatramanan Viswanathan
   Yeoh Siew Ming

3. To appoint two auditors.

4. Any other business.

By order of the Council

FOO YOKE PIN (Mr)
Secretary

Kuala Lumpur
May 26, 2017

Note:
A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy must be a member of the Institute. The instrument appointing a proxy must be deposited at the office of the Institute at No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur, not less than 48 hours before the time set for holding the meeting.

1. Pursuant to bye-law 89, the following are lists of members nominated for membership of the Council and for appointment as auditors:

   i. In accordance with bye-law 5, the following Council members shall retire at the Annual General Meeting:

Abdul Halim bin Lassim
Gan Ah Tee, Dato'
Lim Thiam Kee
Ng Kim Tuck
Poon Yew Hoe
Tan Theng Hooi
Teh Chee Ghee, Dr
Teo Swee Chua
Venkatramanan Viswanathan
Yeoh Siew Ming

   Pursuant to bye-law 6, these Council members are deemed to be nominated for re-election.

   ii. In accordance with bye-law 120, Datin Khoo Pek Ling and Leong Kok Tong shall retire as auditors of the Institute at the Annual General Meeting. Pursuant to bye-law 121, Leong Kok Tong deemed to be nominated for re-appointment as auditor for the ensuing year. Datin Khoo Pek Ling has intimated that she does not wish to seek re-appointment. The Council has received the nomination for Ng Eng Kiat whose consent has been obtained for appointment as auditor of the Institute at the forthcoming Annual General Meeting.

OBJECTS, VISION AND MISSION

Objects of the Institute

The principal objects of the Institute as set out in the Memorandum and Articles of Association are as follows:

To **ADVANCE** the theory and practice of accountancy in all its aspects.

To **RECRUIT**, educate, train and assess by means of examination or otherwise a body of members skilled in these areas.

To **PRESERVE** at all times the professional independence of accountants in whatever capacities they may be serving.

To **MAINTAIN** high standards of practice and professional conduct by all its members.

To **DO** all such things as may advance the profession of accountancy in relation to public practice, industry, commerce, education and the public service.

Our VISION

To be the premier business qualification in Malaysia, comparable to the best in the world.

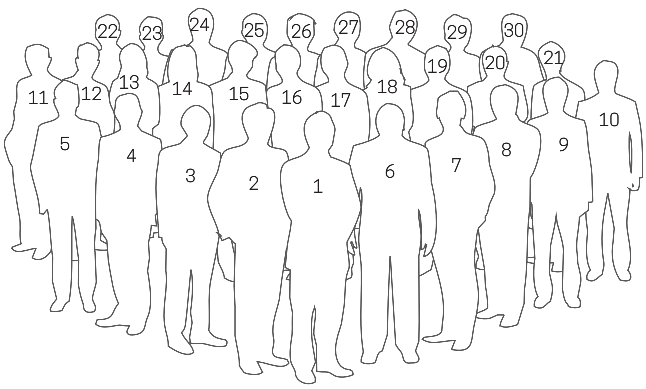
Our MISSION

To **ENHANCE** the value and distinctiveness of the Certified Public Accountant (CPA) qualification.

To **PROMOTE** high standards of professional conduct and technical competence of members to safeguard public interest.

To **PROVIDE** quality professional education and training thereby creating a competitive advantage for members.

MICPA COUNCIL
2016/2017



1. Dato' Abdul Rauf bin Rashid (President) 2. Tan Theng Hooi (Vice-President) 3. Beh Tok Koay 4. Dato' Gan Ah Tee 5. Datuk Johan bin Idris 6. Dato' Mohammad Faiz bin Mohammad Azmi 7. Poon Yew Hoe 8. Pushpanathan a/l S A Kanagarayar 9. Dr Veerinderjeet Singh 10. Datuk Robert Yong Kuen Loke 11. Dato' Ab Halim bin Mohyiddin 12. Abdul Halim bin Md Lassim 13. Datin Hjh Fadzilah bte Saad 14. Goh Lee Hwa 15. Khaw Hock Hoe 16. Lee Tuck Heng 17. Lim Thiam Kee 18. Loh Lay Choon 19. Dato' Megat Iskandar Shah bin Mohamad Nor 20. Ng Gan Hooi 21. Ng Kim Tuck 22. Ong Chee Wai 23. Rozaini Mohd Sani 24. Tang Seng Choon 25. Dr Teh Chee Ghee 26. Teo Swee Chua 27. Thong Foo Vung 28. Venkatramanan Viswanathan 29. Yeoh Siew Ming 30. Yong Yoon Shing

MICPA COUNCIL 2016/2017

	Name	Year	Location	Attendance at Council Meetings
President				
	Dato' Abdul Rauf bin Rashid	(2011)	Kuala Lumpur	6
Vice-President				
	Tan Theng Hooi	(2009)	Kuala Lumpur	4 (LOA – 2)
Members				
●■	Dato' Ab Halim bin Mohyiddin	(1987)	Selangor	2
■	Abdul Halim bin Md Lassim	(2006)	Selangor	3 (LOA –1)
●	Beh Tok Koay	(1989)	Selangor	3 (LOA – 3)
■	Datin Hjh Fadzilah bte Saad	(1987)	Selangor	6
	Dato' Gan Ah Tee	(2008)	Kuala Lumpur	6
	Goh Lee Hwa	(2006)	Kuala Lumpur	5 (LOA – 1)
	Datuk Johan bin Idris	(2016)	Selangor	5
	Khaw Hock Hoe	(2014)	Selangor	5
	Lee Tuck Heng	(2007)	Kuala Lumpur	5 (LOA –1)
	Lim Thiam Kee	(2002)	Kuala Lumpur	6
	Loh Lay Choon	(2004)	Kuala Lumpur	3 (LOA – 2)
	Dato' Megat Iskandar Shah bin Mohamad Nor	(2016)	Kuala Lumpur	5 (LOA – 1)
	Dato' Mohammad Faiz bin Mohammad Azmi	(2012)	Kuala Lumpur	1 (LOA – 3)
	Ng Gan Hooi	(2012)	Kuala Lumpur	4 (LOA – 1)
	Ng Kim Tuck	(2005)	Kuala Lumpur	3 (LOA – 2)
	Ong Chee Wai	(2012)	Kuala Lumpur	5
	Poon Yew Hoe	(1998)	Kuala Lumpur	5
●■	Pushpanathan a/l S A Kanagarayar	(2001)	Kuala Lumpur	5
■	Rozaini Mohd Sani	(2015)	Kuala Lumpur	3
	Tang Seng Choon	(2015)	Kuala Lumpur	5
■	Dr Teh Chee Ghee	(2015)	Selangor	2 (LOA – 1)
	Teo Swee Chua	(2010)	Kuala Lumpur	5
	Thong Foo Vung	(2012)	Selangor	2 (LOA – 1)
	Dr Veerinderjeet Singh	(2004)	Kuala Lumpur	4 (LOA – 2)
	Venkatramanan Viswanathan	(1986)	Melaka	2 (LOA – 1)
	Yeoh Siew Ming	(2015)	Perak	4
■	Datuk Robert Yong Kuen Loke	(1998)	Selangor	2 (LOA – 1)
	Yong Yoon Shing	(2010)	Selangor	5

Secretary
Foo Yoke Pin

Registered Office
No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur

Auditors
Khoo Pek Ling, Datin
Leong Kok Tong

● Denotes Past President
■ Denotes member not in practice
( ) Denotes year in which member first joined Council
LOA Leave of Absence

MICPA COMMITTEES 2016/2017

EXECUTIVE COMMITTEE

NO. OF MEETINGS: **6**

	Attendance
Dato' Abdul Rauf bin Rashid *(Chairman)*	6
Tan Theng Hooi	4 (LOA – 2)
Dato' Ab Halim bin Mohyiddin *(Resigned on August 27, 2016)*	2
Beh Tok Koay	5 (LOA – 1)
Dato' Gan Ah Tee	6
Datuk Johan bin Idris *(Appointed on August 27, 2016)*	3 (LOA – 1)
Dato' Mohammad Faiz bin Mohammad Azmi	5 (LOA – 1)
Poon Yew Hoe	6
Pushpanathan a/l S A Kanagarayar	2 (LOA – 2)
Dr Veerinderjeet Singh	3 (LOA – 2)
Datuk Robert Yong Kuen Loke	4 (LOA – 1)

Terms of Reference:
1. To identify and implement plans of action on specific issues of current concern affecting members, the Institute and the accountancy profession.
2. To co-ordinate liaison with the Government on policies or any other matters pertaining to accounting and the profession.
3. To establish and supervise liaison committees with the Government, its Ministries or agencies in relation to Corporate Law.
4. To co-ordinate reviews of legislation or draft legislation as and where appropriate.
5. To be responsible for the smooth running of the Secretariat.
6. To be responsible for the preparation of the budgets and financial statements of the Institute.
7. To liaise with the Trustees of the MACPA Educational Trust Fund with regard to the maintenance of the Building and the administration of the Fund.

ACCOUNTING & AUDITING TECHNICAL COMMITTEE

NO. OF MEETINGS: **6**

	Attendance
Ng Kim Tuck *(Chairman)*	6
Thong Foo Vung *(Alternate Chairman)*	3 (LOA – 1)
Loh Lay Choon	1 (LOA – 1)
Dato' Megat Iskandar Shah bin Mohamad Nor	1
Dato' Mohammad Faiz bin Mohammad Azmi	0
Rozaini Mohd Sani	0
Tang Seng Choon	2
Teo Swee Chua	4
Venkatramanan Viswanathan	1 (LOA – 1)
Yeoh Siew Ming	3
Co-opted Members	
Audrey Chan	6
Ben Lee Keen Pong *(Appointed on March 22, 2017)*	2
Stephen Khoo	2 (LOA – 1)
Lee Hin Kan	3 (LOA – 3)
Leong Kok Tong *(Appointed on August 18, 2016)*	3
Ooi Chee Kun	3
Oong Kee Leong, Stephen	0 (LOA – 1)
Siew Kah Toong, David	2 (LOA – 1)
Siew Kar Wai	1 (LOA – 1)

MASB WORKING GROUPS

NO. OF MEETINGS: **5**

	Attendance
Khaw Hock Hoe	0
Ng Kim Tuck	0
Teo Swee Chua	0
Co-opted Members	
Loo Chee Chou	0
Ooi Chee Kun	1

MIA FINANCIAL REPORTING STANDARDS IMPLEMENTATION COMMITTEE (FRSIC)

NO. OF MEETINGS: **4**

	Attendance
Ng Kim Tuck	4

Terms of Reference:

1. To recommend the adoption of new or revised International Auditing and Assurance Standards and guidance for approval by Council.
2. To review and if deemed necessary to recommend to Council to respond to the exposure drafts and other consultative documents issued by the Malaysian Accounting Standards Board, Malaysian Institute of Accountants and the International Auditing and Assurance Standards Board.
3. To review and provide guidance on financial reporting requirements, auditing and assurance standards and listing regulations.
4. To recommend topics in contemporary accounting and auditing issues for research.
5. To establish and supervise working committees formed to produce recommendations on financial reporting and auditing standards and guidelines.

COMMERCE & INDUSTRY COMMITTEE

NO. OF MEETINGS: **3**

	Attendance
Rozaini Mohd Sani *(Chairman) (Appointed on August 27, 2016)*	3
Poon Yew Hoe *(Alternate Chairman)*	3
Abdul Halim bin Md Lassim	1
Datin Hjh Fadzilah bte Saad	2
Ng Gan Hooi	0
Datuk Robert Yong Kuen Loke	0
Co-opted Members	
Christine Cho Oi Kwan	0
Ben Lee Keen Pong	3
Vincent Seow	0

Terms of Reference:

1. To ensure that the interests and views of members in commerce and industry are properly reflected in the Institute's policies and activities.
2. To develop, in conjunction with other Committees of the Institute, such activities that are of interest to members in commerce and industry, particularly in relation to continuing professional development programmes in management accounting and other topics.
3. To develop the management accounting and reporting guidelines for recommendation to Council.
4. To provide a consultative media for members in commerce and industry.
5. To co-ordinate liaison with local, regional and international bodies on all matters concerning management accounting and reporting.

DISCIPLINARY COMMITTEE

NO. OF MEETINGS: **0**

	Attendance
Dato' Mohammad Faiz bin Mohammad Azmi *(Chairman)*	0
Datuk Johan bin Idris *(Appointed on August 27, 2016)*	0
Teo Swee Chua	0
Yeoh Siew Ming	0
Lay Persons	
Chua See Hua	0
Prof Dr Rozainun Hj Abd Aziz	0

Terms of Reference:

1. On receipt of a formal complaint, to inform the defendant of the Committee's intention to consider the complaint and to hear the complaint.
2. Where the committee finds that a complaint has been proved, to take appropriate disciplinary action against the defendant which includes exclusion or suspension from membership in the case of a member and exclusion from the relevant register in the case of a registered student, censure, reprimand, admonishment or payment of a fine/costs.
3. To give notice of its finding and decision to the defendant.
4. To refer the complaint to the Council for a final decision if no unanimity is reached by the Committee.
5. To report all findings and decisions of the Committee to the Council for recording.

EDUCATION & TRAINING COMMITTEE

NO. OF MEETINGS: **2**

	Attendance
Dato' Ab Halim bin Mohyiddin *(Chairman)*	2
Tan Theng Hooi *(Alternate Chairman)*	0
Khaw Hock Hoe	2
Ng Gan Hooi	2
Ong Chee Wai	1
Pushpanathan a/l S A Kanagarayar	1
Dr Teh Chee Ghee	1
Co-opted Members	
Dr Amirul Shah Md Shahbudin	2
Dr Anbalagan Krishnan *(Retired on December 31, 2016)*	0
Prof Dr Arfah Salleh *(Retired on December 31, 2016)*	0
Dr Chee Hong Kok *(Retired on December 31, 2016)*	1
Prof Dr Ibrahim Kamal Abdul Rahman *(Retired on December 31, 2016)*	0
Prof Dr Keshab Shrestha *(Appointed on January 1, 2017)*	0
Prof Dr Mahamad bin Tayib *(Retired on December 31, 2016)*	1
Dr Mariati Norhashim *(Appointed on January 1, 2017)*	1
Asso Prof Dr Mazlina Mat Zain *(Demised on November 12, 2016)*	–
Asso Prof Dr Mohd Nizal Haniff *(Appointed on January 1, 2017)*	1
Asst Prof Ng Kean Kok *(Retired on December 31, 2016)*	0
Asso Prof Dr Nor Aziah Abdul Manaf	1 (LOA – 1)
Prof Dr Norman Mohd Salleh *(Appointed on January 1, 2017)*	0
Asso Prof Dr Suhaiza Ismail *(Retired on December 31, 2016)*	0
Prof Dr Takiah Mohd Iskandar *(Retired on December 31, 2016)*	0
Joyce Tjoa	0
Wong Teck Keong *(Appointed on January 1, 2017)*	1
Dr Zaidi Mat Daud *(Appointed on January 1, 2017)*	1
Dr Zaini Zainol *(Appointed on January 1, 2017)*	1
Dr Zarina Zakaria	0

Terms of Reference:

1. To organise education and training programmes for students.
2. To plan and administer continuing professional development programmes for members.
3. To liaise with institutions of higher learning and other local and overseas professional organisations in matters pertaining to education and training.
4. To evaluate courses/qualifications referred to the Committee by the Membership Affairs Committee for the purpose of student registration and/or exemption from the Institute's examinations.
5. To regularly review the Institute's examination syllabus.
6. To develop and maintain a library to provide reference and research facilities for members and students.

EXAMINATION COMMITTEE

NO. OF MEETINGS: **1**

	Attendance
Dr Veerinderjeet Singh *(Chairman)*	1
Beh Tok Koay *(Alternate Chairman)*	1
Abdul Halim bin Md Lassim	0
Goh Lee Hwa	1
Lee Tuck Heng	1
Thong Foo Vung	0

Terms of Reference:

1. With Council's approval, to issue from time to time, regulations for the:
   (a) conduct of the examinations, and
   (b) eligibility of students to sit for the examinations.
2. To give notice in writing to all students when entry for examination is opened.
3. With Council's approval, to appoint and remunerate examiners and moderators.
4. To recommend to Council the fees to be charged for the examinations.
5. To appoint and remunerate invigilators at each examination centre.
6. To consider reports of examiners and moderators and determine the examination results.
7. To notify students of their performance at the examinations.
8. To issue certificates to successful students at each examination.

FINANCIAL STATEMENTS REVIEW COMMITTEE

NO. OF MEETINGS: **7**

	Attendance
Loh Lay Choon *(Chairman)*	5
Ng Kim Tuck *(Alternate Chairman)*	7
Khaw Hock Hoe	4
Ong Chee Wai	5
Tang Seng Choon	4 (LOA – 1)
Teo Swee Chua	2 (LOA – 1)
Venkatramanan Viswanathan	3 (LOA – 1)
Co-opted Members	
Audrey Chan *(Appointed on April 18, 2017)*	–
Chong Chen Kian *(Appointed on September 8, 2016)*	1
Chua Guan Heng, Herbert	0 (LOA – 3)
Chua Wai Hong	1
Chua Lei Choon, Florence	4
Ooi Thiam Poh, Alex *(Resigned on March 29, 2017)*	0
Siew Kah Toong, David	3 (LOA – 1)
Wong Kar Choon	0
Yeo Beng Yean	0

Terms of Reference:
1. To uphold the standards of the accountancy profession in Malaysia by supporting members in enhancing the quality of financial statements reporting. This is to be done by the review of financial statements selected at random by the Committee or referred by a person to the Committee and by drawing the attention of the members responsible for preparing and those reporting on them to any areas in which the presentation or content appears to fall short of such compliance with regulatory requirements and applicable approved accounting standards in Malaysia. The Committee will also consider the independent auditors report issued in conjunction with the review of the selected financial statements.
2. To respond appropriately to questions and problems submitted to the Institute by members who may have difficulty in complying with the recommendations of this Committee.
3. As and when appropriate, to refer special items of difficulty or interest to the relevant committees or the Council of the Institute.
4. Where the matter arising out of the work undertaken by the committee within its terms of reference is justified, to authorise a member of the Committee to refer the matter to the Investigation Committee for further investigative action.

INSOLVENCY PRACTICE COMMITTEE

NO. OF MEETINGS: **6**

	Attendance
Dato' Gan Ah Tee *(Chairman)*	6
Lim Thiam Kee *(Alternate Chairman)*	5
Yong Yoon Shing	6
Co-opted Members	
Dato' Adam Primus Varghese Abdullah	6
Ahmad Shazli Kamarulzaman	0
Chua See Hua	3
Duar Tuan Kiat, Stephen	4
Fazlina Pawan Teh	0
Hong Boo Kiat, Adrian	3
Kumar Kanagasingam	5
Lim San Peen	5
Dr Lim Swee Geok	5
Lim Tian Huat	0 (LOA – 1)
Mak Kum Choon	6
Ng Chih Kaye	2
Ng Pyak Yeow	1
Norhaslinda Salleh	1
Pauline Teh Abdullah	5
S Suhendran	0
Tan Gin Han	2
Wong Chee Lin	3

Terms of Reference:
1. To provide a forum for the exchange of ideas and discussion of issues faced by practitioners in relation to:
   (a) the law and practice of insolvency and corporate restructuring;
   (b) their dealings with Malaysia Department of Insolvency, Companies Commission of Malaysia and other relevant authorities; and
   (c) making the necessary representations and/or recommendations to such authorities.
2. To prepare guidance notes on insolvency & corporate restructuring practice as and when required.
3. To create awareness among members in insolvency and corporate restructuring practice in this country on the highest degree of integrity, objectivity and competency and to consistently evaluate the current framework of insolvency and corporate restructuring law and its practice in Malaysia.
4. To encourage and facilitate greater cooperation and communication amongst insolvency and corporate restructuring practitioners in Malaysia.
5. To deal with any other matters relating to insolvency and corporate restructuring.

INVESTIGATION COMMITTEE

NO. OF MEETINGS: **2**

	Attendance
Pushpanathan a/l S A Kanagarayar *(Chairman)*	2
Datin Hjh Fadzilah bte Saad *(Alternate Chairman)*	2
Dato' Gan Ah Tee	1 (LOA – 1)
Lee Tuck Heng	2
Rozaini Mohd Sani	1
Thong Foo Vung	0

Terms of Reference:

1. To consider any facts or complaints laid before it indicating that a member, provisional member or registered student of the Institute has become liable to disciplinary action.
2. Where the Committee is of the opinion that a prima facie case has been made out, it shall make a formal complaint to the Disciplinary Committee.
3. To request a member to support the formal complaint during a hearing before the Disciplinary Committee.
4. To request a member to support the decision of the Disciplinary Committee during a hearing before the Appeal Committee.

MEMBERSHIP AFFAIRS COMMITTEE

NO. OF MEETINGS: **4**

	Attendance
Goh Lee Hwa *(Chairman)*	3
Lee Tuck Heng *(Alternate Chairman)*	2
Dato' Ab Halim bin Mohyiddin	1
Datin Hjh Fadzilah bte Saad	3
Datuk Johan bin Idris *(Appointed on August 27, 2016)*	2
Ong Chee Wai	2
Dr Teh Chee Ghee	3

Terms of Reference:

1. To consider applications for membership.
2. To consider applications for practising certificates.
3. To consider enquiries of members pertaining to membership.
4. To consider applications from students for registration and exemption from examinations.
5. To recommend to Council fees to be charged for membership and issue of practising certificates.
6. To prepare guidance notes on various aspects of the MICPA Code of Ethics.
7. To provide counselling services to members on professional conduct and ethics (in accordance with the above Code) and other professional matters where possible, but so as not to infringe on matters within the purview of other Committees.
8. To promote the profession to the public in liaison with other relevant Committees.
9. To deal with correspondence from members and public where the subject matter does not fall within the ambit of other Committees.

PUBLIC AFFAIRS COMMITTEE

NO. OF MEETINGS: **1**

	Attendance
Datuk Robert Yong Kuen Loke *(Chairman)*	1
Tan Theng Hooi *(Alternate Chairman)*	1
Abdul Halim bin Md Lassim	(LOA – 1)
Khaw Hock Hoe	(LOA – 1)
Loh Lay Choon	0
Dato' Megat Iskandar Shah bin Mohamad Nor *(Appointed on August 27, 2016)*	0
Ng Gan Hooi	(LOA – 1)
Ng Kim Tuck	1
Dr Teh Chee Ghee	0
Yong Yoon Shing	1
Co-opted Members	
Dato' Ahmad Faris Yahaya	0
Chia Kum Cheng *(Resigned on May 13, 2017)*	0

Terms of Reference:

1. To organise programmes to enhance and project the image of the Institute and the profession.
2. To coordinate and organise all public relations activities of the Institute.
3. To develop and maintain contacts with the media.
4. To foster better understanding, relationship and co-operation between the Institute, the Government and the financial and business communities.
5. To be responsible for publication of promotional materials, including the Institute's Journal and press releases.
6. To plan and organise the Institute's annual and regional conferences hosted by the Institute, and joint conferences with other professional bodies.

PUBLIC PRACTICE COMMITTEE

NO. OF MEETINGS: **3**

	Attendance
Lim Thiam Kee *(Chairman)*	3
Poon Yew Hoe *(Alternate Chairman)*	3
Dato' Megat Iskandar Shah bin Mohamad Nor *(Appointed on August 27, 2016)*	0
Tang Seng Choon	2
Venkatramanan Viswanathan	0
Yeoh Siew Ming	1
Yong Yoon Shing	1
Co-opted Members	
Abu Bakar Rajudin	3
Chong Sai Sin	2
Dato' Seri Raymond Liew	0
Lim Kien Chai	1
Mohd Afrizan Husain	0
Mohd Noor Abu Bakar	2
Siew Kah Toong, David	1

Terms of Reference:
1. To identify the professional development needs of smaller practices.
2. To promote the professional standing of members in practice.
3. To assist members in practice management.
4. To provide a forum for interaction and consultation for members in practice.
5. To formulate and provide training courses for staff of smaller practices.
6. To assist the professional development needs of practitioners.

TAX PRACTICE COMMITTEE

NO. OF MEETINGS: **3**

	Attendance
Beh Tok Koay *(Chairman)*	3
Dr Veerinderjeet Singh *(Alternate Chairman)*	3
Goh Lee Hwa	2
Lim Thiam Kee	2
Co-opted Members	
Fo Wai Lan	2
Goh Kean Hoe	2
Khoo Guat Eean, Heather	0
M J Monteiro	0
Phoon Sow Cheng	3
Tai Lai Kok	2
Wan Chee Khei	0
Woon Yoke Lee	3
Yeo Eng Ping	1

Terms of Reference:
1. To serve as key liaison between the Institute and Government on taxation matters.
2. To participate in Government's consultation process on the development, revision and implementation of tax legislation and regulations.
3. To consider practical problems faced by members relating to the application of tax legislation and compliance with the regulations of the Inland Revenue Board.
4. To be responsible for the Institute's publications on taxation and related matters.

PRESIDENT'S STATEMENT

It is commonly said that change is the only constant around us. Indeed, MICPA has gone through many changes throughout our almost six decades of existence and I am pleased to see that we have weathered through them well and continue to stand strong today.

One of the keys to remaining relevant is to anticipate the changing tides and to take steps to meet the needs ahead, as embodied in the theme of this year's report – **Engaging the Future**.

Our collaboration with Chartered Accountants Australia and New Zealand (CAANZ) back in 2009 was one of the proactive steps the Institute took to provide a professional qualification that would benefit future members in countless ways – the dual qualification and recognition from MICPA and CAANZ, access to the Global Accounting Alliance, and the joint MICPA-CAANZ Programme itself which is designed to develop well-rounded professionals who are both strong technically and possess the necessary soft skills.

A key milestone for us in 2016 was the renewing of our partnership agreement with CAANZ which allows the Institute to continue conducting the MICPA-CAANZ Programme. We look forward to seeing further growth in the number of candidates coming into the Programme in the years to come and to continue to engage our target segments. Last year saw a record number of 282 new candidates enrolled, many of them from local universities. This is credited to the MICPA-TalentCorp Par Excellence Programme – a scholarship offered in collaboration with Talent Corporation Malaysia Berhad (TalentCorp) which attracted many students with good academic track records.

With regard to our involvement in the Committee to Strengthen the Accountancy Profession (CSAP), the CSAP report and its 15 recommendations were accepted by the Ministry of Finance (MoF) in 2016 and thereafter, the Securities Commission (SC) was tasked to set up an implementation committee to drive the implementation process. As MICPA President, I was privileged to be appointed to sit in the CSAP Implementation Committee (IC), alongside representatives from the Malaysian Institute of Accountants (MIA), SC, Bank Negara Malaysia (BNM), Companies Commission of Malaysia (SSM), Accountant General's Department (AGD), and the Ministry of Higher Education (MOHE). I have ensured and will continue to ensure that our views are heard for the betterment of the profession in our beloved nation.

In our effort to remain aligned with the CSAP recommendations, the past year has seen us further strengthening our relationships with local public universities by developing strategies to assist them in their journey to embrace the changes articulated within CSAP. As the only local professional accounting institute in Malaysia, we have a key role to play in ensuring the continuous pipeline of accountants in the country.

In line with the Government's call for more professionally-trained accountants in Malaysia, we have created a new pathway into membership with the Institute. In July last year, we launched a new membership class called *Accounting Technician*. Differentiating itself from our flagship Certified Public Accountant, or CPA membership and Associate CPA membership, this new designation is designed specifically for Diploma in Accounting holders from accredited institutions who form a vital link in the provision of accounting support to businesses, the public sector and public practice. We hope to see many Diploma holders taking up this opportunity moving forward.

We have also been actively involved with the AGD, to look into special provisions for the admission of Senior Accountants from the public sector into MICPA membership under the *Associate CPA* membership class. Candidates who have met the required educational and work experience can undergo a workshop on *Professional Ethics* before being admitted as an *Associate CPA*. We conducted several briefing sessions for the Senior Accountants of AGD in 2016 to create awareness on this special provision. For the next phase, the Institute is currently working with the AGD to target public sector accountants holding qualifications required for the MICPA-CAANZ Programme which grants them full CPA membership, as well as membership with CAANZ.

2016 saw our partnership with Universiti Tunku Abdul Rahman (UTAR) solidified through the signing of a Memorandum of Understanding (MoU). Though a strong relationship had already been forged with the university, the MoU aimed to formalise and foster a deeper commitment to develop accounting-related educational programmes whilst promoting institutional exchanges through intellectual discourse and knowledge sessions between both parties to support academia, training and student development. We hope to sign similar MoUs with more universities in the future.

A Memorandum of Agreement (MoA) was also signed with Taylor's College in August 2016 to formally recognize the College as the sole tuition provider for the MICPA-CAANZ Programme. Our relationship began in 2014 when we first worked with the College to facilitate our MICPA-CAANZ tuition classes on their premises. 2017 will see the College taking on full management of the tuition classes and we have absolutely no qualms in entrusting this role to them.

To support the growth of the accounting sector, agencies such as Yayasan Peneraju Pendidikan Bumiputera (Peneraju) see the importance of working with professional bodies like MICPA through the offering of sponsorships. Peneraju's PPAS-MICPA sponsorship is a hybrid between full-time study and part-time study, allowing for newly-graduated accounting degree holders to sit for the first 2 modules full-time, and the remaining 3 to be completed part-time whilst under employment.

We were also very pleased to consolidate our partnership with Taylor's College who jointly hosted the first cohort of 20 Peneraju scholars in September 2016, as well as provided a Nurture and Development Programme aimed at improving scholars' soft skills, alongside the MICPA-CAANZ Programme classes. I am proud to report that the scholars obtained a 100% pass rate for their first module, and look forward to seeing them achieve greater success as they progress through the Programme. I am also pleased to announce that Peneraju has committed to working with us to offer this same hybrid sponsorship to a second cohort which will commence in late 2017.

ACKNOWLEDGEMENT AND APPRECIATION

This marks my third and final year as MICPA's President. It has been a privilege to serve alongside my fellow Council. I hope to continue in my role as a Council member going forward, so long as my contribution is needed by the Institute and the profession. Thank you for your unceasing support, continuous contribution, expertise and encouragement necessary for the development of the profession and the Institute. I would also like to extend my sincere appreciation and gratitude to all our members and volunteers who have contributed their time, professional knowledge and ideas to the success of the Institute through their active participation in the various committees and working groups of the Institute.

As ambassadors of the Institute, let us continue to play our part to take the MICPA brand to greater heights.

DATO' ABDUL RAUF BIN RASHID
President

1 Taylor's College Memorandum of Agreement Signing Ceremony

2 MICPA 57th Anniversary Commemorative Lecture & Luncheon

3 MICPA 58th Annual Dinner

PERFORMANCE

The Institute achieved a net operating surplus of RM255,600 for the year, an increase of RM56,200 (28.2%) from RM199,400 in 2015.

Total income rose marginally by RM131,100 or 2.2% due mainly to the increase in income generated from students' registration, exemption and annual fees for the MICPA-CAANZ Programme. The total income of the Institute increased marginally despite the new students' intake being higher because the effects on financials from the 69 new students registered in December 2016 are only beginning to be felt in 2017.

Total expenses increased marginally by RM57,700 or 1.0% due mainly to higher staff costs resulting from the annual salary review.

Total assets increased by RM869,900 or 18.0%, due mainly to the amount owing by 2 government agencies for sponsoring students for the MICPA-CAANZ Programme. Total liability increased by RM614,200 or 28.7% resulting mainly from Term 1, 2017 examination fees received in advance from students. The Institute had an accumulated fund of RM2,946,500 as at December 31, 2016 compared to an accumulated fund of RM2,690,800 in the previous year.

The financial position of the Institute has strengthened over the years through prudent and careful stewardship of resources. As the financial position of the Institute continues to improve, the Institute is able to organise more activities that will benefit members and students and intensify the publicity and communications programme in promoting the MICPA-CAANZ Programme.

FIVE-YEAR SUMMARY

	2016 RM'000	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000
Total income	**5,981**	5,850	5,289	5,086	4,782
Total expenses	**(5,726)**	(5,651)	(5,017)	(4,486)	(4,217)
Net operating surplus	**255**	199	272	600	565
Non-current assets	**47**	57	37	171	327
Current assets	**5,657**	4,777	4,458	3,938	3,315
Non-current liabilities	**–**	–	–	(135)	(281)
Current liabilities	**(2,758)**	(2,143)	(2,003)	(1,754)	(1,741)
Total net assets	**2,946**	**2,691**	**2,492**	**2,220**	**1,620**
Accumulated Fund	**2,946**	**2,691**	**2,492**	**2,220**	**1,620**

MEMBERSHIP

The Institute has four classes of members who are admitted in accordance with the Institute's Articles of Association and Bye-laws. These classes are Certified Public Accountants (CPA), Associate Certified Public Accountants (Associate CPAs), Provisional Members and Accounting Technicians. As of December 31, 2016, the membership of the Institute stood at 3,171.

MEMBERSHIP STATISTICS

	As at December 31		Net Increase/ (Decrease)
	2016	2015	
Certified Public Accountants	**3,082**	3,048	34
Provisional Members	**29**	29	-
Associate Certified Public Accountants	**60**	62	(2)
Total	**3,171**	3,139	32

CERTIFIED PUBLIC ACCOUNTANT (CPA)

As of December 31, 2016, the total number of CPA members stood at 3,082. After taking into account members who had resigned or were excluded from membership for failure to pay their annual subscriptions or practising certificate fees, a net increase of 32 members was recorded.

During the year, there was a total of 77 new admissions. Of the new admissions, 75 members were admitted under Bye-law 34(1)(a) to (d), having completed the Institute's examinations and fulfilled the prescribed practical experience requirements. Another 2 members were admitted under Bye-law 34(1)(f) who were full members of an approved foreign accounting body and had been granted an exemption from the admitting examination on the basis that they have had adequate working experience in the relevant fields in Malaysia after qualifying as an accountant.

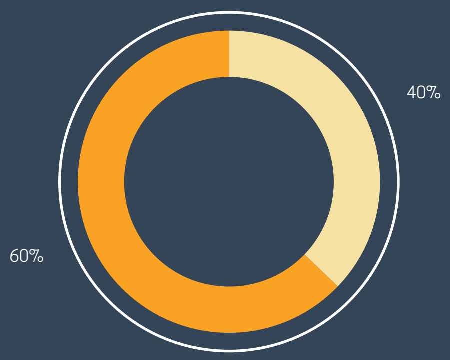
As of December 31, 2016, 35% of members worked in public practice firms, of whom 12% were members holding practising certificates. A total of 50% of the members were employed in the business community and 1% was in the public sector. Retired members accounted for 14% of the total CPA membership. There was no significant change in the membership profile as compared to 2015.

A total of 49 female members were admitted during the year, constituting 64% of total new admissions. The proportion of female members remained unchanged at 40% in 2016.

CPA MEMBERSHIP STATISTICS

	As at December 31		Net Increase/ (Decrease)
	2016	2015	
In Practice	**384**	371	13
Not In Practice	**2,698**	2,677	21
Total	**3,082**	3,048	34

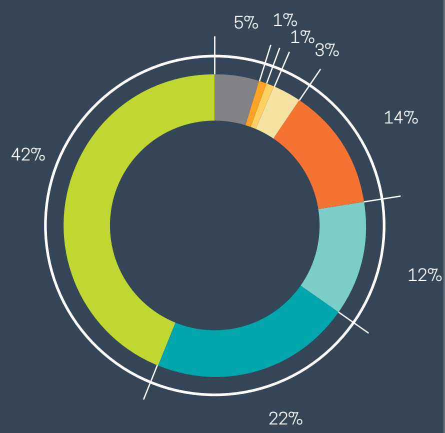
CPA MEMBERSHIP STATUS



Female	40%	1,243
Male	60%	1,839
Total	**100%**	**3,082**

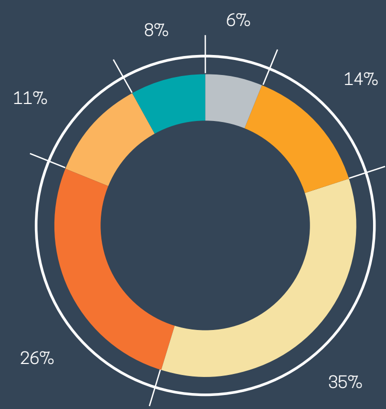
34 CPA MEMBERS INCREASED

CPA MEMBERSHIP BY FIELD OF EMPLOYMENT



Financial Institutions	5%	144
Public Sector	1%	25
Education	1%	27
Consultancy and Others	3%	85
Retired	14%	430
Public Practice	12%	376
Employees of Accounting Firms	22%	688
Commerce and Industry	42%	1,307
Total	**100%**	**3,082**

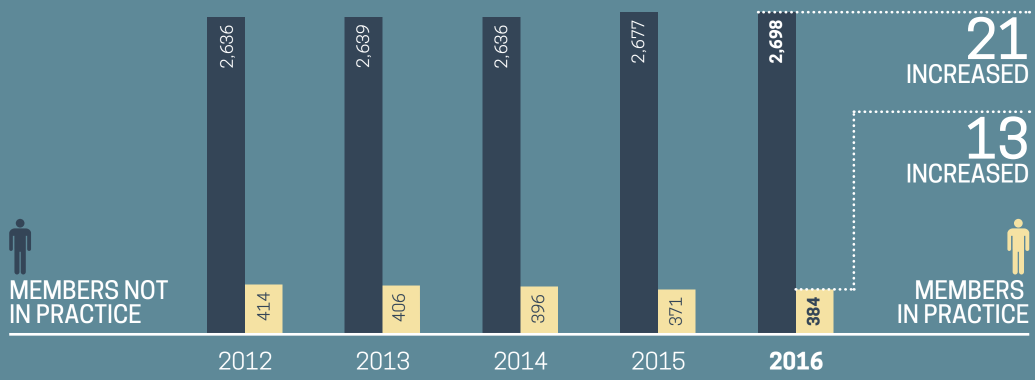
CPA MEMBERSHIP BY AGE

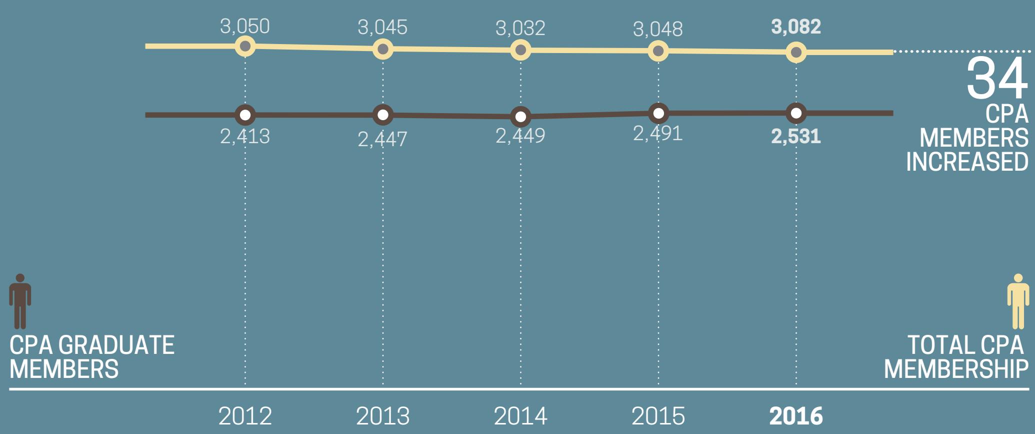


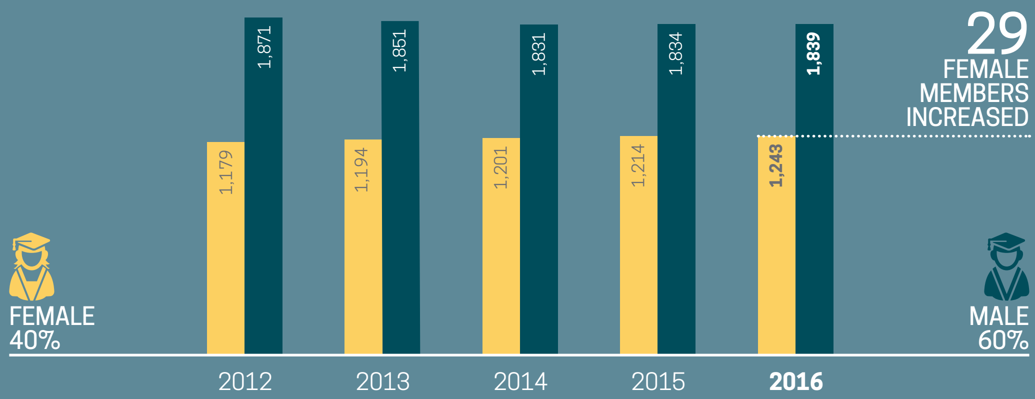
21-30	6%	195
31-40	14%	422
41-50	35%	1,075
51-60	26%	812
61-69	11%	338
70 & above	8%	240
Total	**100%**	**3,082**

CPA MEMBERSHIP STATISTICS

AS AT DECEMBER 31, 2016







PROVISIONAL MEMBER

Provisional members are graduate members who have completed the Institute's examinations but have not fulfilled the practical experience requirement for admission as full members.

Provisional members enjoy the full range of the Institute's membership services and other privileges of a qualified member with the exception of the right to vote in any general meeting of members, the right to carry out any duty reserved to members of the Institute, and the right to hold himself out as a principal or partner of an accounting firm.

There were no new provisional members admitted during the year and the number of members remained at 29.

ASSOCIATE CERTIFIED PUBLIC ACCOUNTANT (ASSOCIATE CPA)

There were no new Associate CPAs admitted during the year. After taking into account members who were excluded from membership for failure to pay the annual subscription, a net decrease of two members was recorded. This brought the total Associate CPA membership to 60 members as at December 31, 2016.

These members are mainly senior lecturers from accounting departments or schools of local public and private universities. They were admitted under the Institute's special provisions for admission as an Associate CPA. They have the same rights of membership as a CPA, with the exception of the right to seek election to the MICPA Council, to attend general meetings of the Institute, and to carry out any duty reserved for CPA members. Associate CPAs are entitled to access the full range of services provided by the Institute to members.

SERVICES TO MEMBERS

The Institute's members are pivotal in maintaining MICPA's integrity, professionalism and image in the accounting profession. The Institute remains committed towards providing members with the avenue to continuously improve and upgrade their technical competence and professional excellence. Every year we develop a range of initiatives and programmes to help equip our members with the required technical knowledge and updates. It also provides them with the opportunity to represent their interests at meetings with stakeholders. The prime objective is to empower our members to be able to perform optimally in their profession, which will promote not just the Institute's prestigious reputation but also the work it does to support the development of the accounting profession in Malaysia.

1 MICPA 58th Annual Dinner - Life Member Award

2 MICPA Excellence Awards 2015/2016

3 MICPA 57th Anniversary Commemorative Lecture & Luncheon

Continuing Professional Development

The Institute organises a range of Continuing Professional Development (CPD) programmes annually to enable members to keep up-to-date on new developments and pertinent topics relevant to the profession. The programmes are tailored based on the needs of our members and take into consideration the current industry concerns.

CAANZ-MICPA Audit Forum 2016

MICPA and CAANZ held the annual jointly-organised CAANZ-MICPA Audit Forum at Sime Darby Convention Centre on October 18, 2016. This year's Audit Forum explained how data analytics applies to financial statement audits and why it could represent a game changer in how audits are conducted, and was aptly entitled "*Transforming Audit through Big Data and Analysis*".

Traditional audit methodologies have served their purpose well for decades. However, to keep pace with today's increasingly complicated governance and risk management landscape, progressive external audit firms are beginning to use technology to revolutionise the way that audits are conducted. Data analysis has become an essential part of the audit process for the vast majority of audit firms. Auditors will be able to use larger data sets and analytics to better understand the business, identify key risk areas and deliver enhanced quality and coverage while providing more business value.

The Forum was well-attended by invited members and partners of the Institute who found the topic interesting and relevant.

Companies Act 2016

The Companies Bill 2015 was passed by the Parliament on April, 2016. It replaces the existing Companies Act 1965, and sets out the modern legal framework governing the formation, operation, termination and regulation of companies in Malaysia.

During the year, the Institute organised training to cover the Companies Bill 2015 and the recently-gazetted new Companies Act 2016. The Seminar highlighted and emphasized the major changes and new compliance procedures required under the new Companies Act 2016 to better equip participants to adapt the new and unique requirements of the Companies Act 2016. It also provided an overview of new provisions relating to capital management and restructuring options affecting corporate governance from a secretarial perspective.

CAANZ-MICPA Audit Forum 2016

PUBLIC PRACTICE

The Public Practice Committee's (PPC) role is to identify the professional development needs of members in public practice, especially that of small and medium practices (SMPs). The PPC also functions as a forum for consultation and discussion of issues relevant to members in practice.

Audit Guide

The updated *Audit Guide for Practitioners (AGP)* that will be published in June 2017 is the fourth edition of the same publication which was first published in 2006 and revised in 2008 and 2011. The latest edition of the AGP reflects the approved standards on auditing and other pronouncements adopted and issued by the Institute as at December 31, 2016. This guide is intended to provide guidance to SMPs on the performance of audits of financial statements on Small and Medium-Sized Entities (SMEs) in accordance with the approved auditing standards in Malaysia and to maintain quality control over audit work.

During the year, three (3) two-day *Basic Practical Guide to Auditing* workshops on the usage of the AGP were conducted to equip participants with practical knowledge and skills in conducting audits of financial statements in accordance with the Clarified International Standards on Auditing (ISAs), which have been adopted for application in Malaysia.

Illustrative Audit Work Documentation Task Force

As part of the Institute's initiative to look into the practice and professional development needs of smaller practices, the Illustrative Audit Work Documentation Task Force set up in 2015 undertook the development of extended training materials for the *Practical Audit Methodology for Small and Medium-Sized Entities (SMEs)* workshops to be jointly organised with MIA commencing the second half of 2017.

The *Illustrative Audit Working Papers* which is prepared based on the International Federation of Accountants (IFAC) audit methodology for SMEs is aimed at providing workshop participants with the necessary guidance on how the IFAC methodology can be implemented in a simplified manner whilst adhering to the requirements of the ISAs.

Engagement with Stakeholders on the Value of Audit

The Institute, in support of MIA's stance that only dormant companies should be exempted from statutory audits as a start (with possible revisions in the future), had to-date, collaborated with MIA in an engagement with the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), Malaysian Association of Chartered Secretaries (MACS), Malaysia Debt Ventures Berhad, SME Association of Malaysia, the Association of Banks in Malaysia, Malaysia Venture Capital Management Berhad, SME Bank, Associated Chinese Chambers of Commerce and Industry in Malaysia and Association of Islamic Banking Institutions Malaysia on the value of audit.

Corporate Practice Consultative Forum for Company Secretarial Practice Sub-Committee

The PPC is a member of the Corporate Practice Consultative Forum for Company Secretarial Practice Sub-Committee (CSP) established by SSM to promote co-operation between SSM and company secretarial practitioners to exchange views on areas relating to company secretarial practice under the Companies Act 2016 (CA 2016) which came into effect on January 31, 2017 with the exception of Section 241 and Division 8 of Part III.

During the year under review, the PPC was engaged for public consultation by the SSM, and had submitted its comments on the following subsidiary legislations to the CA 2016:

i. Companies Regulations 2017; and
ii. Guidelines on Company Name.

Activities

The PPC organised a workshop on *"Impact on Company Secretaries and Auditors under the New Companies Bill 2015"* and a half-day talk on *"Enforcement Updates by SSM"* as well as two runs of the *"First Time Adoption of Malaysian Private Entity Reporting Standard ("MPERS") – Practical Issues and Challenges Faced by Practitioners"* seminar jointly organised with MIA and supported by BDO.

Technical Reference Panel

The Technical Reference Panel, which provides free advisory services to members, receives enquiries throughout the year. The enquiries received largely pertained to the application of new and updated MFRSs, Bursa Malaysia Listing Requirements, ISAs, tax legislation, and company law.

COMMERCE AND INDUSTRY

The Commerce and Industry Committee is responsible for undertaking activities relevant to members in commerce and industry as they comprise almost half of the total membership. This includes organising CPD programmes relevant to this segment of members.

A series of interesting evening talks have been planned for 2017, with the most recent one entitled *'How Smart Companies are Harnessing the Power of the Stock Exchange'* held in May 2017.

GOVERNMENT RELATIONS

The Institute maintains a consultative relationship with the Government and regulatory bodies to reinforce the Institute's leadership roles on professional and business issues. At a time when there have been significant policy measures and changes introduced to taxation laws, company laws and other business legislations implemented by the Government, the role the Institute plays in this area remains crucial.

Some of our ongoing activities in this area include making submissions and representations to the Ministry of Finance, Securities Commission (SC), Suruhanjaya Syarikat Malaysia (SSM), the Inland Revenue Board (IRB), Royal Malaysian Customs (RMC) and other Government departments. We are constantly proposing and providing views in response to the proposed legislative reforms which represent crucial insights into the profession and the business entity it serves. We also channel members' concerns on regulatory guidelines relating to the operation of the capital market, governance of companies, income tax system and the listing requirements.

The Institute consistently engages in dialogue sessions held by the Government with the private sector which includes the annual dialogue with the Ministry of Domestic Trade and Consumer Affairs, the annual dialogue with SSM, half-yearly meetings with the Customs-Private Sector Consultative Panel and regular dialogues with the IRB. In technical meetings with the SC and Bursa Malaysia, the Institute provides a strong voice on implementation issues which arises from new or proposed changes to the rules and regulations affecting the capital market.

1 Australian Outreach 2016 - Info Session at University of Melbourne

2 & 3 MICPA Excellence Awards 2015/2016

The Institute continues its close working relationships with Talent Corporation Malaysia Berhad (TalentCorp) to upskill accountants in Malaysia, as well as in reaching out to Malaysians studying locally and abroad. The Institute awarded 138 scholarships under the PAR Excellence Programme in 2016, which is an upskilling programme that allows accounting undergraduates to commence the MICPA-CAANZ professional qualification in their final year of a 4-year degree programme.

The Institute also partnered with Yayasan Peneraju Pendidikan Bumiputera (YPPB) in the offering of a unique hybrid sponsorship programme to eligible candidates. The programme consists of 9 months of full-time study covering 2 out of 5 modules of the MICPA-CAANZ Programme in hand with a Nurture and Development Program which focuses on developing soft skills and getting candidates work-ready, followed by 27 months of part-time study whilst obtaining practical experience with esteemed accounting firms. The pioneer batch which commenced in September 2016 scored 100% passes in the Taxation module, being their first module.

During the year, the Institute participated in courtesy visits to the Accountant General of Malaysia, Bursa Malaysia, SSM, Bank Negara Malaysia and also the IRB. Through such visits, knowledge on the changes and developments in the accounting profession are shared and exchanged. The visit also allowed the Institute to provide briefings on the current programmes offered by MICPA and its core activities, particularly the CPA education and training programmes.

TECHNICAL ACTIVITIES

Technical activities are an integral facet of the Institute's operations, as it is through these activities that members are kept informed and aware of the latest developments in the profession. This assists them in complying with the requirements and upholding the standards of the profession, while discharging their responsibilities in accordance with the various laws and regulations. In turn, this will maintain public confidence in the work performed by the Institute's members and the integrity of the accounting profession.

The Institute's technical activities are conducted by a number of committees that were each formed to focus on a specific topic related to the accounting profession, and its associated concerns and issues.

ACCOUNTING AND AUDITING STANDARDS

The Accounting and Auditing Technical Committee (AATC) is responsible for developing and reviewing accounting, auditing, as well as reporting standards and guidelines. They are supported by specialist working groups and ad hoc task-forces set up to undertake specific projects.

In auditing, the AATC regularly reviews pronouncements by the International Auditing and Assurance Standards Board (IAASB) of IFAC. These pronouncements include:

(a) International Standard on Quality Control (ISQC)

(b) International Standards on Auditing (ISAs)

(c) International Standards on Assurance Engagements (ISAEs)

(d) International Standards on Review Engagements (ISREs)

(e) International Standards on Related Services (ISRSs)

Through due process, the Institute has substantially adopted all the standards and guidance issued by the IAASB to-date. These standards and guidance are subsequently issued to members for compliance.

In financial reporting and accounting, the Institute contributes to the Malaysian Accounting Standard Board's (MASB) standard-setting process. During the consultation stage, the Institute submits it views on proposed new standards and discussion documents.

The Institute participates and contributes in MIA's Financial Reporting Standards Implementation Committee (FRSIC) which provides assistance on matters of common interest relating to financial reporting standards by way of providing guidance to both preparers and auditors. Particular attention is focused where unsatisfactory or divergences of interpretations have developed or seem likely to develop. After due process, implementation guidance in the form of a FRSIC Consensus is issued, which should be regarded as best practice and read in conjunction with the relevant financial reporting standards.

1 Anugerah Presiden 2016 winner

2 UTAR MoU Signing Ceremony

Malaysian Financial Reporting Standards Framework

MASB's Malaysian Financial Reporting Standards (MFRS) Framework is to be applied by all entities other than private entities for annual periods beginning on or after January 1, 2012, with the exception of Transitioning Entities (TEs). TEs were initially allowed to defer adoption of the MFRS Framework for two years and have the option of either applying the MFRS Framework or the FRS Framework for annual periods beginning on or after January 1, 2012. With the announcement by MASB in August 2013 to extend the transitional period for TEs by another year, the adoption of the MFRS Framework should have become mandatory for all companies for annual periods beginning on or after January 1, 2015.

Following the issuance of MFRS 15, *Revenue from Contracts with Customers and Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)* in 2014, MASB announced that the effective date of the MFRS Framework for TEs should be for annual periods beginning on or after January 1, 2017.

However, in September 2015, MASB confirmed that the effective date of MFRS 15 would be deferred to annual periods beginning on or after January 1, 2018, following the International Accounting Standards Board's (IASB) decision to defer IFRS 15, *Revenue from Contracts with Customers* by one year. As a result, the effective date for TEs to apply the MRFS Framework was also deferred to the annual periods beginning on or after January 1, 2018.

During the year, MASB issued amendments to four (4) MFRSs and three (3) FRSs, and a new IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration* with an effective date of January 1, 2018. MASB had also issued Annual Improvements to MFRS/ FRS Standards for 2014-2016 Cycle.

Malaysian Private Entities Reporting Standard (MPERS)

In October 2015, MASB launched the MPERS which is equivalent to the International Financial Reporting Standards (IFRSs) for SMEs as issued by the IASB. Following the launch of MPERS, the Private Entity Reporting Standards (PERS) were withdrawn from application with effect from January 1, 2016 to coincide with the effective date of MPERS beginning on or after January 1, 2016.

In February 2017, MASB revised the Private Entity definition with the coming into operation of the Companies Act 2016 and Interest Schemes Act 2016, both on January 31, 2017.

The revised Private Entity definition reads as follows:

A private entity is a private company as defined in section 2 of the Companies Act 2016 that:

- *is not itself required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia; and*
- *is not a subsidiary or associate of, or jointly controlled by, an entity which is required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia.*

Notwithstanding the above, a private company that is itself, or is a subsidiary or associate of, or jointly controlled by, an entity that is a management company as defined in section 2 of the Interest Schemes Act 2016 is not a private entity.

Exposure Drafts and Other Consultation Papers

In addition, MASB sought comment on 2 exposure drafts issued by the IASB. The Institute has officially responded to both exposure drafts.

During the year the AATC reviewed and provided feedback for two (2) Public Consultation Papers issued by the SC:

(a) Public Consultation Paper No. 2/2016, *Proposed Draft of the Malaysian Code on Corporate Governance 2016*.

(b) Public Consultation Paper No. 3/2016, *Proposed Amendments to Guidelines on Real Estate Investment Trusts and Streamlining of Post-Listing Requirements for Listed Real Estate Investment Trusts with Listed Corporations*.

Feedback and comments were also submitted to Bursa Malaysia for:

(a) Consultation Paper No. 1/2016, *Review of the Framework for Collective Investment Schemes under the Main Market Listing Requirements*.

(b) Consultation Paper No. 3/2016, *Proposed Rules Governing the Listing, Trading and Depository Framework of Bursa Malaysia Securities Berhad's (New) Market*.

IFAC through its independent standard-setting boards released exposure drafts in order to continue its objectives to serve the public interest by setting high quality standards and other pronouncements for professional accountants worldwide. Throughout the year, the Institute has officially submitted its comments to three (3) Exposure Drafts, two (2) Discussion Papers, an Invitation to Comment, a Survey Consultation and a Request for

Input issued by three of IFAC's standard-setting boards: IAASB, International Public Sector Accounting Standards Board (IPSASB), and the International Ethics Standards Board for Accountants (IESBA). Selected working groups conducted the reviews of the exposure drafts, as well as provided feedback to the respective organisations.

COMPANY LAW

The Corporate Practice Consultative Forum (CPCF) was established by SSM with the aim of providing a platform for professional bodies to provide feedback, views and proposals on the practices, regulations and programmes implemented by SSM in accordance with the Companies Act 1965 and now, the Companies Act 2016 (CA 2016) which came into force on January 31, 2017 except for Section 241 and Division 8 of Part III. CPCF comprises 10 members including the Institute.

CPCF Sub-Committees

SSM has established three sub-committees, namely, the Insolvency Practice, Secretarial Practice and Accounting and Audit Sub-Committees (i.e. collectively known as the CPCF Sub-Committees) in 2015 to provide input to the SSM via the CPCF for consideration in developing new circulars, practice notes and other related guidance which include the relevant regulations, laws and guidelines in accordance with the CA 2016. The CPCF Sub-Committees which replace the Technical Committee under the CPCF is aimed to determine best practices for practitioners in their respective areas of specialisation.

SSM have convened meetings with the CPCF Sub-Committees in 2016 subsequent to the gazette of the CA 2016 on September 15, 2016.

Practice Notes

Since 2008, SSM has issued 19 Practice Notes to assist stakeholders in understanding the various sections of the CA 1965. In 2016, SSM issued Practice Note 2/2016 to clarify the requirements that need to be fulfilled by a Limited Liability Partnership (LLP) relating to acquisition of land. In 2017, SSM issued Practice Note 1/2017, to clarify the parameters for the utilisation of credit standing in the share premium accounts and the capital redemption reserves for the purposes of subsections 618(3) and (4) of the CA 2016.

SECURITIES LAW

The Securities Commission (SC) is continuously introducing measures and development initiatives to enhance the framework for the enforcement of securities law allowing more effective action to be taken against corporate impropriety. The Institute maintains an ongoing consultative relationship with the SC to discuss practical issues relating to existing regulations and proposals for change with the view to provide a more facilitative environment for the raising of capital. The SC has also invited the Institute to submit issues pertaining to the capital market that the Institute may wish the SC to consider as part of its submission to the Ministry of Finance for the Federal Budget 2018.

The Institute also participates in the consultative process of Bursa Malaysia relating to changes in the listing requirements. In addition, the Institute participates in various focus groups on new measures or products being introduced by Bursa Malaysia.

INSOLVENCY

The Insolvency Practice Committee (IPC) consists of representatives from all interest groups including the Institute's members in practice, the Bar Council, the Association of Banks in Malaysia, SSM and the Malaysia Department of Insolvency (MDI). The Committee provides a platform for the discussion of practical issues arising from insolvency management and administration.

Engagement with the Authorities

During the year under review, the IPC together with MIA's Insolvency Practice Committee and the Insolvency Practitioners' Association of Malaysia (iPAM) (i.e. the joint bodies) paid a courtesy visit to the new Director General and Deputy Director General of MDI on May 12, 2016. During the visit, matters relating to the challenges arising from the amendments to the Housing Development (Control and Licensing) Act 1966 and the GST issues related to insolvency practice were discussed.

The joint bodies together with members of the Focus Group (i.e. the Ministry of Urban Wellbeing Housing and Local Government (KPKT), MDI, representatives of Land Office from various states, the National House Buyers Association and the Bar Council, amongst others) had a meeting with the Timbalan Ketua Pengarah (Sektor Kemajuan Pengurusan dan Perundangan, Jabatan Ketua Pengarah Tanah dan Galian Persekutuan) on June 28, 2016 pertaining to the issue of the 2% verification fee on purchase price issue charged by private liquidators on individual buyers in the case of abandoned housing project and the rationale.

The joint bodies continue to engage with the KPKT on its proposed amendments to the *Housing Development (Control and Licensing) Regulations 1989* and the rationale for seeking such amendments to the *Housing Development (Control and Licensing) Act 1966* and exemptions from certain provisions of the said Act.

Corporate Practice Consultative Forum for Insolvency Practice Sub-Committee

The IPC is a member of the Corporate Practice Consultative Forum for Insolvency Practice Sub-Committee (IPSC) established by the latter to promote co-operation between SSM and insolvency practitioners to create a robust regulatory and practice framework for matters relating to corporate rescue mechanisms and liquidation in light of the coming into operation of Division 8 of Part III of the CA 2016 subsequent to the enforcement of the CA 2016 effective January 31, 2017.

The IPSC is the main platform for regulatory dialogues to ensure that guidelines, practice notes and directives issued by the SSM are consistent with the need and development of insolvency practice in Malaysia.

During the year under review, the IPC was engaged by the SSM on the following subsidiary legislations to the CA 2016 for public consultation:

i. Guidelines on Application to Strike-Off the Name of a Company under Section 550 of the CA 2016; and

ii. Guidelines on Application for Recognition as a Professional Body under Section 433(5) of the CA 2016.

The Institute had submitted its application to SSM for Recognition as a Professional Body under Section 433(5) of the CA 2016 and had in this submission, included the Institute's proposed criteria / qualifications to become an approved liquidator.

The IPC was also consulted by SSM on SSM's justification to the proposed amendments to the Companies (Winding-Up) Rules 1972 to be in line with the CA 2016 and have submitted its joint comments with MIA's IPC and iPAM to SSM.

Insolvency Conference

The Institute, MIA's IPC and iPAM jointly organised the Insolvency Conference 2016 on May 26, 2016. The Conference focused on regulatory reform which aimed to alert insolvency practitioners to the salient changes related to corporate insolvency with the introduction of new corporate rescue mechanisms under the new Companies Bill 2015.

GST Task Force

The GST Task Force was jointly established by the Institute and MIA with the subsequent inclusion of iPAM post GST implementation on April 1, 2015 to address GST issues related to insolvency matters faced by insolvency practitioners. The Task Force was set up to consider and deliberate a range of technical and practical issues confronting insolvency practitioners and where applicable, make representations to the relevant authorities.

During the year under review, one meeting was called by the Royal Malaysian Customs (RMC) to discuss the issues submitted by the Task Force.

Insolvency Guidance Notes

The IPC along with its MIA counterpart also acknowledged the need for Insolvency Guidance Notes (IGNs) to be updated and expanded in line with CA 2016 and latest practices including looking into developing an IGN for GST in terms of insolvency. The IGNs are issued as guidance for members undertaking insolvency work but they are not intended as a definite interpretation of the law.

International Association of Restructuring, Insolvency, and Bankruptcy Professionals

As a member of the International Association of Restructuring, Insolvency, and Bankruptcy Professionals (INSOL), the Institute provides members engaged in insolvency practice with opportunities to keep updated with global changes and developments in insolvency law and practices. Since January 2007, INSOL has issued 34 Technical Papers Series. The INSOL journal and technical series serves as useful reference on significant insolvency issues and developments.

TAXATION

As the key liaison body between the Institute and the Government on taxation matters, the Tax Practice Committee (TPC) makes regular representation to the Government and the revenue authorities on behalf of members. The TPC also participates in the Government's consultation process on the development, revision and implementation of tax laws and regulations.

Inland Revenue Board (IRB)

The Institute works closely with MIA and the Chartered Tax Institute of Malaysia (CTIM) in making submissions to the IRB concerning practical issues encountered by members in the application of tax legislation, as well as the rules and regulations issued by the IRB.

During the year, several dialogue sessions were held with the IRB to seek clarification and practical solutions to a number of issues raised by members. The IRB has formed a Working Group comprising their personnel and representatives from professional bodies to resolve issues that may arise from time to time. One meeting was held during the year under review in addition to two workshops initiated by the IRB to discuss non-technical compliance and operational issues.

The Committee continues to participate in the IRB's consultation process relating to the development of the Public Rulings. The Public Rulings provide guidance on the Director General's interpretation of provisions in the tax law, as well as the policies and procedures that should be applied. The Public Rulings serve as a guide to both tax payers and the IRB officers in the application of the law.

Ministry of Finance (MoF)

On a yearly basis, the Institute together with MIA submits a joint budget memorandum to the MoF for consideration in drafting the yearly national budget. Similarly, on a yearly basis, the Institute together with MIA, CTIM and MAICSA, submit issues arising from the budget announcement and finance bill to the MoF for the purpose of seeking clarification to changes to the law.

During the year under the review, the Institute together with MIA had submitted a joint comment on the Stamp (Amendment) Bill 2016. The Institute had also separately submitted its comment on amendments to Section 15A of the Income Tax Act, 1967 (ITA 1967).

Joint Tax Working Group on Financial Reporting Standards

On February 12, 2009, the Institute, MIA and CTIM formed the Joint Tax Working Group on Financial Reporting Standards (JTWG-FRS) to analyse and highlight changes brought about by the MFRSs that have tax implications. The group also proposes to the relevant tax authorities the appropriate tax treatments with respect to the MFRSs, where applicable.

The JTWG-FRS is in the process of reviewing the following MFRSs to identify tax implications related to their implementation:

Standard	Title
MFRS 15	Revenue from Contracts with Customers
IC 15	Agreements for the Construction of Real Estate

Subsequent to the various dialogues held by the JTWG- FRS with the MoF and IRB to discuss tax implications arising from the implementation of several MFRSs, the MoF/IRB had to-date provided their responses (either vide amendments to the ITA 1967 Guidelines issued by the IRB, IRB's feedback to the MoF and Public Rulings) with respect to the following MFRSs:

Standard	Title
MFRS 2	Share-based Payment
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 102	Inventories
MFRS 111	Construction Contracts and IC 12: Service Concession Arrangement
MFRS 116	Property, Plant and Equipment
MFRS 117	Leases
MFRS 119	Employee Benefits
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 136	Impairment of Assets
MFRS 138	Intangible Assets
MFRS 139	Instruments: Recognition and Measurement (for Non-Financial Institutions)

Royal Malaysian Customs (RMC)

The TPC represented the Institute at the half-yearly meetings of the Customs-Private Sector Consultative Panel. This meeting provides a platform for discussion of practical issues and suggestions related to customs and excise matters that are submitted by the private sector. The Institute was also invited by the RMC to witness the bribe-free pledge signing session at the Customs 2017 Integrity Convention, and to attend stakeholder engagement sessions on 'u-Customs' and the Customs Agent Demerit System, amongst others during the year.

Goods and Services Tax

The Goods and Services Tax Working Group (GST-WG) was set up by TPC with support from several large accounting firms, as well as SMPs. The GST-WG continues to assist Institute members to be GST-compliant and administratively ready for its implementation. Last year, the GST-WG considered and addressed various practical and technical issues raised by members relating to GST as well as broadcast GST updates on the Institute's website.

In 2015, the Institute was invited by the RMC to serve on the GST Technical Issues Committee. This Committee provides a platform for the Institute to discuss, make representations or recommendations to the RMC on technical GST related implementation issues received from its members. Four meetings were held during the year under review.

Publications

TPC is responsible for managing the publishing of two annual titles by the Institute:

(a) *CPA Tax & Investment Review*

This publication contains annual updates on tax laws and regulations, Government policies and guidelines on investments and incentives, as well as other related information on doing business in Malaysia. It also provides a summary of recent tax cases and an index of current amendments to the ITA 1967 and related legislation. The publication is undertaken with the technical support of six large accounting firms.

(b) *Budget Commentary and Tax Information*

This publication is a joint-venture project with MIA and CTIM. A total of 105,166 copies of the 2017 Budget Commentary and Tax Information were printed. Apart from the 31,653 copies sent to members of the three Institutes as part of the membership service rendered and to the recipients of complimentary copies, a total sales volume of 72,710 was achieved. The success of the project was the result of teamwork between the three Institutes and contributions from the editorial board consisting of more than 90 members drawn from nine large accounting firms.

1 CAANZ-MICPA Audit Forum 2016

2 Insolvency Conference 2016

3 University Career Talk

COMMUNICATIONS AND PUBLIC RELATIONS

MICPA adopts a multi-faceted approach to increasing its visibility and strengthening the brand name of the CPA qualification. The Institute communicates the professional opportunities and advantages it offers to the wider public by highlighting them through various channels.

EVENTS

MICPA 58th Annual Dinner

The Institute celebrated its 58th anniversary during its Annual Dinner which was held at Grand Hyatt Kuala Lumpur on August 12, 2016. The dinner was graced by Group Chairman of PNB, YBhg Tan Sri Dato' Sri Abdul Wahid Bin Omar who had at that time just assumed the role. A distinguished accountant himself, Tan Sri Dato' Sri Wahid is no stranger to MICPA's Annual Dinner as he was also the guest of honour back in 2014 when he was Minister in the Prime Minister's Department. Also in attendance were the Institute's Council, members, graduates, Past Presidents and Secretariat.

The Institute took the opportunity to pay tribute its most senior Life Member – YBhg Tan Sri Lim Leong Seng. A past winner of the Anugerah Presiden in 2005, Tan Sri has been a member of the Institute for 45 years. He celebrated his 100th birthday in September 2016. Tan Sri was the first Malaysian Comptroller General for what is now known as the Inland Revenue Board.

During the dinner, the Institute also conferred the 'Anugerah Presiden' award to a distinguished member for their exceptional contributions. YBhg Tan Sri Dato' Krishnan Tan Boon Seng, Deputy Non-Executive Chairman of IJM Corporation Berhad was named as this year's recipient. A member of the Institute for 35 years, Tan Sri is a distinguished and respected member of the business community. MICPA also awarded 23 of its members who are aged 70 and above and have faithfully served as members for 30 years or more with 'Life Member' status and were presented with a Certificate of Life Membership and a video montage of this year's recipients.

Guests enjoyed a sumptuous Chinese dinner accompanied by excellent entertainment from international award-winning harmonica group FRESCO Harmonica. They regaled the audience with a medley of songs playing various types of harmonicas from the biggest harmonica in the world to the smallest.




1 MICPA 58th Annual Dinner

2 YBhg Tan Sri Lim Leong Seng at the MICPA 58th Annual Dinner

3 & 4 MICPA 57th Anniversary Commemorative Lecture & Luncheon

MICPA Excellence Awards 2015 / 2016

On October 18, 2016, MICPA held its annual Excellence Awards which saw the Institute presenting examination certificates to its graduating candidates, and awards to outstanding candidates of the prestigious MICPA-CAANZ Programme.

The certificates and awards were presented by the night's guest of honour - YBhg Datuk Ali bin Tan Sri Abdul Kadir, MICPA Past President. MICPA President, YBhg Dato' Abdul Rauf Rashid, and Chief Executive Officer of CAANZ, Mr Lee White were also on hand to present the awards.

Proud parents, employers and friends were amongst those present to show their support for those recognised for their achievements that night. The MICPA-CAANZ Programme celebrated 99 graduates who had completed the exams in Term 1, 2015, Term 2, 2015 and Term 1, 2016 respectively, and were presented with their examination certificates by Mr White.

A total of 5 Gold Medals were presented to candidates who had obtained top module scores in the 2015 examinations (Term 2 and Term 3) and Term 1, 2016 examination.

The highlight of the night was the *Excellence Award for The Most Outstanding CPA Student* – this award is bestowed on the best all-round CPA student who recently completed the MICPA-CAANZ Programme. The Award for 2015 was won by Ms Sin Fang Yun who is currently working with PwC Malaysia. Fang Yun enrolled as a candidate in June 2013. She has since been admitted as a member of the Institute in August 2016.

MICPA also took the opportunity to present appreciation awards to three new Approved Training Employers (ATEs) - AirAsia Shared Services Sdn Bhd, Dell Global Business Centre and IOI Acidchem Sdn Bhd. Their employees can undertake the MICPA-CAANZ Programme whilst being professionally-trained under the mentorship of an appointed professional accountant within the organisation.

MICPA 57th Anniversary Commemorative Lecture & Luncheon

The Institute held its 57th Anniversary Commemorative Lecture & Luncheon at the Grand Hyatt Hotel, Kuala Lumpur on March 23rd, 2017. There were close to 400 guests in attendance from the corporate sector and members of the accounting fraternity, ready to network and listen to the lecture that would be delivered after a scrumptious lunch.

This event was first held in 1988 to commemorate the Institute's 30th anniversary, and has been an annual occasion ever since. The lecture has become the summit event in the Institute's calendar as it provides an opportunity to evaluate the most pertinent issues affecting the Malaysian economy and the role of the accounting profession. Over the years, there have been many eminent speakers sharing their perspectives on topical issues.

This year, we were privileged to have YBhg Tan Sri Dato' Seri Utama Nor Mohamed Yakcop, Deputy Chairman of Khazanah Nasional Berhad, deliver a most interesting lecture entitled "*The 10 Golden Rules*".

1 MICPA Excellence Awards 2015/ 2016

2 & 3 National Annual Corporate Report Awards (NACRA) 2016

1 2
3

1 & 3 MICPA-CAANZ Accountancy Week 2016

2 MICPA Accountant's Dash 2016

He used many anecdotes, statistics and quotes to illustrate how these rules come into play not just in the national economy and world of business, but conveyed in such a way to also speak to our personal approach to life.

MICPA-CAANZ Accountancy Week 2016

An annual event especially for accounting students, the MICPA-CAANZ Accountancy Week 2016 was organised by the Institute to promote the accounting profession and develop a community of students who excel not just academically, but as all-rounders. Themed *"Unlock a World of Infinite Possibilities"*, this year marked the 17th Accountancy Week, hosted by Universiti Kebangsaan Malaysia (UKM), and jointly organised with the accounting clubs of UKM and Universiti Putra Malaysia (UPM).

Held from November 28, 2016 to December 3, 2016, the event saw a variety of events throughout the week - Accounting Students Quiz for Diploma Level and Degree Level, a Management Simulation Game and a series of Sports and Games competitions consisting of Badminton, Dodgeball, Futsal, Paintball, Telematch and Track Relay.

All events were team-based, aimed at promoting a strong sense of camaraderie, teamwork and effective communication. This year marked a record 18 participating institutions with close to 500 participants across the various events throughout the week. Incidentally, it was the first time a separate Quiz category was arranged for Diploma in Accounting students and we were pleased to have a good number of Polytechnics participating, even from as far as Sarawak.

An exclusive networking event was also organised for top accounting students from MICPA-accredited universities to meet and mingle with Accountancy Week sponsors comprising top accounting firms in Malaysia - BDO, Crowe Horwath, Deloitte, EY, Grant Thornton, HLB Ler Lum, KPMG, PwC, Russell Bedford and Sekhar & Tan. Privileged students had the opportunity to meet and network with representatives from sponsoring firms who gave them insights into the profession and what employers look for.

MICPA Accountant's Dash 2016

Nearly 500 Accounting students from universities across Malaysia gathered on May 7, 2016 for the 2nd annual MICPA Accountant's Dash (M.A.D.) 2016. This year's run was held at Universiti Kebangsaan Malaysia (UKM), Bangi, and co-organised with the university's Accounting Club, KPFEP. Some notable participants included MICPA staff and Programme candidates, as well as representatives from the Event Partners. One unique feature about this year's run was that participants had to run in teams of five, instead of individually, as they had done last year. After the rousing warm-up session, teams took their starting positions and were flagged off by the Executive Director of MICPA, Mr. Foo Yoke Pin.

Along the way, the teams faced mini challenges and were splashed with colours. Once all the teams crossed the finish line and received their goodie bags and Finisher medals, the top ten teams that finished with the fastest times were awarded special prizes at the closing ceremony. Special

Accounting Technician Launch & Conference for Diploma in Accounting Students

thanks were expressed to Event Partners - Crowe Horwath, Deloitte, EY, and HLB Ler Lum.

National Annual Corporate Report Awards (NACRA) 2016

NACRA is jointly organised by Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA) and The Malaysian Institute of Certified Public Accountants (MICPA). NACRA was launched in 1990 with the aim to promote excellence in annual corporate reporting. With the theme, *Towards Accountability and Excellence*, NACRA recognises the need for greater transparency and accountability in corporate reporting. NACRA is open to all companies incorporated or registered in Malaysia as well as the public sector and other organisations established in Malaysia.

For 2016, Malayan Banking Berhad (Maybank) walked away with the coveted Overall Excellence Platinum Award at the NACRA Awards Presentation Ceremony in Kuala Lumpur. Maybank also won the following three awards:

- Best Corporate Social Responsibility Reporting Award – Platinum
- Best Inclusiveness & Diversity Reporting Award – Silver
- Industry Excellence Award for main board company in the Finance category

Awards were also presented for **Industry Excellence Awards – Main Market; Best Annual Report In Bahasa Malaysia; Best Designed Annual Report; Corporate Social Responsibility Reporting Award; Inclusiveness And Diversity Reporting Award** and **Best Annual Report for Non-Listed Organisations**. Aside from this, 19 companies were also presented with Certificates of Merit.

A Future You Can Count On – Conference for Diploma in Accounting Students

The Institute held a conference organised especially for Diploma in Accounting students entitled *"A Future You Can Count On"* at Premiera Hotel on July 19, 2016. In conjunction with the Conference, the Institute officially launched the Accounting Technician membership class. This new designation is open to Diploma in Accounting holders from accredited institutions of higher learning. There were close to 200 students and lecturers from various Polytechnics and Universiti Technologi MARA (UiTM) campuses nationwide present to witness the launch. Also in attendance were representatives from Jabatan Pendidikan Politeknik (JPP), UiTM, MICPA-Approved Training Employers, and MICPA Council members. The Deputy Director General of JPP, En Shabudin bin Man was the guest of honour officiating the launch.

The launch ceremony was followed by the Conference comprising sessions aimed at providing participants with a glimpse into what they can expect in an exciting career in accounting. Speakers comprised experienced professionals from amongst MICPA Council Members and HR representatives from renowned accounting firms.

MEDIA RELATIONS AND OUTREACH

MICPA continues to maintain its presence in print media through monthly advertorials in The Star's education supplements to promote the MICPA-CAANZ Programme as well as highlight its programmes and activities for students.

The Institute was invited to provide input on key topics such as the new auditor reporting standards and Budget 2017 on television, radio and print media such as Astro Awani, TraxxFM and Bernama and other niche publications such as Focus Malaysia and The Edge Financial Daily.

On social media, MICPA has continued to be active on platforms such as Facebook, Twitter and YouTube. Since the previous year, the number of 'Likes' on the MICPA Facebook page has increased by about a thousand new followers from around 7,800 to close to 9,000.

Every year, MICPA organises a number of events and activities for students such as the MICPA Accountant's Dash, MICPA-CAANZ Investment Challenge, a conference for Diploma in Accounting students and MICPA-CAANZ Accountancy Week. Apart from promoting the qualification, these activities are also intended to promote the growth of the profession by educating students about the accounting industry and the career possibilities it provides.

The Institute works closely with various organisations including educational institutions, government agencies, and the private sector to provide students with a better understanding of the industry through a range of events including networking sessions and career talks. All these programmes also aim to develop students into well-rounded future accountants by equipping them with the necessary soft skills required by employers today.

Marketing and Promotions

The Institute's marketing and promotion activities play a significant role in attracting potential candidates for MICPA membership. The Institute employs a wide range of outreach activities including career talks, networking events, seminars, workshops and orientation sessions in accounting firms to reach out to potential candidates. Over the past year, the Institute has engaged with over 4,000 students from institutions of higher learning across Malaysia to share the benefits and details of the MICPA-CAANZ qualification.

Outreach Down Under

Over the past 2 years, the Institute has stepped up efforts to reach out to Malaysian students studying in Australia and New Zealand as the joint MICPA-CAANZ Programme allows them to pursue the highly-regarded Chartered Accountants Program in Malaysia through MICPA. The Institute has seen growing numbers of Australian and New Zealand graduates taking up the Programme upon returning to Malaysia each year.

The Institute held a MICPA-CAANZ Investment Challenge in Melbourne for the first time in 2016, similar to the annual event held in Monash University Malaysia, and held a second one in April 2017. The annual event has seen many Malaysian participants from several universities across Melbourne learn something new about investment and the world of business, and managed to pique their interest in the MICPA-CAANZ Programme.

In October 2016, the Institute continued its annual participation in the Graduan Recruitment Drive in Australia which has helped to increase the awareness and reception of the MICPA-CAANZ Programme among returning graduates. The Institute also held information sessions for Malaysian students in New Zealand in March 2017 and in Australia in April 2017. Students were eager to learn about the joint Programme and their future careers in Malaysia.

PROFESSIONAL REGULATION

FINANCIAL STATEMENTS REVIEW

The maintenance of high standards of practice and professional conduct by MICPA members is one of the principal objects of the Institute. To accomplish this, the Financial Statements Review Committee undertakes the important task of monitoring members' compliance with technical and professional standards in order to uphold the standards of the accounting profession in Malaysia.

The Institute achieves effective monitoring through an on-going programme of review of published financial statements audited by the Institute's members. The objective is to assess these financial statements for their compliance with approved accounting standards, approved auditing standards, listing regulations and statutory financial reporting requirements. Where departures are noted, the Committee would then communicate its observations to members responsible for the preparation of financial statements as well as the members in practice involved in auditing and expressing an audit opinion on the set of financial statements in order to seek clarification.

MICPA-CAANZ Investment Challenge 2016 in Melbourne, Australia

In situations where the Committee feels that certain accounting information could be better presented, the Committee will make recommendations to the members concerned. In cases of significant departures, the matter may be referred to the Investigation Committee for further investigative action.

The Committee is pleased to report that members are in support of the objective of the review process in view of their positive responses to matters raised by the Committee.

QUALITY ASSESSMENT PROGRAMME

In October 2016, MIA launched the Quality Assessment Programme (QAP) in collaboration with MICPA. The QAP is designed to (i) promote continuous improvement in audit quality in Malaysia and (ii) assist audit firms in assessing compliance with the applicable auditing standards and MIA By-laws in relation to audit engagements on financial statements prepared in accordance with the applicable approved accounting standards and the Companies Act 1965 or the Companies Act 2016, as the case may be. As at the date of this report, the Institute had carried out a QAP review on one (1) SMP.

INVESTIGATION AND DISCIPLINARY

During the year under review, the Investigation Committee considered 7 cases of complaints, 5 of which were brought forward from the previous year. The Committee has completed the inquiry into 5 cases and the Committee has made an order against 4 members concerned by consent that the members be reprimanded and fined. 1 case was dismissed as it was determined that a prima facie case had not been made out against the member concerned. 2 other cases of complaints, which arose from the previous year, were still under consideration at the time of this report.

The Disciplinary Committee did not receive any complaint during the year.

INTERNATIONAL RELATIONS

The Institute maintains an active relationship with international accounting organisations and fellow professional bodies around the world. Keeping abreast with significant international developments in accounting, auditing, education and other professional standards is crucial when operating in a global environment.

The Institute continues to contribute to and support the work of IFAC by actively promulgating convergence with international auditing standards issued by the IAASB of IFAC. The Institute continues to review and provide feedback on exposure drafts and discussion documents issued by the IAASB.

The Institute was privileged to be represented at the IFAC Chief Executives' Strategy Forum held in New York in February 2017. Themed *#Buildtrust in a Changing and Digital World*, there were over 65 participants including senior executives of 41 member organisations. Participants had the opportunity to interact and engage in stimulating discussions around building trust in the context of a changing digital and economic environment and were privileged to listen to presentations from key speakers including Professor Joseph Stiglitz - Nobel Laureate and former Chief Economist of the World Bank, Fayez Choudhury - IFAC CEO and Richard Howitt - CEO of the International Integrated Reporting Council.

The Institute participated in the IFRS Conference 2016 organised by the Federation of Accounting Professions in Thailand (FAP) together with the IFRS Foundation, Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET) in Bangkok in March 2016.

Discussions surrounded implementation issues for the new Standards; IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*; understanding IFRS Standards and the judgements required; non-financial institutions implementing the financial instruments Standards (IFRS 7, 9 and IAS 32); and implementing IFRS 10, 11 and 12 in consolidations and joint arrangements.

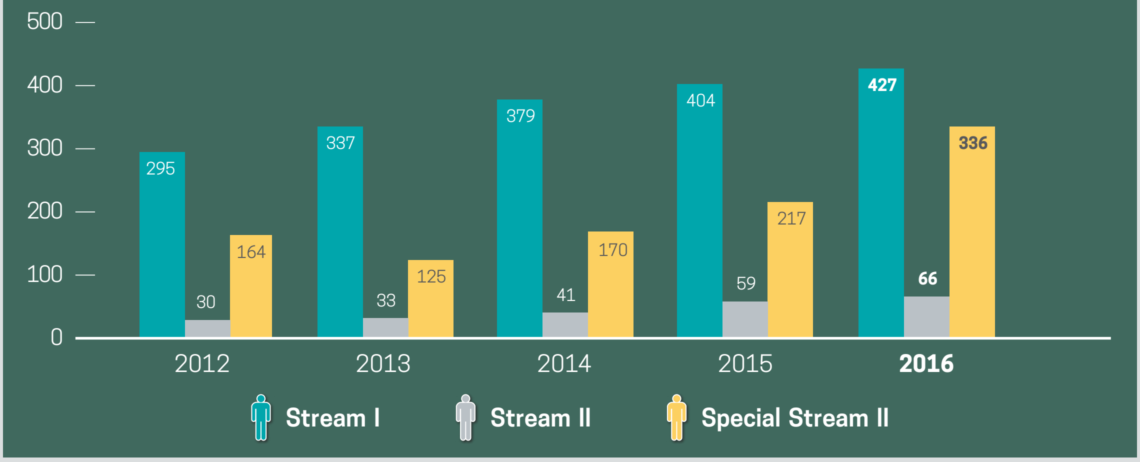
The Institute has had active participation in the ASEAN Federation of Accountants (AFA) since it was officially appointed as an Associate Member in August 2015. We were involved in three (3) AFA Council Meetings throughout 2016 – the 121st AFA Council Meeting held in Vientiane, Laos in February; the 122nd AFA Council Meeting held in Singapore in June; and the 123rd AFA Council Meeting held in Bangkok, Thailand in October. The Institute regularly provides updates to the AFA who keeps its members abreast of the latest happenings in the accountancy profession throughout ASEAN.

STUDENT STATISTICS

	2016	2015
Number of registered students at January 1	**680**	590
Registration during the year	**282**	205
Less: Admitted to membership / excluded / terminated	**(133)**	(115)
Number of registered students at December 31	**829**	680
Net Increase	**149**	**90**

282
NEW STUDENT REGISTRATIONS IN 2016

NUMBER OF STUDENTS



149
INCREASE IN TOTAL STUDENTS REGISTERED

STUDENT REGISTRATION STATISTICS

Qualification	As at December 31, 2016				Total as at December 31, 2015
	Stream I	Stream II	Special Stream II	Total	
Accounting Degrees (Local)	**145**	**34**	**335**	**514**	398
Accounting Degrees (Overseas)	**148**	**32**	**1**	**181**	171
Sub-total	**293**	**66**	**336**	**695**	569
Completed training contract but not examination	**134**	**-**	**-**	**134**	111
Grand Total	**427**	**66**	**336**	**829**	**680**

829
STUDENTS

EDUCATION

MICPA's membership consists of individuals who have attained the qualification of Certified Public Accountant (CPA). In order to achieve this qualification and be eligible for MICPA membership, individuals will have to sit for MICPA's professional examinations, which are administered in collaboration with Chartered Accountants Australia and New Zealand (CAANZ).

REGISTERED STUDENTS

A total of 282 new students were admitted during the year. The new intake comprised predominantly accounting graduates from local and Australian universities. A total of 829 students were recorded for the year 2016 taking into account the exclusion of 12 students from the register of students for non-payment of annual fees, 46 students who terminated their registration, and 75 students who were admitted as members.

There was a significant increase in the number of final year accounting students from local universities which can be attributed to the MICPA-TalentCorp PAR Excellence Programme which had attracted students with good academic track records to enrol into the MICPA-CAANZ Programme. As at December 31, 2016, 50% of the new intake comprised MICPA-TalentCorp PAR Excellence Programme while 7% were Peneraju scholars and 1% comprised MICPA-SSP registered students.

REGISTERED STUDENTS FOR THE YEAR

	2016	2015	2014
Stream I	**103**	91	82
Stream II	**15**	14	8
Special Stream II	**164**	100	132
Total	**282**	**205**	**222**

77 INCREASE IN NEW REGISTERED STUDENTS

TRAINING SCHEMES

The Institute provides for two streams of training, namely Stream I and Stream II.

Stream I is the traditional route of training where students sit for the CPA examinations while being employed under the office of a CPA in public practice through a training contract. This stream of training is targeted at students who plan a career growth in public accounting practice.

Stream II does not require students to enter into a training contract but they must maintain a log book as a record of practical experiences, which must be obtained with an approved training organisation (ATO) under the supervision of a MICPA member or one of the professional bodies approved by the Institute. Stream II students may undertake the CPA examination prior to the commencement of practice training or during the training period. Stream II is targeted at students who would like to develop their careers in the commerce, industry or public sector.

The Institute also provides for a special stream of registration (Special Stream II) for students in the final year programme of an approved degree in accounting and wish to enrol for the Taxation module and the Financial Accounting and Reporting module in the Advanced Stage Examination.

As at December 31, 2016 a total of 427 students were registered under Stream I, with a net increase of 23 students. 66 students were registered under Stream II and a total of 336 students were recorded under Special Stream II. Approximately 349 firms and 96 ATOs provide CPA training under Stream I and Stream II respectively.

CONVERSION PROGRAMME

MICPA in collaboration with Universiti Sains Malaysia (USM) and Universiti Malaya (UM) have introduced a Conversion Programme which allows non-accounting graduates to obtain the MICPA-CAANZ professional accounting qualification. The programme is open to non-accounting degree holders and fourth year non-accounting undergraduates from recognised universities. Candidates will undergo the specially-tailored Conversion Programme at USM or UM. Upon completion of the programme, candidates may proceed with the MICPA-CAANZ Programme to earn the CPA and CA qualifications.

MICPA-CAANZ SPONSORSHIP PROGRAMMES

The following sponsorships were available throughout the year to students who are interested in enrolling in the MICPA-CAANZ Programme:

a) MICPA-TalentCorp PAR Excellence Programme

MICPA and TalentCorp jointly offered a scholarship which enabled accounting undergraduates to embark on the highly-regarded MICPA-CAANZ Programme in their 4th year of study. This Programme leads to a dual qualification from MICPA and CAANZ which entitles graduates to use both the CPA (M) and CA (ANZ) designations. The objectives of this scholarship is to increase the number of professional accountants in Malaysia, and to enhance the employability of Malaysian accounting undergraduates. The scholarship focused on two components - professional education through the MICPA-CAANZ Programme and employment opportunities with reputable firms and organisations. 200 sponsorships were awarded under this scheme from November 2015 till December 31, 2016.

b) Peneraju-MICPA Sponsorship

Yayasan Peneraju Pendidikan Bumiputera (Yayasan Peneraju) in collaboration with MICPA offered the PPAS-MICPA sponsorship for young and motivated Bumiputera who wish to embark on the MICPA-CAANZ Programme after graduating from university. The first cohort of 20 candidates commenced their classes in September 2016 at Taylor's College, and obtained a 100% pass rate for their first professional module. The next cohort is being recruited as at the time of this report.

c) Students Sponsorship Programme (SSP)

Formulated by MICPA, this Programme links bright students to prominent accounting firms and participating organisations who wish to secure strong talent before they graduate from university. The SSP comprises an internship placement, a job offer upon graduation and sponsorship for the student to complete 2 out of 5 modules of the MICPA-CAANZ Programme before leaving university.


1

2

1 MICPA Student Networking Session

2 Student Visit to MICPA

EXAMINATION

The Institute conducts two levels of examinations - the Professional Stage Examination and Advanced Stage Examination, conducted over 3 terms annually. The Professional Stage Examination comprises 4 modules and is tailored for Diploma in Accounting holders as a prerequisite into the Advanced Stage Examination. The 4 modules in the Professional Stage Examination is a subset of the modules offered under the Conversion Programme which is specially designed for non-accounting students and graduates who are interested to pursue a career as a CPA and CA.

The Advanced Stage Examination comprises 5 modules under the joint MICPA-CAANZ Programme which leads to the dual MICPA and CAANZ membership.

ADVANCED STAGE EXAMINATION

In 2016, a total of 794 examination entries were received for the Advanced Stage MICPA-CAANZ examinations. This shows a 3.5% decline from 2015 which recorded the highest registration of 822. The average pass rate for the 5 modules was 71% which shows an improvement compared with 68% in 2015.

PROFESSIONAL STAGE EXAMINATION

A total of 43 examination entries were received for the Professional Stage Examination. This shows a two-fold increase compared with the 22 examination entries received in 2015. Intakes of candidates from the Conversion Programme continued to show positive growth. Overall, the Professional Stage Examination candidates achieved an average pass rate of 59% for the 4 modules.

TECHNICAL PRONOUNCEMENTS

A APPROVED ACCOUNTING STANDARDS AND GUIDELINES

Statement of Approved Accounting Standards (issued 1988)

(a) MASB Approved Accounting Standards for Entities Other than Private Entities

	Framework Superseded	MASB Operational Date
Foreword to MASB Standards and Other Technical Pronouncements (Revised)		Jul. 1, 1999
Framework for the Preparation and Presentation of Financial Statements		Jul. 1, 2007
The Conceptual Framework for Financial Reporting	Framework for the Preparation and Presentation of Financial Statements	Nov. 19, 2011
Preface to MASB Approved Accounting Standards	Foreword to MASB Standards and Other Technical Pronouncements (Revised)	Jun. 1, 2015

(i) Malaysian Financial Reporting Standards (MFRS) Framework*

Malaysian Financial Reporting Standards (MFRSs)

		Extant Accounting Standards Superseded	MASB Operational Date
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards		Jan. 1, 2012
	Amendments to MFRS 1 *(Annual Improvements to MFRS Standards 2014-2016 Cycle)*		Jan. 1, 2018
MFRS 2	Share-based Payment		Jan. 1, 2012
	Classification and Measurement of Share-based Payment Transactions *(Amendments to MFRS 2)*		Jan. 1, 2018
MFRS 3	Business Combinations		Jan. 1, 2012
MFRS 4	Insurance Contracts		Jan. 1, 2012
	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts* *(Amendments to MFRS 4)*		Jan. 1, 2018
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations		Jan. 1, 2012
	Amendment to MFRS 5 *(Annual Improvements to MFRSs 2012-2014 Cycle)*		Jan. 1, 2016
MFRS 6	Exploration for and Evaluation of Mineral Resources		Jan. 1, 2012
MFRS 7	Financial Instruments: Disclosures		Jan. 1, 2012
	Mandatory Effective Date of MFRS 9 and Transition Disclosures *(Amendments to MFRS 9 (IFRS 9 issued by IASB in Nov. 2009), MFRS 9 (IFRS 9 issued by IASB in Oct. 2010) and MFRS 7)*		#
	Amendments to MFRS 7 *(Annual Improvements to MFRSs 2012-2014 Cycle)*		Jan. 1, 2016
MFRS 8	Operating Segments		Jan. 1, 2012

TECHNICAL PRONOUNCEMENTS

		Extant Accounting Standards Superseded	MASB Operational Date
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in Nov. 2009) *[will be superseded by MFRS 9 (IFRS 9 as issued by IASB in July 2014)]*		#
	Financial Instruments (IFRS 9 issued by IASB in Oct. 2010) *[will be superseded by MFRS 9 (IFRS 9 as issued by IASB in July 2014)]*	IC Int. 9	#
	Mandatory Effective Date of MFRS 9 and Transition Disclosures *(Amendments to MFRS 9 (IFRS 9 issued by IASB in Nov. 2009), MFRS 9 (IFRS 9 issued by IASB in Oct. 2010) and MFRS 7)*		#
	Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139) *[will be superseded by MFRS 9 (IFRS 9 as issued by IASB in July 2014)]*		#
	Financial Instruments (IFRS 9 as issued by IASB in July 2014)		Jan. 1, 2018
MFRS 10	Consolidated Financial Statements	MFRS 127 & IC Int. 112	Jan. 1, 2013
	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture *(Amendments to MFR10 and MFRS 128)*		Deferred
	Investment Entities: Applying the Consolidation Exception *(Amendments to MFRS 10, MFRS 12 and MFRS 128)*		Jan 1, 2016
MFRS 11	Joint Arrangements	MFRS 131 & IC Int. 113	Jan. 1, 2013
	Accounting for Acquisitions of Interests in Joint Operations *(Amendments to MFRS 11)*		Jan. 1, 2016
MFRS 12	Disclosure of Interests in Other Entities		Jan. 1, 2013
	Investment Entities: Applying the Consolidation Exception *(Amendments to MFRS 10, MFRS 12 and MFRS 128)*		Jan. 1, 2016
	Amendments to MFRS 12 *(Annual Improvements to MFRS Standards 2014-2016 Cycle)*		Jan. 1, 2017
MFRS 13	Fair Value Measurement		Jan. 1, 2013
MFRS 14	Regulatory Deferral Accounts		Jan. 1, 2016
MFRS 15	Revenue from Contracts with Customers		Jan. 1, 2018
	Clarifications to MFRS 15		Jan. 1, 2018
MFRS 16	Leases		Jan. 1, 2019
MFRS 101	Presentation of Financial Statements		Jan. 1, 2012
	Disclosure Initiative *(Amendments to MFRS 101)*		Jan. 1, 2016
MFRS 102	Inventories		Jan. 1, 2012
MFRS 107	Statement of Cash Flows		Jan. 1, 2012
	Disclosure Initiative *(Amendments to MFRS 107)*		Jan. 1, 2017
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors		Jan. 1, 2012

		Extant Accounting Standards Superseded	MASB Operational Date
MFRS 110	Events After the Reporting Period		Jan. 1, 2012
MFRS 111	Construction Contracts *(will be superseded by MFRS 15, Revenue from Contracts with Customers)*		Jan. 1, 2012
MFRS 112	Income Taxes		Jan. 1, 2012
	Recognition of Deferred Tax Assets for Unrealised Losses *(Amendments to MFRS 112)*		Jan. 1, 2017
MFRS 116	Property, Plant and Equipment		Jan. 1, 2012
	Clarification of Acceptable Methods of Depreciation and Amortisation *(Amendments to MFRS 116 and MFRS 138)*		Jan. 1, 2016
	Agriculture: Bearer Plants *(Amendments to MFRS 116 and MFRS 141)*		Jan. 1, 2016
MFRS 117	Leases *(will be superseded by MFRS 16, Leases)*		Jan. 1, 2012
MFRS 118	Revenue *(will be superseded by MFRS 15, Revenue from Contracts with Customers)*		Jan. 1, 2012
MFRS 119	Employee Benefits		Jan. 1, 2013
	Amendment to MFRS 119 *(Annual Improvements to MFRSs 2012-2014 Cycle)*		Jan. 1, 2016
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance		Jan. 1, 2012
MFRS 121	The Effects of Changes in Foreign Exchange Rates		Jan. 1, 2012
MFRS 123	Borrowing Costs		Jan. 1, 2012
MFRS 124	Related Party Disclosures		Jan. 1, 2012
MFRS 126	Accounting and Reporting by Retirement Benefit Plans		Jan. 1, 2012
MFRS 127	Consolidated and Separate Financial Statements *[Superseded with effect from 1 Jan 2013 by MFRS 127, Separate Financial Statements (IAS 27 as amended by IASB in May 2011) and MFRS 10, Consolidated Financial Statements]*		Jan. 1, 2012
	Separate Financial Statements *(IAS 27 as amended by IASB in May 2011)*	MFRS 127	Jan. 1, 2013
	Equity Method in Separate Financial Statements *(Amendments to MFRS 127)*		Jan. 1, 2016
MFRS 128	Investments in Associates *[Superseded with effect from 1 Jan 2013 by MFRS 128, Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)]*		Jan. 1, 2012
	Investments in Associates and Joint Ventures *(IAS 28 as amended by IASB in May 2011)*	MFRS 128	Jan. 1, 2013
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *(Amendments to MFRS 10 and MFRS 128)*		Deferred
	Investment Entities: Applying the Consolidation Exception *(Amendments to MFRS 10, MFRS 12 and MFRS 128)*		Jan. 1, 2016
	Amendments to MFRS 128 *(Annual Improvements to MFRS Standards 2014-2016 Cycle)*		Jan. 1, 2018

		Extant Accounting Standards Superseded	MASB Operational Date
MFRS 129	Financial Reporting in Hyperinflationary Economies		Jan. 1, 2012
MFRS 131	Interests in Joint Ventures *[Superseded with effect from 1 January 2013 by MFRS 11]*		Jan. 1, 2012
MFRS 132	Financial Instruments: Presentation		Jan. 1, 2012
MFRS 133	Earnings Per Share		Jan. 1, 2012
MFRS 134	Interim Financial Reporting		Jan. 1, 2012
	Amendment to MFRS 134 *(Annual Improvements to MFRSs 2012-2014 Cycle)*		Jan. 1, 2016
MFRS 136	Impairment of Assets		Jan. 1, 2012
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets		Jan. 1, 2012
MFRS 138	Intangible Assets		Jan. 1, 2012
	Clarification of Acceptable Methods of Depreciation and Amortisation *(Amendments to MFRS 116 and MFRS 138)*		Jan. 1, 2016
MFRS 139	Financial Instruments: Recognition and Measurement		Jan. 1, 2012
MFRS 140	Investment Property		Jan. 1, 2012
	Transfer of Investment Property *(Amendments to MFRS 140)*		Jan. 1, 2018
MFRS 141	Agriculture		Jan. 1, 2012
	Agriculture: Bearer Plants *(Amendments to MFRS 116 and MFRS 141)*		Jan. 1, 2016
Annual Improvements to MFRSs 2012-2014 Cycle issued in November 2014			
Annual Improvements to MFRS Standards 2014-2016 Cycle issued in December 2016			
Glossary of Terms			

For entities that have already applied MFRS 9 Financial Instruments (IFRS 9 Financial Instruments issued by IASB in November 2009) or MFRS 9 Financial Instruments (IFRS 9 Financial Instruments issued by IASB in October 2010) or MFRS 9 Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139), the above MFRS would be withdrawn on the application of MFRS 9 Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014). Other entities may still elect to apply the above MFRSs if and only if, the entity's date of initial application is before February 1, 2015, after which the above Standards would be withdrawn.

*IC Interpretations***

		MASB Operational Date
Preface to IC Interpretations		
Amendments to Preface to IC Interpretations		
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Jan. 1, 2012
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	Jan. 1, 2012
IC Interpretation 4	Determining whether an Arrangement contains a Lease *(will be superseded by MFRS 16, Leases)*	Jan. 1, 2012
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Jan. 1, 2012
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	Jan. 1, 2012
IC Interpretation 7	Applying the Restatement Approach under MFRS 129, *Financial Reporting in Hyperinflationary Economies*	Jan. 1, 2012
IC Interpretation 9	Reassessment of Embedded Derivatives *[will be superseded by MFRS 9 (IFRS 9 as issued by IASB in July 2014)]*	Jan. 1, 2012
IC Interpretation 10	Interim Financial Reporting and Impairment	Jan. 1, 2012
IC Interpretation 12	Service Concession Arrangements	Jan. 1, 2012
IC Interpretation 13	Customer Loyalty Programmes *(will be superseded by MFRS 15, Revenue from Contracts with Customers)*	Jan. 1, 2012
IC Interpretation 14	MFRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Jan. 1, 2012
IC Interpretation 15	Agreements for the Construction of Real Estate *(will be superseded by MFRS 15, Revenue from Contracts with Customers)*	Jan. 1, 2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	Jan. 1, 2012
IC Interpretation 17	Distributions of Non-cash Assets to Owners	Jan. 1, 2012
IC Interpretation 18	Transfers of Assets from Customers *(will be superseded by MFRS 15, Revenue from Contracts with Customers)*	Jan. 1, 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	Jan. 1, 2012
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	Jan. 1, 2013
IC Interpretation 21	Levies	Jan. 1, 2014
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	Jan. 1, 2018
IC Interpretation 107	Introduction of the Euro	Jan. 1, 2012
IC Interpretation 110	Government Assistance – No Specific Relation to Operating Activities	Jan. 1, 2012
IC Interpretation 115	Operating Leases – Incentives *(will be superseded by MFRS 16, Leases)*	Jan. 1, 2012
IC Interpretation 125	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	Jan. 1, 2012
IC Interpretation 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease *(will be superseded by MFRS 16, Leases)*	Jan. 1, 2012
IC Interpretation 129	Service Concession Arrangements: Disclosures	Jan. 1, 2012
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services *(will be superseded by MFRS 15, Revenue from Contracts with Customers)*	Jan. 1, 2012
IC Interpretation 132	Intangible Assets – Web Site Costs	Jan. 1, 2012

(ii) Financial Reporting Standards (FRS) Framework*

Financial Reporting Standards

		Extant Accounting Standards Superseded	MASB Operational Date
FRS 1	First-time Adoption of Financial Reporting Standards	FRS 1(issued 2005)	Jul. 1, 2010
	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters *(Amendments to FRS 1)*		Jan. 1, 2012
	Government Loans *(Amendments to FRS 1)*		Jan. 1, 2013
	Amendment to FRS 1 *[Improvements to FRSs (2012)]*		Jan. 1, 2013
	Amendments to FRS 1 *(Annual Improvements to FRS Standards 2014-2016 Cycle)*		Jan. 1, 2018
FRS 2	Share-based Payment		Jan. 1, 2006
	Amendments to FRS 2 *(Annual Improvements to FRSs 2010-2012 Cycle)*		Jul. 1, 2014
	Classification and Measurement of Share-based Payment Transactions *(Amendments to FRS 2)*		Jan. 1, 2018
FRS 3	Business Combinations	FRS 3(issued 2005)	Jul. 1, 2010
	Amendments to FRS 3 *(Annual Improvements to FRSs 2010-2012 Cycle)*		Jul. 1, 2014
	Amendments to FRS 3 *(Annual Improvements to FRSs 2011-2013 Cycle)*		Jul. 1, 2014
FRS 4	Insurance Contracts	FRS 202_{2004} & FRS 203_{2004}	Jan. 1, 2010
	Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts *(Amendments to FRS 4)*		Jan. 1, 2018
FRS 5	Non-current Assets Held for Sale and Discontinued Operations	FRS 135_{2004}	Jan. 1, 2006
	Amendment to FRS 5 *[Improvements to FRSs (2009)]*		Jan. 1, 2010
	Amendment to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*		Jul. 1, 2010
	Amendment to FRS 5 *(Annual Improvements to FRSs 2012-2014 Cycle)*		Jan 1, 2016
FRS 6	Exploration for and Evaluation of Mineral Resources		Jan. 1, 2007
FRS 7	Financial Instruments: Disclosures		Jan. 1, 2010
	Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*, FRS 7, *Financial Instruments: Disclosures* and IC Interpretation 9, *Reassessment of Embedded Derivatives*		Jan. 1, 2010
	Improving Disclosures about Financial Instruments *(Amendments to FRS 7)*		Jan. 1, 2011
	Amendments to FRS 7 *[Improvements to FRSs (2010)]*		Jan. 1, 2011
	Disclosures – Transfers of Financial Assets *(Amendments to FRS 7)*		Jan. 1, 2012
	Disclosures – Offsetting Financial Assets and Financial Liabilities *(Amendments to FRS 7)*		Jan. 1, 2013
	Mandatory Effective Date of FRS 9 and Transition Disclosures *(Amendments to FRS 9 (IFRS 9 issued by IASB in Nov. 2009), FRS 9 (IFRS 9 issued by IASB in Oct. 2010) and FRS 7)*		@
	Amendments to FRS 7 *(Annual Improvements to FRSs 2012-2014 Cycle)*		Jan 1, 2016

		Extant Accounting Standards Superseded	MASB Operational Date
FRS 8	Operating Segments	FRS 114_{2004}	Jul. 1, 2009
	Amendment to FRS 8 *[Improvements to FRSs (2009)]*		Jan. 1, 2010
	Amendment to FRS 8 *(Annual Improvements to FRSs 2010-2012 Cycle)*		Jul. 1, 2014
FRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in Nov. 2009) *[will be withdrawn on the application of FRS 9 (IFRS 9 as issued by IASB in July 2014)]*		@
	Mandatory Effective Date of FRS 9 and Transition Disclosures *(Amendments to FRS 9 (IFRS 9 issued by IASB in Nov. 2009), FRS 9 (IFRS 9 issued by IASB in Oct. 2010) and FRS 7)*		@
FRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in Oct. 2010) *[will be withdrawn on the application of FRS 9 (IFRS 9 as issued by IASB in July 2014)]*	FRS 9 (IFRS 9 (2009)) & IC Int. 9	@
	Mandatory Effective Date of FRS 9 and Transition Disclosures *(Amendments to FRS 9 (IFRS 9 issued by IASB in Nov. 2009), FRS 9 (IFRS 9 issued by IASB in Oct. 2010) and FRS 7)*		@
FRS 9 (IFRS 9 (2013))	Financial Instruments (Hedge Accounting and Amendments to FRS 9, FRS 7, and FRS 139) *[will be withdrawn on the application of FRS 9 (IFRS 9 as issued by IASB in July 2014)]*		@
FRS 9 (IFRS 9 (2014))	Financial Instruments (IFRS 9 as issued by IASB in July 2014)		Jan 1, 2018
FRS 10	Consolidated Financial Statements	FRS 127 & IC Int. 112	Jan. 1, 2013
	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance *(Amendments to FRS 10, FRS 11 and FRS 12)*		Jan. 1, 2013
	Investment Entities *(Amendments to FRS 10, FRS 12 and FRS 127)*		Jan. 1, 2014
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *(Amendments to FRS 10 and FRS 128)*		Deferred
	Investment Entities: Applying the Consolidation Exception *(Amendments to FRS 10, FRS 12 and FRS 128)*		Jan 1, 2016
FRS 11	Joint Arrangements	FRS 131 & IC Int. 113	Jan. 1, 2013
	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance *(Amendments to FRS 10, FRS 11 and FRS 12)*		Jan. 1, 2013
	Accounting for Acquisitions of Interests in Joint Operations *(Amendments to FRS 11)*		Jan 1, 2016
FRS 12	Disclosure of Interests in Other Entities		Jan. 1, 2013
	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance *(Amendments to FRS 10, FRS 11 and FRS 12)*		Jan. 1, 2013

		Extant Accounting Standards Superseded	MASB Operational Date
FRS 12 (cont"d.)	Investment Entities *(Amendments to FRS 10, FRS 12 and FRS 127)*		Jan. 1, 2014
	Investment Entities: Applying the Consolidation Exception *(Amendments to FRS 10, FRS 12 and FRS 128)*		Jan 1, 2016
	Amendments to FRS 12 *(Annual Improvements to FRS Standards 2014-2016 Cycle)*		Jan. 1, 2017
FRS 13	Fair Value Measurement		Jan. 1, 2013
	Amendment to FRS 13 *(Annual Improvements to FRSs 2011-2013 Cycle)*		Jul. 1, 2014
FRS 14	Regulatory Deferral Accounts		Jan 1, 2016
FRS 101	Presentation of Financial Statements	FRS $101_{(revised\ 2005)}$	Jan. 1, 2010
	Amendments to FRS 101 *[Improvements to FRSs (2010)]*		Jan. 1, 2011
	Presentation of Items of Other Comprehensive Income *(Amendments to FRS 101)*		Jul. 1, 2012
	Amendment to FRS 101 *[Improvements to FRSs (2012)]*		Jan. 1, 2013
	Disclosure Initiative *(Amendments to FRS 101)*		Jan 1, 2016
FRS 102	Inventories	FRS 102_{2004}	Jan. 1, 2006
FRS 107	Statement of Cash Flows	FRS 107_{2004}	Jul. 1, 2007
	Disclosure Initiative *(Amendments to FRS 107)*		Jan. 1, 2017
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	FRS 108_{2004}	Jan. 1, 2006
	Amendment to FRS 108 *[Improvements to FRSs (2009)]*		Jan. 1, 2010
FRS 110	Events After the Reporting Period	FRS 110_{2004}	Jan. 1, 2006
FRS 111	Construction Contracts	FRS 111_{2004}	Jul. 1, 2007
FRS 112	Income Taxes	FRS 112_{2004}	Jul. 1, 2007
	Deferred Tax: Recovery of Underlying Assets *(Amendments to FRS 112)*	IC Int. 121	Jan. 1, 2012
	Recognition of Deferred Tax Assets for Unrealised Losses *(Amendments to FRS 112)*		Jan. 1, 2017
FRS 116	Property, Plant and Equipment	FRS 116_{2004}	Jan. 1, 2006
	Amendment to FRS 116 *[Improvements to FRSs (2012)]*		Jan. 1, 2013
	Amendment to FRS 116 *[Annual Improvements to FRSs 2010-2012 Cycle]*		Jul. 1, 2014
	Clarification of Acceptable Methods of Depreciation and Amortisation *(Amendments to FRS 116 and FRS 138)*		Jan 1, 2016
FRS 117	Leases	FRS 117_{2004}	Oct. 1, 2006
FRS 118	Revenue	FRS 118_{2004}	Jul. 1, 2007
FRS 119	Employee Benefits *[Superseded with effect from Jan. 1, 2013 by FRS 119 issued in November 2011]*	FRS 119_{2004}	Jan. 1, 2003
FRS 119 (2011)	Employee Benefits	FRS 119	Jan. 1, 2013
	Defined Benefits Plans: Employee Contributions *(Amendments to FRS 119)*		Jul. 1, 2014
	Amendment to FRS 119 *(Annual Improvements to FRSs 2012-2014 Cycle)*		Jan 1, 2016

		Extant Accounting Standards Superseded	MASB Operational Date
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	FRS 120_{2004}	Jul. 1, 2007
FRS 121	The Effects of Changes in Foreign Exchange Rates	FRS 121_{2004}	Jan. 1, 2006
	Amendments to FRS 121 *[Improvements to FRSs (2010)]*		Jan. 1, 2011
FRS 123	Borrowing Costs	FRS 123_{2004}	Jan. 1, 2010
	Amendment to FRS 123 *[Improvements to FRSs (2009)]*		Jan. 1, 2010
FRS 124	Related Party Disclosures *[Superseded with effect from Jan. 1, 2012 by FRS 124 issued in November 2010]*	FRS 124_{2004}	Oct. 1, 2006
	Related Party Disclosures	FRS $124_{\text{(revised 2005)}}$	Jan. 1, 2012
	Amendment to FRS 124 *(Annual Improvements to FRSs 2010-2012 Cycle)*		Jul. 1, 2014
FRS 126	Accounting and Reporting by Retirement Benefit Plans	FRS 126_{2004}	Jan. 1, 2003
FRS 127	Consolidated and Separate Financial Statements *[Superseded with effect from July 1, 2010 by FRS 127, issued in January 2010]*	FRS 127_{2004}	Jan. 1, 2006
	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate *(Amendments to FRS 1 and FRS 127)*		Jan. 1, 2010
	Amendment to FRS 127 *[Improvements to FRSs (2009)]*		Jan. 1, 2010
	Consolidated and Separate Financial Statements *[Superseded with effect from Jan. 1, 2013 by FRS 127, Separate Financial Statements and FRS 10, Consolidated Financial Statements]*	FRS $127_{\text{(revised 2005)}}$	Jul. 1, 2010
FRS 127 (2011)	Separate Financial Statements	FRS 127	Jan. 1, 2013
	Investment Entities *(Amendments to FRS 10, FRS 12 and FRS 127)*		Jan. 1, 2014
	Equity method in Separate Financial Statements *(Amendments to FRS 127)*		Jan 1, 2016
FRS 128	Investments in Associates *[Superseded with effect from Jan. 1, 2013 by FRS 128, Investment in Associates and Joint Ventures]*	FRS 128_{2004}	Jan. 1, 2006
	Amendments to FRS 128 *[Improvements to FRSs (2010)]*		Jan. 1, 2011
FRS 128 (2011)	Investment in Associates and Joint Ventures	FRS $128_{\text{(revised. 2005)}}$	Jan. 1, 2013
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *(Amendments to FRS 10 and FRS 128)*		Deferred
	Investment Entities: Applying the Consolidation Exception *(Amendments to FRS 10, FRS 12 and FRS 128)*		Jan 1, 2016
	Amendments to FRS 128 (Annual Improvements to FRS Standards 2014-2016 Cycle)		Jan. 1, 2018
FRS 129	Financial Reporting in Hyperinflationary Economies	FRS 129_{2004}	Jan. 1, 2003
	Amendment to FRS 129 *[Improvements to FRSs (2009)]*		Jan. 1, 2010
FRS 131	Interests in Joint Ventures *[Superseded with effect from Jan. 1, 2013 by FRS 11 issued in November 2011]*	FRS 131_{2004}	Jan. 1, 2006
	Amendments to FRS 131 *[Improvements to FRSs (2010)]*		Jan. 1, 2011

		Extant Accounting Standards Superseded	MASB Operational Date
FRS 132	Financial Instruments: Presentation	FRS 132_{2004}	Jan. 1, 2006
	Amendments to FRS 132 *[Improvements to FRSs (2012)]*		Jan. 1, 2013
	Offsetting Financial Assets and Financial Liabilities *(Amendments to FRS 132)*		Jan. 1, 2014
FRS 133	Earnings Per Share	FRS 133_{2004}	Jan. 1, 2006
FRS 134	Interim Financial Reporting	FRS 134_{2004}	Jul. 1, 2007
	Amendment to FRS 134 *[Improvements to FRSs (2010)]*		Jan. 1, 2011
	Amendment to FRS 134 *[Improvements to FRSs (2012)]*		Jan. 1, 2013
	Amendment to FRS 134 *(Annual Improvements to FRSs 2012-2014 Cycle)*		Jan 1, 2016
FRS 136	Impairment of Assets	FRS 136_{2004}	Jan. 1, 2006
	Recoverable Amount Disclosures for Non-Financial Assets *(Amendments to FRS 136)*		Jan. 1, 2014
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	FRS 137_{2004}	Jul. 1, 2007
FRS 138	Intangible Assets	FRS 109_{2004}	Jan. 1, 2006
	Amendment to FRS 138 *(Annual Improvements to FRSs 2010-2012 Cycle)*		Jul. 1, 2014
	Clarification of Acceptable Methods of Depreciation and Amortisation *(Amendments to FRS 116 and FRS 138)*		Jan 1, 2016
FRS 139	Financial Instruments: Recognition and Measurement	FRS $139_{(issued\ 2006)}$	Jan. 1, 2010
	Amendments to FRS 139 *[Improvements to FRSs (2010)]*		Jan. 1, 2011
	Novation of Derivatives and Continuation of Hedge Accounting *(Amendments to FRS 139)*		Jan. 1, 2014
FRS 140	Investment Property	That part of FRS 125_{2004} that deals with investment property	Jan. 1, 2006
	Amendment to FRS 140 *(Annual Improvements to FRSs 2011-2013 Cycle)*		Jul. 1, 2014
	Transfers of Investment Property *(Amendments to FRS 140)*		Jan. 1, 2018
IAS 41	Agriculture		Jan 1, 2012
FRS 201_{2004}	Property Development Activities	MAS 7	Jan. 1, 2004
FRS 204_{2004}	Accounting for Aquaculture	MAS 5	Sep. 1, 1998
Glossary of terms			

@ *For entities that have already applied FRS 9 Financial Instruments (IFRS 9 Financial Instruments issued by IASB in November 2009) or FRS 9 Financial Instruments (IFRS 9 Financial Instruments issued by IASB in October 2010) or FRS 9 Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139), the above FRS would be withdrawn on the application of FRS 9 Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014). Other entities may still elect to apply the above FRSs if and only if, the entity's date of initial application is before February 1, 2015, after which the above Standards would be withdrawn.*

*IC Interpretations***

		MASB Operational Date
Preface		
Amendments to Preface to IC Interpretations		
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Jul. 1, 2007
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	Jul. 1, 2007
	Amendment to IC Interpretation 2 *[Improvements to FRSs (2012)]*	Jan. 1, 2013
IC Interpretation 4	Determining whether an Arrangement contains a Lease	Jan. 1, 2011
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Jul. 1, 2007
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	Jul. 1, 2007
IC Interpretation 7	Applying the Restatement Approach under FRS 129_{2004}, *Financial Reporting in Hyperinflationary Economies*	Jul. 1, 2007
IC Interpretation 9	Reassessment of Embedded Derivatives *[Will be superseded on the application of FRS 9 (IFRS 9 as issued by IASB in July 2014)]*	Jan. 1, 2010
	Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives *[Will be superseded on the application of FRS 9 (IFRS 9 as issued by IASB in July 2014)]*	Jul. 1, 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	Jan. 1, 2010
IC Interpretation 12	Service Concession Arrangements	Jul. 1, 2010
IC Interpretation 13	Customer Loyalty Programmes	Jan. 1, 2010
	Amendments to IC Interpretation 13 *[Improvements to FRSs (2010)]*	Jan. 1, 2011
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Jan. 1, 2010
	Prepayments of a Minimum Funding Requirement *(Amendments to IC Interpretation 14)*	Jul. 1, 2011
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	Jul. 1, 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	Jul. 1, 2010
IC Interpretation 18	Transfers of Assets from Customers	Jan. 1, 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	Jul. 1, 2011
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	Jan. 1, 2013
IC Interpretation 21	Levies	Jan 1, 2014
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	Jan. 1, 2018
IC Interpretation 107	Introduction of the Euro	Jan. 1, 2006
IC Interpretation 110	Government Assistance – No Specific Relation to Operating Activities	Jan. 1, 2006
IC Interpretation 115	Operating Leases – Incentives	Jan. 1, 2006
IC Interpretation 125	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	Jan. 1, 2006
IC Interpretation 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	Jan. 1, 2006

		MASB Operational Date
IC Interpretation 129	Disclosure – Service Concession Arrangements	Jan. 1, 2006
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services	Jan. 1, 2006
IC Interpretation 132	Intangible Assets – Web Site Costs	Jan. 1, 2006
IC Interpretation 201	Preliminary and Pre-operating Expenditure	Jan. 1, 2001

Note:

* *Entities other than private entities that are not subject to the application of MFRS 141, Agriculture, and/or IC Interpretation 15, Agreements for the Construction of Real Estate, shall apply the MFRS Framework.*

Entities other than private entities subject to the application of MFRS 141 and IC Interpretation 15 shall apply the FRS Framework. However, these entities shall comply with the MFRS Framework for annual periods beginning on or after Jan. 1, 2018.

MFRS/FRS xx corresponds to the equivalent IFRS issued by the IASB.
MFRS/FRS with 100 prefix corresponds to the equivalent IAS. Hence, FRS 112 is equivalent to IAS 12.
MFRS/FRS with 200 prefix denotes locally developed standards with no equivalent international standard.

** *The numbering of the IC Interpretations corresponds to the Interpretations issued by the IFRIC and SIC respectively. For example, IC Interpretation 1 in Malaysia is equivalent to IFRIC Interpretation 1. IC Interpretation with a '100 prefix' corresponds to its equivalent SIC-Interpretation. Thus, IC Interpretation 112 is equivalent to SIC-12. IC Interpretation with a '200 prefix' denotes locally developed interpretation with no equivalent international interpretation. In this regard, the existing Interpretation Bulletin I Preliminary and Pre-operating Expenditure is renamed as IC Interpretation 201.*

Hence, IC Interpretation 1 = IFRIC Interpretation 1
IC Interpretation 112 = SIC-12
IC Interpretation 201 = locally developed interpretation

(b) MASB Approved Accounting Standards for Private Entities (PERS)***

		MASB Original Operational Date
Framework for the Preparation and Presentation of Financial Statements		Jul. 1, 2007
MASB 1	Presentation of Financial Statements	Jul. 1, 1999
MASB 2	Inventories	Jul. 1, 1999
MASB 3	Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies	Jul. 1, 1999
MASB 4	Research and Development Costs	Jul. 1, 1999
MASB 5	Cash Flow Statements	Jul. 1, 1999
MASB 6	The Effects of Changes in Foreign Exchange Rates	Jul. 1, 1999
MASB 7	Construction Contracts	Jul. 1, 1999
MASB 9	Revenue	Jan. 1, 2000
MASB 10	Leases	Jan. 1, 2000
MASB 11	Consolidated Financial Statements and Investments in Subsidiaries	Jan. 1, 2000
MASB 12	Investments in Associates	Jan. 1, 2000
MASB 14	Depreciation Accounting	Jul. 1, 2000
MASB 15	Property, Plant and Equipment	Jul. 1, 2000
MASB 16	Financial Reporting of Interests in Joint Ventures	Jul. 1, 2000

		MASB Original Operational Date
MASB 19	Events after the Balance Sheet Date	Jul. 1, 2001
MASB 20	Provisions, Contingent Liabilities and Contingent Assets	Jul. 1, 2001
MASB 23	Impairment of Assets	Jan. 1, 2002
MASB 25	Income Taxes	Jul. 1, 2002
MASB 27	Borrowing Costs	Jul. 1, 2002
MASB 28	Discontinuing Operations	Jan. 1, 2003
MASB 29	Employee Benefits	Jan. 1, 2003
MASB 30	Accounting and Reporting by Retirement Benefit Plans	Jan. 1, 2003
MASB 31	Accounting for Government Grants and Disclosure of Government Assistance	Jan. 1, 2004
MASB 32	Property Development Activities	Jan. 1, 2004
IAS 25	Accounting for Investments	Sept. 1, 1998
IAS 29	Financial Reporting in Hyperinflationary Economies	Jan. 1, 2003
MAS 5	Accounting for Aquaculture	Sept. 1, 1998
IB-1	Preliminary and Pre-operating Expenditure	Jan. 1, 2001

*** PERS is a set of accounting standards issued or adopted by MASB for application by all private entities.
A private entity is a private company incorporated under the Companies Act, 1965 that –

- is not itself required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia; and
- is not a subsidiary or associate of, or jointly controlled by, an entity which is required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia.

(c) Malaysian Private Entities Reporting Standard (MPERS) Framework

	MASB Operational Date
MPERS	Jan. 1, 2016

The *MPERS* was issued by the MASB in February 2014 and is word-for-word the IFRS for *SMEs* issued by the International Accounting Standards Board (IASB) except for the requirements on income tax and property development activities. All private entities shall apply the MPERS for their financial statements beginning on or after January 1, 2016.

In October 2015, the MASB issued 2015 *Amendments to the MPERS* which is equivalent to the IASB's 2015 *Amendments to the IFRS for SMEs*. With this issuance, the accounting requirements for Income Tax of the MPERS are word-for-word the IFRS for SMEs.

The 2015 *Amendments to the MPERS* is effective for annual periods beginning on or after 1 January 2017, with early application permitted.

On February 28, 2017, the MASB revised the Private Entity definition with the coming into operation of the Companies Act 2016 and Interest Schemes Act 2016, both on January 31, 2017.

The revised Private Entity definition now reads as follows:

A private entity is a private company as defined in section 2 of the Companies Act 2016 that:

- is not itself required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia; and
- is not a subsidiary or associate of, or jointly controlled by, an entity which is required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia.

Notwithstanding the above, a private company that is itself, or is a subsidiary or associate of, or jointly controlled by, an entity that is a management company as defined in section 2 of the Interest Schemes Act 2016 is not a private entity.

(d) MASB Technical Releases (TR)

		MASB Operational Date
TR 1 (revised)	Share Buybacks – Financial Assistance	[Superseded]
TR 1 (revised)$_{2004}$	Share Buybacks – Accounting and Disclosure (For FRS)	withdrawn
TR 2	The Year 2000 Issue: Accounting and Disclosure	withdrawn
TR 3	Guidance on Disclosures of Transition to IFRSs	Dec. 31, 2010
TR *i*-1	Accounting for Zakat on Business	Jul. 1, 2006
TR *i*-2	Ijarah	withdrawn
TR *i*-3	Presentation of Financial Statements of Islamic Financial Institutions	Jan. 1, 2010
TR *i*-4	Shariah Compliant Sale Contracts	Jan. 1, 2011

(e) MASB Statement of Principles (SOP)

		MASB Issue Date
SOP 1$_{2004}$	Exempt Entities	Jun. 2000
SOP 2	Interim Financial Reporting	[Superseded by FRS 134$_{2004}$]
SOP 3	Management Commentary	Feb. 2013
SOP *i*-1	Financial Reporting from an Islamic Perspective	Sep. 2009

(f) International Accounting Standards (IAS)

		MICPA Operational Date	MASB Operational Date	IASB Operational Date
IAS 25	Accounting for Investments	1993	1998	1987

(g) Malaysian Accounting Standards (MAS)

		MICPA Operational Date	MASB Operational Date
(i)	**Issued**		
MAS 1	Earnings Per Share (issued Jan. 1984)	[Superseded by FRS 133]	
MAS 2	Accounting for Acquisitions and Mergers (issued Jan. 1989)	[Superseded by FRS 3]	
MAS 3	Accounting for General Insurance Business (issued Jan. 1992)	[Superseded by FRS 202$_{2004}$]	
MAS 4	Accounting for Life Insurance Business (issued Jan. 1992)	[Superseded by FRS 203$_{2004}$]	
MAS 5	Accounting for Aquaculture (issued Jan. 1992)	[Superseded by FRS 204$_{2004}$]	
MAS 7	Accounting for Property Development Activities (issued Jan. 1994)	[Superseded by FRS 201]	
MAS 8	Accounting for Pre-cropping Costs	1997	–
(ii)	**Exposure Draft**		
MAS 6	Accounting for Goodwill	[Superseded by FRS 3]	

(h) MICPA Technical Bulletins

		MICPA Issue Date
TB 4	Reporting in Connection with the Capital Adequacy Ratio of Banks	Apr. 1983
TB 6	Auditor's Reports on Financial Statements Published in the Print Media by Financial Institutions	Apr. 1988
TB 7	Accounting for Bankers' Acceptances	Jan. 1989
TB 8	Accounting for Profit Guarantees and Other Contingencies in Business Acquisitions	Dec. 1995
TB 9	Accounting for Securities Borrowing and Lending Transactions by Lenders and Ultimate Borrowers	Sept. 2013

B APPROVED STANDARDS ON QUALITY CONTROL, AUDITING, REVIEW, OTHER ASSURANCE AND RELATED SERVICES

Statement of Policy of Council – Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services (issued Dec. 2007)

Statement of Policy of Council – Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services (issued Apr. 2012)

	IAG/ISA Superseded	MICPA Issue Date	IFAC Issue Date
Structure of Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services and Guidelines Issued by the MICPA	–	Sep. 2006	–
Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services (Amended)	–	Jun. 2008	Dec. 2006
Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services (Amended)	–	Apr. 2011	Apr. 2010
Amended Preface to the International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements	–	Apr. 2012	Dec. 2011
Glossary of Terms (Dec. 2006)	–	Nov. 2007	Dec. 2006
Glossary of Terms (Feb. 2009)	–	Apr. 2011	Apr. 2010

(a) Framework

	IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
International Framework for Assurance Engagements	ISA 120	Jan. 2007	Jan. 2005

(b) International Standards on Quality Control (ISQC)

		IAG/ISA/ISQC Superseded	MICPA Operational Date	IFAC Operational Date
ISQC 1^	Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements	ISQC 1	Requirements to be established by Jan. 1, 2010	Requirements to be established by Dec. 15, 2009

(c) International Standards on Auditing (ISA)

		IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISA 200^	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing	ISA 200	Jan. 2010	Dec. 2009
ISA 210^	Agreeing the Terms of Audit Engagements	ISA 210	Jan. 2010	Dec. 2009
ISA 220^	Quality Control for an Audit of Financial Statements	ISA 220 (Revised)	Jan. 2010	Dec. 2009
ISA 230^	Audit Documentation	ISA 230 (Revised)	Jan. 2010	Dec. 2009
ISA 240^	The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	ISA 240 (Revised)	Jan. 2010	Dec. 2008
ISA 250^	Consideration of Laws and Regulations in an Audit of Financial Statements	ISA 250	Jan. 2010	Dec. 2009
ISA 250 (Revised 2016)	Consideration of Laws and Regulations in an Audit of Financial Statements	ISA 250^	Dec. 2017	Dec. 2017
ISA 260^	Communication with Those Charged with Governance	ISA 260	Jan. 2010	Dec. 2009
ISA 260 (Revised 2015)	Communication with Those Charged with Governance	ISA 260^	Dec. 2016	Dec. 2016
ISA 265^	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management	–	Jan. 2010	Dec. 2009
ISA 300^	Planning an Audit of Financial Statements	ISA 300 (Revised)	Jan. 2010	Dec. 2008
ISA 315 (Revised)	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment	ISA 315	Dec. 2013	Dec. 2013
ISA 320^	Materiality in Planning and Performing an Audit	ISA 320	Jan. 2010	Dec. 2009
ISA 330^	The Auditor's Responses to Assessed Risks	ISA 330	Jan. 2010	Dec. 2008

		IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISA 402^	Audit Considerations Relating to an Entity Using a Service Organisation	ISA 402	Jan. 2010	Dec. 2009
ISA 450^	Evaluation of Misstatements Identified during the Audit	–	Jan. 2010	Dec. 2009
ISA 500^	Audit Evidence	ISA 500	Jan. 2010	Dec. 2009
ISA 501^	Audit Evidence – Specific Considerations for Selected Items	ISA 501	Jan. 2010	Dec. 2009
ISA 505^	External Confirmations	ISA 505	Jan. 2010	Dec. 2009
ISA 510^	Initial Audit Engagements – Opening Balances	ISA 510	Jan. 2010	Dec. 2009
ISA 520^	Analytical Procedures	ISA 520	Jan. 2010	Dec. 2009
ISA 530^	Audit Sampling	ISA 530	Jan. 2010	Dec. 2009
ISA 540^	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	ISA 540 & ISA 545	Jan. 2010	Dec. 2009
ISA 550^	Related Parties	ISA 550	Jan. 2010	Dec. 2009
ISA 560^	Subsequent Events	ISA 560	Jan. 2010	Dec. 2009
ISA 570^	Going Concern	ISA 570	Jan. 2010	Dec. 2009
ISA 570 (Revised 2015)	Going Concern	ISA 570^	Dec. 2016	Dec. 2016
ISA 580^	Written Representations	ISA 580	Jan. 2010	Dec. 2009
ISA 600^	Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)	ISA 600	Jan. 2010	Dec. 2009
ISA 610^	Using the Work of Internal Auditors	ISA 610	Jan. 2010	Dec. 2009
ISA 610 (Revised)	Using the Work of Internal Auditors	ISA 610^	Dec. 2013	Dec. 2013
ISA 610 (Revised 2013)	Using the Work of Internal Auditors	ISA 610 (Revised)	Dec. 2014	Dec. 2014
ISA 620^	Using the Work of an Auditor's Expert	ISA 620	Jan. 2010	Dec. 2009
ISA 700^	Forming an Opinion and Reporting on Financial Statements	ISA 700 (Revised)	Jan. 2010	Dec. 2009
ISA 700 (Revised 2015)	Forming an Opinion and Reporting on Financial Statements	ISA 700^	Dec. 2016	Dec. 2016
ISA 701	Communicating Key Audit Matters in the Independent Auditor's Report	–	Dec. 2016	Dec. 2016
ISA 705^	Modifications to the Opinion in the Independent Auditor's Report	ISA 701_{2007}	Jan. 2010	Dec. 2009

		IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISA 705 (Revised 2015)	Modifications to the Opinion in the Independent Auditor's Report	ISA 705^	Dec. 2016	Dec. 2016
ISA 706^	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report	ISA 701_{2007}	Jan. 2010	Dec. 2009
ISA 706 (Revised 2015)	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report	ISA 706^	Dec. 2016	Dec. 2016
ISA 710^	Comparative Information – Corresponding Figures and Comparative Financial Statements	ISA 710	Jan. 2010	Dec. 2009
ISA 720^	The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements	ISA 720	Jan. 2010	Dec. 2009
ISA 720 (Revised 2015)	The Auditor's Responsibilities Relating to Other Information and Related Conforming Amendments	ISA 720^	Dec. 2016	Dec. 2016
ISA 800^	Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks	ISA 800	Jan. 2010	Dec. 2009
ISA 800 (Revised)	Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks	ISA 800^	Dec. 2016	Dec. 2016
ISA 805^	Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement	–	Jan. 2010	Dec. 2009
ISA 805 (Revised)	Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement	ISA 805^	Dec. 2016	Dec. 2016
ISA 810^	Engagements to Report on Summary Financial Statements	–	Jan. 2010	Dec. 2009
ISA 810 (Revised 2016)	Engagements to Report on Summary Financial Statements	ISA 810^	Dec. 2016	Dec. 2016
	Conforming Amendments to ISAs	–	Dec. 2016	Dec. 2016
	Addressing Disclosures in the Audit of Financial Statements – Revised ISAs and Related Conforming Amendments	–	Dec. 2016	Dec. 2016

^ *Clarified International Standards on Auditing issued by the IAASB in 2009.*

(d) International Auditing Practice Notes (IAPN)

		MICPA Issue Date	IFAC Issue Date
IAPN 1000	Special Considerations in Auditing Financial Instruments	Mar. 2012	Dec. 2011

(e) International Auditing Practice Statements (IAPS)

		MICPA Issue Date	IFAC Issue Date
IAPS 1000	Inter-Bank Confirmation Procedures	withdrawn (Mar. 2012)	withdrawn (Dec. 2011)
IAPS 1001	IT Environments – Stand-Alone Personal Computers	withdrawn (Oct. 2007)	withdrawn (Dec. 2004)
IAPS 1002	IT Environments – On-Line Computer Systems	withdrawn (Oct. 2007)	withdrawn (Dec. 2004)
IAPS 1003	IT Environments – Database Systems	withdrawn (Oct. 2007)	withdrawn (Dec. 2004)
IAPS 1004	The Relationship between Banking Supervisors and Banks' External Auditors	withdrawn (Mar. 2012)	withdrawn (Dec. 2011)
IAPS 1005	The Special Considerations in the Audit of Small Entities	withdrawn (Jan. 2010)	withdrawn (Jan. 2010)
IAPS 1006	Audits of the Financial Statements of Banks	withdrawn (Mar. 2012)	withdrawn (Dec. 2011)
IAPS 1007	Communications with Management	withdrawn (Jan. 2006)	withdrawn (Jun. 2001)
IAPS 1008	Risk Assessments and Internal Control	withdrawn (Jan. 2006)	withdrawn (Dec. 2004)
IAPS 1009	Computer-Assisted Audit Techniques	withdrawn (Oct. 2007)	withdrawn (Dec. 2004)
IAPS 1010	The Consideration of Environmental Matters in the Audit of Financial Statements	withdrawn (Mar. 2012)	withdrawn (Dec. 2011)
IAPS 1011	Implications for Management and Auditors of the Year 2000 Issue	withdrawn (Jan. 2006)	withdrawn (Jun. 2001)
IAPS 1012	Auditing Derivative Financial Instruments	withdrawn (Mar. 2012)	withdrawn (Dec. 2011)
IAPS 1013	Electronic Commerce – Effect on the Audit of Financial Statements	withdrawn (Mar. 2012)	withdrawn (Dec. 2011)
IAPS 1014	Reporting by Auditors on Compliance with International Financial Reporting Standards	withdrawn (Jan. 2010)	withdrawn (Jan. 2010)

(f) International Standards on Review Engagements (ISRE)

		IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISRE 2400	Engagements to Review Financial Statements (Previously ISA 910)	IAG/ RS 1 & 2	Jul. 2007	Dec. 2006
ISRE 2400 (Revised)	Engagements to Review Historical Financial Statements	ISRE 2400	Dec. 2013	Dec. 2013
ISRE 2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity	–	Jul. 2007	Dec. 2006

(g) International Standards on Assurance Engagements (ISAE)

		IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISAE 3000 (Revised)	Assurance Engagements Other than Audits or Reviews of Historical Financial Information	ISA 100	Jan. 2007	Jan. 2005
ISAE 3000 (Revised 2013)	Assurance Engagements Other than Audits or Reviews of Historical Financial Information	ISAE 3000 (Revised)	Dec .2015	Dec. 2015
ISAE 3400	The Examination of Prospective Financial Information (Previously ISA 810)	IAG 27	Jan. 2000	Jul. 1994
ISAE 3402	Assurance Reports on Controls at a Service Organisation	–	Jun. 2011	Jun. 2011
ISAE 3410	Assurance Engagements on Greenhouse Gas Statements	–	Sep. 2013	Sept. 2013
ISAE 3420	Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus	–	Mar. 2013	Mar. 2013

(h) International Standards on Related Services (ISRS)

		IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISRS 4400	Engagements to Perform Agreed-upon Procedures Regarding Financial Information (Previously ISA 920)	IAG/RS 3	Jan. 2000	Jul. 1994
ISRS 4410	Engagements to Compile Financial Information (Previously ISA 930)	IAG/RS 4	Jan. 2000	Jul. 1994
ISRS 4410 (Revised)	Compilation Engagements	ISRS 4410	Jul. 2013	Jul. 2013

(i) Malaysian Auditing Guidelines (MAG)

		MICPA Issue Date
MAG 1	Auditor's Reports: Forms and Qualifications (Issued 1988)	[Superseded by ISA 700]

(j) MIA Recommended Practice Guide (RPG)

		RPG Superseded	MICPA Issue Date
RPG 5 (Revised 2013)	Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report	[Superseded by RPG 5 (Revised 2015)]	
RPG 5 (Revised 2015)	Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report	RPG 5 (Revised 2013)	Mar. 2016
RPG 11 (Revised 2016)	Auditors' report on financial statements in accordance with the Malaysian Financial Reporting Standards (MFRS) Framework		May 2017

(j) MIA Recommended Practice Guide (RPG) (Cont'd.)

		RPG Superseded	MICPA Issue Date
RPG 12	Auditors' report on financial statements in accordance with Malaysian Private Entities Reporting Standard (MPERS)		May 2017
RPG 13	Auditors' report on financial statements in accordance with the Malaysian Financial Reporting Standards (MFRS) Framework and Companies Act 2016		May 2017
RPG 14	Auditors' report on financial statements in accordance with Malaysian Private Entities Reporting Standard (MPERS) and Companies Act 2016		May 2017

(k) MICPA Auditing Technical Releases (ATR)

		ATR Superseded	MICPA Issue Date
ATR 2	Standard Letter of Request for Information from Banks/Finance Companies for Audit Purposes		May 1990
ATR 3	Accountants' Report for Prospectus (issued Jan. 1989)	[Superseded by ISA 810]	
ATR 4	Reporting in Connection with Submission of Proposals to Capital Issues Committee (issued May 1990)	[Superseded by ISA 810]	
ATR 5	Guidance for Auditors on the Review of Directors' Statement on Internal Control (Revised Dec. 2007)	[Superseded by RPG 5 (Revised 2013)]	
ATR 6	Unit Trust Funds – Distribution Equalisation		Jun. 2008
ATR 7	Examples of Auditor's Reports (issued Jun. 2008)	[Superseded by ATR 7 (Revised)]	
ATR 7 (Revised)	Examples of Independent Auditor's Reports	[Superseded by ATR 7 (Revised 2013)]	
ATR 7 (Revised 2013)	Examples of Independent Auditor's Reports	ATR 7 (Revised)	Nov. 2013
ATR 8	Pro forma Letter of Engagement – Statutory Audit for Single Entity and Group (issued Mar. 2009)	[Superseded by ATR 8 (Revised)]	
ATR 8 (Revised)	Illustrative Letter of Engagement – Statutory Audit for Single Entity and Group	ATR 8	Apr. 2012
ATR 9	Sample Auditor's Report in Bahasa Malaysia		Mar. 2009

(l) MICPA Technical Releases (TR)

		MICPA Issue Date
TR 1	Guidance on the Role of Reporting Accountant in a Due Diligence Working Group	Aug. 2011

C MICPA GUIDELINES FOR ACCOUNTING IN PUBLIC SECTOR (GAPS)

		MICPA Issue Date
Preface to Guidelines for Accounting in Public Sector		Jan. 1992
GAPS 1	Public Sector Accounting Concepts	Jan. 1992

D MICPA INSOLVENCY GUIDANCE NOTES (IGN)

		MICPA Issue Date
(i)	**General**	
IGN	Preface to Insolvency Guidance Notes	Nov. 2009
IGN G1	Minimum Standards of Practice by Insolvency Practitioners	Nov. 2009
IGN G2	Professional Conduct and Ethics in Insolvency Practice	Nov. 2009
IGN G3	Remuneration of Insolvency Office Holders	Nov. 2009
IGN G4	The Handling of Funds in a Liquidation Administration	Nov. 2009
IGN G5	Preparation of Statement of Receipts and Payments by Insolvency Practitioners	Nov. 2009
(ii)	**Liquidation**	
IGN L1	Members' Voluntary Winding Up	Nov. 2009
IGN L2	Procedure for Creditor's Voluntary Winding-up	Nov. 2009
IGN L3	A Liquidator's Assessment and Review into the Affairs of the Insolvent Company	Nov. 2009
IGN L4	Summoning and Holding Meetings of Creditors under Court Winding-up	Nov. 2009
(iii)	**Receivership**	
IGN R1	Suggested Receivership Checklist (for Receiver Appointed under a Debenture)	Nov. 2009
IGN R2	A Receiver's Responsibility for the Books and Records of the Company	Nov. 2009
IGN R3	A Receiver's Responsibility to Preferential Creditors	Nov. 2009

E STATEMENTS ON INTERNATIONAL MANAGEMENT ACCOUNTING

	MICPA Issue Date	IFAC Issue Date
MICPA Statement on International Management Accounting Statements	Dec. 1992	–
Preface to Statements on International Management Accounting	Dec. 1992	Feb. 1987

(a) Statements on International Management Accounting Practices (MAP)

		MICPA Issue Date	IFAC Issue Date
MAP 1	Management Accounting Concepts (Revised 1998)	Aug. 1998#	Mar. 1998
MAP 2	The Capital Expenditure Decision	Dec. 1992	Oct. 1989
MAP 3	Foreign Capital Exposure and Risk Management	Sep. 1993	Jul. 1990
MAP 4	Management Control of Projects	Jul. 1993	Oct. 1991
MAP 5	Managing Quality Improvements	Sep. 1993	Mar. 1993
MAP 6	Post Completion Review	Nov. 1994	Apr. 1994
MAP 7	Strategic Planning for Information Resource Management	Nov. 1996#	Feb. 1996

(b) Statements on International Management Accounting Studies (IMAS)

		MICPA Issue Date	IFAC Issue Date
(i) Issued			
IMAS 3	An Introduction to Strategic Financial Management (Revised 1995)	Jul. 1993	Apr. 1988
IMAS 4	Reporting Treasury Performance – A Framework for The Treasury Practitioner	Apr. 1996#	Sep. 1995
IMAS 5	The Role of Management Accounting in the Emerging Team Approach to Work	May 1996#	Sep. 1995
IMAS 6	Environmental Management in Organisations – The Role of Management Accounting	Aug. 1998#	Mar. 1998
IMAS 7	The Measurement and Management of Intellectual Capital	Apr. 1999#	Dec. 1998
IMAS 8	Codifying Power and Control: Ethical Codes in Action	Sep. 1999#	May 1999
IMAS 9	Enhancing Shareholder Wealth by Better Managing Business Risk	Sep. 1999#	Jun. 1999
IMAS 10	Target Costing for Effective Cost Management	Sep. 1999#	Jun. 1999

Reviewed by MICPA and issued to members on request basis.

(ii) Being considered by MICPA for Issuance			
IMAS 11	A Profession Transforming: From Accounting to Management	–	Mar. 2001

F MICPA STATEMENTS

		MICPA Issue Date
No. 1	Recommendations on the Presentations of Accounts (issued 1972)	[Superseded by IAS 1]
No. 2	Audit Reports and Qualifications (issued 1972)	[Superseded by MAG 1]
No. 3	Accountants' Report for Prospectuses (issued 1976)	[Superseded by ATR 3]
No. 4	Directors' Report (issued Nov. 1985) Model Holdings Berhad – Specimen Financial Statements (Revised)	withdrawn Jun. 2004
No. 5	Statement of Source and Application of Funds (issued 1981)	[Superseded by IAS 7]
No. 6	Model Insurance Financial Statements	Jul. 2010

G STATUS OF OTHER MASB PRONOUNCEMENTS

(a) MASB Feedback Statement

	MASB Issue Date
Feedback Statement on MASB Discussion Papers on Takaful, Sukuk and Shariah Compliant Profit-sharing Contracts	Dec. 2012

H STATUS OF OTHER STATEMENTS ON INTERNATIONAL MANAGEMENT ACCOUNTING

(a) Not Issued by MICPA

		IFAC Issue Date
Study No. 1	Control of Computer Applications	Oct. 1985
Management Accounting Concepts (Revised 1998)		Mar. 1998

I INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

		IFAC Issue Date
International Public Sector Accounting Standards Board – Terms of Reference		Nov. 2004
Preface to International Public Sector Accounting Standards (Revised)		Mar. 2012
Introduction to the International Public Sector Accounting Standards		Jan. 2007
Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (Chapters 1-4)	Superseded by Conceptual Framework issued in Sep. 2014	Jan. 2013
Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (Chapter 1-8)		Sep. 2014

(a) Standards

		IFAC Operational Date
IPSAS 1	Presentation of Financial Statements	Jan. 2008
IPSAS 2	Cash Flow Statements	Jul. 2001
IPSAS 3	Accounting Policies, Changes in Accounting Estimates and Errors	Jan. 2008
IPSAS 4	The Effects of Changes in Foreign Exchange Rates	Jan. 2010
IPSAS 5	Borrowing Costs	Jul. 2001
IPSAS 6	Consolidated and Separate Financial Statements	Jan. 2008
IPSAS 7	Investments in Associates	Jan. 2008
IPSAS 8	Interests in Joint Ventures	Jan. 2008
IPSAS 9	Revenue from Exchange Transactions	Jul. 2002
IPSAS 10	Financial Reporting in Hyperinflationary Economies	Jul. 2002
IPSAS 11	Construction Contracts	Jul. 2002
IPSAS 12	Inventories	Jan. 2008
IPSAS 13	Leases	Jan. 2008
IPSAS 14	Events After the Reporting Date	Jan. 2008
IPSAS 15	Financial Instruments: Disclosure and Presentation *(superseded by IPSAS 28, IPSAS 29 and IPSAS 30)*	
IPSAS 16	Investment Property	Jan. 2008
IPSAS 17	Property, Plant and Equipment	Jan. 2008
IPSAS 18	Segment Reporting	Jul. 2003

(a) Standards (Cont'd.)

		IFAC Operational Date
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets	Jan. 2004
IPSAS 20	Related Party Disclosures	Jan. 2004
IPSAS 21	Impairment of Non-Cash Generating Assets	Jan. 2006
IPSAS 22	Disclosure of Financial Information About the General Government Sector	Jan. 2008
IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)	Jun. 2008
IPSAS 24	Presentation of Budget Information in Financial Statements	Jan. 2009
IPSAS 25	Employee Benefits *(will be superseded by IPSAS 39)*	Jan. 2011
IPSAS 26	Impairment of Cash-Generating Assets	Apr. 2009
IPSAS 27	Agriculture	Apr. 2011
IPSAS 28	Financial Instruments: Presentation	Jan. 2013
IPSAS 29	Financial Instruments: Recognition and Measurement	Jan. 2013
IPSAS 30	Financial Instruments: Disclosures	Jan. 2013
IPSAS 31	Intangible Assets	Apr. 2011
IPSAS 32	Service Concession Arrangement: Grantor	Jan. 2014
IPSAS 33	First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)	Jan. 2017
IPSAS 34	Separate Financial Statements	Jan. 2017
IPSAS 35	Consolidated Financial Statements	Jan. 2017
IPSAS 36	Investments in Associates and Joint Ventures	Jan. 2017
IPSAS 37	Joint Arrangements	Jan. 2017
IPSAS 38	Disclosure of Interests in Other Entities	Jan. 2017
IPSAS 39	Employee Benefits	Jan. 2018
IPSAS 40	Public Sector Combinations	Jan. 2019
Cash Basis IPSAS	Financial Reporting Under the Cash Basis of Accounting – Part 1: Requirements	Jan. 2008
	Financial Reporting Under the Cash Basis of Accounting – Part 2: Encouraged Additional Disclosures	Jan. 2008
RPG 1	Reporting on the Long-Term Sustainability of an Entity's Finances	Jul. 2013
RPG 2	Financial Discussion and Analysis	Jul. 2013
RPG 3	Reporting Service Performance Information	Mar.2015
Improvements to IPSASs (issued by IPSASB in Jan. 2010)		
Improvements to IPSASs 2010 (issued by IPSASB in Nov. 2010)		
Improvements to IPSASs 2011 (issued by IPSASB in Oct. 2011)		
Improvements to IPSASs 2014 (issued by IPSASB in Jan. 2015)		
Improvements to IPSASs 2015 (issued by IPSASB in Apr. 2016)		
Glossary of Defined Terms in IPSAS 1 to IPSAS 38 (Jan. 2016)		

(b) Guidelines

		IFAC Issue Date
No. 1	Financial Reporting by Government Business Enterprises (issued Jul. 1989)	withdrawn (Nov. 2002)
No. 2	Applicability of International Standards on Auditing to Audits of Financial Statements of Government Business Enterprises	Jul. 1990
No. 3	Applicability of International Standards on Auditing to the Audits of Financial Statements of Governments and Other Non-Business Public Sector Entities (issued Jan. 1992)	withdrawn (1994)

(c) Studies

		IFAC Issue Date
Study 1	Financial Reporting by National Governments	Mar. 1991
Study 2	Elements of the Financial Statements of National Governments	Jul. 1993
Study 3	Auditing for Compliance with Authorities – A Public Sector Perspective	Oct. 1994
Study 4	Using the Work of Other Auditors – A Public Sector Perspective	Oct. 1994
Study 5	Definition and Recognition of Assets	Aug. 1995
Study 6	Accounting for and Reporting Liabilities	Aug. 1995
Study 7	Performance Reporting by Government Business Enterprises	Jan. 1996
Study 8	The Government Financial Reporting Entity	Jul. 1996
Study 9	Definition and Recognition of Revenues	Dec. 1996
Study 10	Definition and Recognition of Expenses/Expenditures	Dec. 1996
Study 11	Government Financial Reporting: Accounting Issues and Practices	May 2000
Study 12	Perspectives on Cost Accounting for Governments	Sep. 2000
Study 13	Governance in the Public Sector: A Governing Body Perspective	Jul. 2001
Study 14	Transition to the Accrual Basis of Accounting: Guidance for Public Sector Entities (Third Edition)	Jan. 2011

(d) Other Statements

	IFAC Issue Date
Invitation to Comment: Impairment of Assets	[Superseded by IPSAS 21]

J INTERNATIONAL INFORMATION TECHNOLOGY GUIDELINES

(a) Guidelines

		IFAC Issue Date
No. 1	Managing Security Information	Jan. 1998
No. 2	Managing Information Technology Planning for Business Impact	Jan. 1999
No. 3	Acquisition of Information Technology	May 2000
No. 4	The Implementation of Information Technology Solutions	May 2000
No. 5	IT Service Delivery and Support	May 2000
No. 6	IT Monitoring	Apr. 2002

(b) Exposure Draft

	IFAC Issue Date
Outsourcing	Dec. 2001

K INTERNATIONAL ACCOUNTING EDUCATION STANDARDS BOARD (IAESB) PRONOUNCEMENTS

	IFAC Issue Date
IAESB Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants (2015)	Jul. 2015
IAESB Glossary of Terms (2015)	Apr. 2015

(a) International Education Standards (IES) for Professional Accountants

		IES Superseded	IFAC Operational Date
IES 1	Entry Requirements to a Program of Professional Accounting Education	Superseded by IES 1 (revised)	Jan. 1, 2005
IES 1 (Revised)	Entry Requirements to Professional Accounting Education Programs	IES 1	Jul. 1, 2014
IES 2	Content of Professional Accounting Education Programs	Superseded by IES 2 (revised)	Jan. 1, 2005
IES 2 (Revised)	Initial Professional Development-Technical Competence	IES 2	Jul. 1, 2015
IES 3	Professional Skills and General Education	Superseded by IES 3 (revised)	Jan. 1, 2005
IES 3 (Revised)	Initial Professional Development-Professional Skills	IES 3	Jul. 1, 2015

IES 4	Professional Values, Ethics and Attitudes	Superseded by IES 4 (revised)	Jan. 1, 2005
IES 4 (Revised)	Initial professional Development-Professional Values, Ethics and Attitudes	IES 4	Jul. 1, 2015
IES 5	Practical Experience Requirements	Superseded by IES 5 (revised)	Jan. 1, 2005
IES 5 (Revised)	Initial Professional Development – Practical Experience	IES 5	Jul. 1, 2015
IES 6	Assessment of Professional Capabilities and Competence	Superseded by IES6 (revised)	Jan. 1, 2005
IES 6 (Revised)	Initial Professional Development – Assessment of Professional Competence	IES 6	Jul. 1, 2015
IES 7	Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence	IES 7 (Redrafted)	Jan. 1, 2006
IES 7 (Redrafted)	Continuing Professional Development	IES 7	Jan. 1, 2014
IES 8	Competence Requirements for Audit Professionals	Superseded by IES 8 (revised)	Jul. 1, 2008
IES 8 (Revised)	Professional Competence for Engagement Partners Responsible for Audits of Financial Statements	IES 8	Jul. 1, 2016

(b) International Education Practice Statements (IEPS) for Professional Accountants

		IFAC Issue Date
IEPS 1	Approaches to Developing and Maintaining Professional Values, Ethics and Attitudes	Oct. 2007
IEPS 2	Information Technology for Professional Accountants	Oct. 2007
IEPS 3	Practical Experience Requirements – Initial Professional Development for Professional Accountants	Dec. 2007

L CODE OF ETHICS

	MICPA Issue Date	IFAC Issue Date
IFAC Code of Ethics for Professional Accountants - 2016 Edition	–	Jul. 2016
MICPA Code of Ethics	Jun. 2013	–
Amendments to MICPA Code of Ethics	Apr. 2016	–

M STATUS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

	IASB Issue Date
Preface to International Financial Reporting Standards	Apr. 2002
The Conceptual Framework for Financial Reporting	Jan. 2013

(a) International Financial Reporting Standards (IFRS)

		IASB Operational Date
IFRS 1	First-time Adoption of International Financial Reporting Standards	Jan. 1, 2009
IFRS 2	Share-based Payment	Jan. 1, 2005
IFRS 3	Business Combinations	Jul. 1, 2009
IFRS 4	Insurance Contracts *(replaced by IFRS 17, Insurance Contracts)*	Jan. 1, 2005
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Jan. 1, 2005
IFRS 6	Exploration for and Evaluation of Mineral Resources	Jan. 1, 2006
IFRS 7	Financial Instruments: Disclosures	Jan. 1, 2007
IFRS 8	Operating Segments	Jan. 1, 2009
IFRS 9	Financial Instruments	Jan. 1, 2013
IFRS 10	Consolidated Financial Statements	Jan. 1, 2013
IFRS 11	Joint Arrangements	Jan. 1, 2013
IFRS 12	Disclosure of Interests in Other Entities	Jan. 1, 2013
IFRS 13	Fair Value Measurement	Jan. 1, 2013
IFRS 14	Regulatory Deferral Accounts	Jan. 1, 2016
IFRS 15	Revenue from Contracts with Customers	Jan. 1, 2017
IFRS 16	Leases	Jan. 1, 2019
IFRS 17	Insurance Contracts	Jan. 1, 2021

(b) International Accounting Standards (IAS)

		IASB Operational Date
IAS 1	Presentation of Financial Statements	Jan. 1, 2009
IAS 2	Inventories	Jan. 1, 2005
IAS 7	Statement of Cash Flows	Jan. 1, 1994
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Jan. 1, 2005
IAS 10	Events After the Reporting Period	Jan. 1, 2005
IAS 11	Construction Contracts *(will be superseded by IFRS 15, Revenue from Contracts with Customers)*	Jan. 1, 1995

IAS 12	Income Taxes	Jan. 1, 1998
IAS 16	Property, Plant and Equipment	Jan. 1, 2005
IAS 17	Leases *(will be superseded by IFRS 16, Leases)*	Jan. 1, 2005
IAS 18	Revenue *(will be superseded by IFRS 15, Revenue from Contracts with Customers)*	Jan. 1, 1995
IAS 19	Employee Benefits	Jan. 1, 2013
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Jan. 1, 1984
IAS 21	The Effects of Changes in Foreign Exchange Rates	Jan. 1, 2005
IAS 23	Borrowing Costs	Jan. 1, 2009
IAS 24	Related Party Disclosures	Jan. 1, 2011
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Jan. 1, 1988
IAS 27	Separate Financial Statements	Jan. 1, 2013
IAS 28	Investments in Associates and Joint Ventures	Jan. 1, 2013
IAS 29	Financial Reporting in Hyperinflationary Economies	Jan. 1, 1990
IAS 32	Financial Instruments: Presentation	Jan. 1, 2005
IAS 33	Earnings Per Share	Jan. 1, 2005
IAS 34	Interim Financial Reporting	Jan. 1, 1999
IAS 36	Impairment of Assets	Mar. 31, 2004
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Jul. 1, 1999
IAS 38	Intangible Assets	Mar. 31, 2004
IAS 39	Financial Instruments: Recognition and Measurement	Jan. 1, 2005
IAS 40	Investment Property	Jan. 1, 2005
IAS 41	Agriculture	Jan. 1, 2003

(c) Interpretations

		IASB Operational Date
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Sept. 1, 2004
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments	Jan. 1, 2005
IFRIC 4	Determining whether an Arrangement Contains a Lease *(will be superseded by IFRS 16, Leases)*	Jan. 1, 2006
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Jan. 1, 2006
IFRIC 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	Dec. 1, 2005
IFRIC 7	Applying the Restatement Approach under IAS 29, *Financial Reporting in Hyperinflationary Economies*	Mar. 1, 2006
IFRIC 10	Interim Financial Reporting and Impairment	Nov. 1, 2006
IFRIC 12	Service Concession Arrangements	Jan. 1, 2008
IFRIC 13	Customer Loyalty Programmes *(will be superseded by IFRS 15, Revenue from Contracts with Customers)*	Jul. 1, 2008

(c) Interpretations (Cont'd.)

		IASB Operational Date
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Jan. 1, 2008
IFRIC 15	Agreements for the Construction of Real Estate (*will be superseded by IFRS 15, Revenue from Contracts with Customers)*	Jan. 1, 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	Oct. 1, 2008
IFRIC 17	Distributions of Non-cash Assets to Owners	Jul. 1, 2009
IFRIC 18	Transfers of Assets from Customers *(will be superseded by IFRS 15, Revenue from Contracts with Customers)*	Jul. 1, 2009
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	Jul. 1, 2010
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	Jan. 1, 2013
IFRIC 21	Levies	Jan. 1, 2014
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Jan. 1, 2018
SIC-7	Introduction of the Euro	Jun. 1, 1998
SIC-10	Government Assistance – No Specific Relation to Operating Activities	Aug. 1, 1998
SIC-12	Consolidation – Special Purpose Entities	Jan. 1, 2006
SIC-13	Jointly Controlled Entities – Non Monetary Contributions by Ventures	Jan. 1, 2006
SIC-15	Operating Leases – Incentives *(will be superseded by IFRS 16, Leases)*	Jan. 1, 1999
SIC-25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	Jul. 15, 2000
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease *(will be superseded by IFRS 16, Leases)*	Dec. 31, 2001
SIC-29	Service Concession Arrangements: Disclosures	Dec. 31, 2001
SIC-31	Revenue – Barter Transactions Involving Advertising Services *(will be superseded by IFRS 15, Revenue from Contracts with Customers)*	Dec. 31, 2001
SIC-32	Intangible Assets – Web Site Costs	Mar. 25, 2002

NOTES:

(1) Approved Accounting Standards comprise MASB Standards issued by the Malaysian Accounting Standards Board (MASB) established under the Financial Reporting Act 1997.

MASB Technical Releases (TR) present the MASB's views on the appropriate accounting treatment and disclosures. TR is an authoritative statement that may not have the legal standing of a MASB standard but nonetheless, its application would be considered mandatory.

Technical Bulletins and other statements issued by the Council of the MICPA relating to accounting are to be regarded as opinions on best current practice and thus form part of generally accepted accounting principles (GAAP).

(2) Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services comprise:

(a) International Standards on Quality Control (ISQC).

(b) International Standards on Auditing (ISA), International Standards on Assurance Engagements (ISAE), International Standards on Review Engagements (ISRE) and International Standards on Related Services (ISRS) adopted by the MICPA.

(c) Malaysian Auditing Guidelines (MAG) issued by the MICPA.

To enhance the status of the international auditing pronouncements, International Auditing Guidelines (IAG) have been redesignated as International Standards on Auditing (ISA).

Auditing Technical Releases, MIA Recommended Practice Guides and other statements issued by the Council of the MICPA relating to auditing are to be regarded as opinions on the best current practice and thus form part of generally accepted auditing standards (GAAS).

(3) International Financial Reporting Standards (IFRS) are issued by the International Accounting Standards Board (IASB) and ISA, ISAE, ISRE, ISRS are issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

IASB is the standard-setting body of the IFRS Foundation (formerly known as the International Accounting Standards Committee Foundation (IASCF)) and has sole responsibility for setting accounting standards.

IAASB was established by the IFAC Board to develop and issue, under its own authority, standards on auditing, assurance and related services engagements.

(4) The MICPA considers all MASB Standards, ISQC, ISA, ISAE, ISRE, ISRS and International Auditing Practice Notes (IAPN) for compliance by members. If thought appropriate they are issued with MICPA Foreword as a local exposure draft before formal adoption.

(5) Statements on International Management Accounting (IMAP) are issued by the Financial and Management Accounting Committee (FMAC) of IFAC. These Statements are in two forms:

(a) International Management Accounting Practices

(b) International Management Accounting Studies

The MICPA considers all IMAP for issuance to members for guidance.

(6) International Public Sector Accounting Standards, Guidelines and Studies are issued by the International Public Sector Accounting Standards Board (IPSASB) of IFAC.

(7) MICPA Guidelines for Accounting in Public Sector (GAPS) are issued by the Council of the MICPA and they are to be regarded as opinions on best current practice relating to accounting in the public sector.

(8) MICPA Insolvency Guidance Notes (IGN) are issued by the Council of the MICPA and they are to be regarded as good practice in stated areas of insolvency.

(9) MICPA technical pronouncements are given an alphabetical reference in their draft form (e.g. MAS C). On their issue as definitive pronouncements or exposure drafts, a numerical reference is applied.

(10) Upon its inception in 2001, the International Accounting Standards Board (IASB) adopted the body of International Accounting Standards (IAS) issued by its predecessor, the International Accounting Standards Committee (IASC).

FINANCIAL STATEMENTS

REPORT OF THE COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2016

The Council has pleasure in submitting their report and the audited financial statements of The Malaysian Institute of Certified Public Accountants ("the Institute") for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the Institute is the advancement of the accountancy profession.

There has been no significant change in this activity during the financial year.

RESULTS

	RM
Net operating surplus for the financial year	255,630

DIVIDENDS

In accordance with the Memorandum of Association, no dividends are payable to the members of the Institute.

RESERVES AND PROVISIONS

There were no material transfers made to or from provisions account during the financial year other than those disclosed in the financial statements. The Institute does not have any reserve accounts.

COUNCIL

The Council Members in office since the date of the last report on 14 May 2016 are as follows:

Dato' Ab Halim bin Mohyiddin	(Re-appointed on June 25, 2016)
Abdul Halim bin Md Lassim	
Dato' Abdul Rauf bin Rashid	(Re-appointed on June 25, 2016)
Beh Tok Koay	(Re-appointed on June 25, 2016)
Datin Hjh Fadzilah bte Saad	(Re-appointed on June 25, 2016)
Dato' Gan Ah Tee	
Goh Lee Hwa	
Datuk Johan bin Idris	(Re-appointed on June 25, 2016)
Khaw Hock Hoe	
Lee Tuck Heng	(Re-appointed on June 25, 2016)
Lim Thiam Kee	
Loh Lay Choon	(Re-appointed on June 25, 2016)
Dato' Megat Iskandar Shah bin Mohamad Nor	(Re-appointed on June 25, 2016)
Dato' Mohammad Faiz bin Mohammad Azmi	(Re-appointed on June 25, 2016)
Ng Gan Hooi	(Re-appointed on June 25, 2016)
Ng Kim Tuck	
Ong Chee Wai	
Poon Yew Hoe	
Pushpanathan a/l S.A. Kanagarayar	
Rozaini bin Mohd Sani	
Tan Theng Hooi	
Tang Seng Choon	
Dr Teh Chee Ghee	

COUNCIL (CONT'D.)

Teo Swee Chua
Thong Foo Vung
Dr Veerinderjeet Singh
Venkatramanan Viswanathan
Yeoh Siew Ming
Datuk Robert Yong Kuen Loke
Yong Yoong Shing

In accordance with bye-law 5, the following Council Members shall retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election:

Abdul Halim bin Lassim
Dato' Gan Ah Tee
Lim Thiam Kee
Ng Kim Tuck
Poon Yew Hoe
Tan Theng Hooi
Dr Teh Chee Ghee
Teo Swee Chua
Venkatramanan Viswanathan
Yeoh Siew Ming

COUNCIL MEMBERS' BENEFITS

The Institute is a company limited by guarantee and thus has no shares in which the Council Members could have an interest. The Institute has also not issued any debentures.

Since the end of the previous financial year, no Council Member of the Institute has received or become entitled to receive any benefit by reason of a contract made by the Institute or a related corporation with the Council Member or with a firm of which the Council Member is a member, or with a company in which the Council Member has a substantial financial interest.

Neither during nor at the end of the financial year, was the Institute a party to any arrangements whose object is to enable the Council Members to acquire benefits by means of the acquisition of shares in or debentures of any corporate body.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Institute were made out, the Council took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of activities have been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D.)

(b) As at the date of this report, the Council is not aware of any circumstances:

(i) which would render the amount written off for bad debts and the amount of allowance made for doubtful debts in the financial statements of the Institute inadequate to any substantial extent;

(ii) which would render the values of current assets in the financial statements of the Institute misleading;

(iii) which have arisen which render adherence to the existing method of valuation of assets and liabilities of the Institute misleading or inappropriate; and

(iv) not otherwise dealt with in this report or the financial statements of the Institute which would render any amount stated in the financial statements misleading.

(c) As at the date of this report, there does not exist:

(i) any charge on the assets of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liability in respect of the Institute which has arisen since the end of the financial year.

(d) In the opinion of the Council:

(i) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Institute to meet its obligations when they fall due;

(ii) the results of the Institute's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Institute for the financial year in which this report is made.

AUDITORS

Datin Khoo Pek Ling and Leong Kok Tong retire as auditors of the Institute at the forthcoming Annual General Meeting pursuant to bye-law 120 and in accordance with bye-law 121, Leong Kok Tong is deemed to be nominated for re-appointment as auditor for the ensuing financial year. Datin Khoo Pek Ling has intimated that she does not wish to seek re-appointment. The Council has received the nomination for Ng Eng Kiat whose consent has been obtained for appointment as auditor of the Institute at the forthcoming Annual General Meeting.

On behalf of the Council,

DATO' ABDUL RAUF BIN RASHID
President

TAN THENG HOOI
Vice-President

This report is made pursuant to the Council's resolution passed on 13 May 2017.

Dated: 13 May 2017

STATEMENT BY COUNCIL MEMBERS

(PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965)

We, **DATO' ABDUL RAUF BIN RASHID** and **TAN THENG HOOI**, being two of the Council Members of **THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**, do hereby state that, in the opinion of the Council Members, the accompanying financial statements together with the notes attached thereto, are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of:

(i) the state of affairs of the Institute as at 31 December 2016 and of its results for the year ended on that date; and

(ii) the cash flows of the Institute for the year ended 31 December 2016.

On behalf of the Council Members,

DATO' ABDUL RAUF BIN RASHID
President

TAN THENG HOOI
Vice-President

Kuala Lumpur
Dated: 13 May 2017

STATUTORY DECLARATION

(PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965)

I, **FOO YOKE PIN**, being the officer primarily responsible for the financial management of **THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**, do solemnly and sincerely declare that the accompanying financial statements together with the notes attached thereto, are to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed **FOO YOKE PIN**)
at Kuala Lumpur in the Federal Territory)
this 13 May 2017)

Before me,

NG KA BIANG
Commissioner of Oaths

Kuala Lumpur

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	2016 RM	2015 RM
ASSETS			
Non-Current Assets			
Plant and equipment	4	**27,694**	35,013
Intangible asset – computer software	5	**11,232**	22,135
Development costs of study manuals	6	**8,360**	–
		47,286	57,148
Current Assets			
Inventories of study manual		**4,809**	3,582
Receivables, prepayments and deposits	7	**1,386,584**	599,093
Fixed deposits	8	**4,044,498**	3,960,197
Cash and bank balances		**221,198**	214,481
		5,657,089	4,777,353
Total Assets		**5,704,375**	4,834,501
FUND AND LIABILITIES			
Accumulated Fund			
Balance at 1 January		**2,690,829**	2,491,388
Net operating surplus for the financial year		**255,630**	199,441
Balance at 31 December		**2,946,459**	2,690,829
Current Liabilities			
Fees in advance		**971,587**	547,846
Payables and accruals	9	**1,769,124**	1,595,826
Tax payable		**17,205**	–
		2,757,916	2,143,672
Total Liabilities		**2,757,916**	2,143,672
Total Fund and Liabilities		**5,704,375**	4,834,501

The notes on pages 83 to 109 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 RM	2015 RM
INCOME			
Members' annual fees		**1,672,600**	1,675,718
Examination fees		**2,285,145**	2,383,200
Practising certificate fees		**208,230**	209,770
Students' exemption fees		**269,350**	199,050
Students' annual fees		**213,974**	193,037
Members' admission fees		**46,200**	36,000
Students' registration and transfer fees		**97,700**	71,700
Provisional members' fees		**11,745**	13,996
		4,804,944	4,782,471
Income from Other Activities	10	**1,023,380**	907,877
Other Income	11	**153,389**	160,233
Total Income		**5,981,713**	5,850,581
Operating Expenses	12	**(5,003,313)**	(4,999,370)
Expenses of Other Activities	10	**(705,565)**	(651,770)
		272,835	199,441
Taxation	13	**(17,205)**	–
Net Operating Surplus/Total Comprehensive Income for the Financial Year		**255,630**	199,441

The notes on pages 83 to 109 form an integral part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Accumulated Fund 2016 RM	Accumulated Fund 2015 RM
Balance at 1 January 2015 / 1 January 2014	**2,491,388**	2,219,655
Net operating surplus / Total comprehensive income for the financial year	**199,441**	271,733
Balance at 31 December 2015 / 31 December 2014	**2,690,829**	2,491,388
Net operating surplus / Total comprehensive income for the financial year	**255,630**	199,441
Balance at 31 December 2016 / 31 December 2015	**2,946,459**	2,690,829

The notes on pages 83 to 109 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts			
Subscriptions		**2,461,002**	2,384,026
Examination fees		**2,161,547**	2,363,300
Journal and publications		**126,653**	126,233
Seminars		**578,948**	343,745
Others		**131,637**	361,006
Cash payments			
Operating expenses		**(5,362,084)**	(5,311,304)
Payments of rental to MACPA Educational Trust Fund		**(120,000)**	(120,000)
Net cash (utilised in)/generated from operating activities		**(22,297)**	147,006
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment	4	**(8,791)**	(15,449)
Purchase of intangible asset	5	**-**	(33,038)
Interest received from fixed deposits		**122,106**	126,027
Net cash from investing activities		**113,315**	77,540
Net Increase in Cash and Cash Equivalents		**91,018**	224,546
Cash and Cash Equivalents at Beginning of Year		**4,174,678**	3,950,132
Cash and Cash Equivalents at End of Year	15	**4,265,696**	4,174,678

The notes on pages 83 to 109 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2016

1. GENERAL INFORMATION

The Malaysian Institute of Certified Public Accountants ("the Institute") is a company limited by guarantee, incorporated and domiciled in Malaysia.

The registered office and principal place of business of the Institute is located at No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur.

The principal activity of the Institute is the advancement of the accountancy profession.

The number of employees at the end of the financial year is 24 (2015: 25).

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Institute's functional currency.

The financial statements were approved and authorised for issue in accordance with a resolution of the Council on 13 May 2017.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Institute have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the provisions of the Companies Act, 1965 in Malaysia.

The financial statements of the Institute are prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The accounting policies applied by the Institute are consistent with those applied in the previous financial year other than the application of the amendments to MFRSs as disclosed in Note 2.2 below.

2.2 Application of Amendments to MFRSs

During the financial year, the Institute has applied the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are effective for accounting period beginning on or after 1 January 2016:

Amendments to MFRS 101 – Disclosure Initiative
Amendments to MFRSs 116 and MFRS 138 – Clarification of Acceptance Methods of Depreciation and Amortisation
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2012 – 2014 Cycle"

The application of the above amendments to MFRSs has no impact on the financial statements of the Institute.

2.3 New MFRSs and IC Interpretation and Amendments to MFRSs That Are In Issue But Not Yet Effective

The Institute has not early adopted the following new MFRSs and IC Interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective:

Effective for annual periods beginning on or after 1 January 2017
Amendmennts to MFRS 107 – Disclosure Initiative
Amendments to MFRS 112 – Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRSs Classified as "Annual Improvements to MFRS Standards 2014 – 2016 Cycle"
– Amendments to MFRS 12, Disclosure of Interests in Other Entities

Effective for annual periods beginning on or after 1 January 2018
MFRS 9, Financial Instruments (IFRS 9 issued in July 2014)
MFRS 15, Revenue from Contracts with Customers
Clarifications to MFRS 15, Revenue from Contracts with Customers
Amendments to MFRS 2 – Classification and Measurement of Share-based Payment Transactions

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 New MFRSs and IC Interpretation and Amendments to MFRSs That Are In Issue But Not Yet Effective (Cont'd.)

Effective for annual periods beginning on or after 1 January 2018 (Cont'd.)
Amendments to MFRS 4 – Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contracts
Amendments to MFRS 140 – Transfer of Investment Property
Amendments to MFRSs Classified as "Annual Improvements to MFRS Standards 2014 – 2016 Cycle"
 – Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
 – Amendments to MFRS 128, Investments in Associates and Joint Ventures
IC Interpretation 22, Foreign Currency Transactions and Advance Consideration

Effective for annual periods beginning on or after 1 January 2019
MFRS 16, Leases

Effective for annual periods beginning on or after a date to be determined by the MASB
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Institute will apply the above new MFRSs and IC Interpretation and amendments to MFRSs that are applicable once they become effective. The main features are summarised below:

2.3.1 Effective for annual periods beginning on or after 1 January 2017

(a) Amendments to MFRS 107 – Disclosure Initiative

The Amendments to MFRS 107 *Statement of Cash Flows* require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes.

(b) Amendments to MFRS 112 – Recognition of Deferred Tax Assets for Unrealised Losses

The Amendments to MFRS 112 *Income Taxes* clarify that:

(i) decreases in value of a debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

(ii) deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

(c) Amendments to MFRSs Classified as "Annual Improvements to MFRS Standards 2014 – 2016 Cycle" – Amendments to MFRS 12, Disclosure of Interests in Other Entities

The Amendments clarify the scope of the Standard by specifying that the disclosure requirements in the Standard apply to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities that are classified as held for sale, as held for distribution or as discontinued operations in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The Amendments also clarify that an entity is not required to disclose summarised financial information when its subsidiary, joint venture or associate is classified as held for sale in accordance with MFRS 5.

The initial application of the above Amendments is not expected to have any significant impact on the financial statements of the Institute.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 New MFRSs and IC Interpretation and Amendments to MFRSs That Are In Issue But Not Yet Effective (Cont'd.)

2.3.2 Effective for annual periods beginning on or after 1 January 2018

(a) MFRS 9, Financial Instruments (IFRS 9 issued in July 2014)

The Standard replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

The key enhancements of MFRS 9 are:

- Under MFRS 9, all recognised financial assets are required to be subsequently measured at either amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of both an entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. These requirements improve and simplify the approach for classification and measurement of financial assets as the numerous categories of financial assets under MFRS 139 had been replaced.

- Most of the requirements in MFRS 139 for classification and measurement of financial liabilities were carried forward unchanged to MFRS 9, except for the measurement of financial liabilities designated as at FVTPL. Under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss. However, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's own credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. Under MFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139 i.e. fair value hedges, cash flow hedges and hedges of a net investment in a foreign operation. MFRS 9 incorporates a new hedge accounting model that aligns the hedge accounting more closely with an entity's risk management activities. The new hedge accounting model has also expanded the scope of eligibility of hedge items and hedging instruments respectively.

(b) MFRS 15, Revenue from Contracts with Customers

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 111, MFRS 118 and the related IC Interpretations when it becomes effective.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 New MFRSs and IC Interpretation and Amendments to MFRSs That Are In Issue But Not Yet Effective (Cont'd.)

2.3.2 Effective for annual periods beginning on or after 1 January 2018 (Cont'd.)

(b) MFRS 15, Revenue from Contracts with Customers (Cont'd.)

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1 Identify the contract(s) with a customer

Step 2 Identify the performance obligations in the contract

Step 3 Determine the transaction price

Step 4 Allocate the transaction price to the performance obligations in the contract

Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. MFRS 15 also requires more extensive disclosures.

(c) Clarifications to MFRS 15, Revenue from Contracts with Customers

The Amendments clarifies how certain principles should be applied in:

(i) identifying whether performance obligations are distinct;

(ii) determining whether an entity is a principal or an agent; and

(iii) assessing whether revenue from a licence of intellectual property is recognised over time or at a point in time.

(d) Amendments to MFRS 4 – Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contracts

The Amendments to MFRS 4 *Insurance Contracts* address concerns arising from implementing the new MFRS 9 *Financial Instruments* before the new Standard on insurance contracts i.e. the forthcoming IFRS 17 which the International Accounting Standards Board ("IASB") plans to issue in 2017. These concerns include temporary volatility in reported results.

The IASB has introduced two additional voluntary options, namely an overlay approach and a deferral approach to be applied subject to certain criteria being met, which help to address temporary volatility in reported results of entities dealing with insurance contracts.

The overlay approach involves option to recognise the possible volatility in other comprehensive income, instead of profit or loss, whilst the deferral approach provides temporary exemption from applying MFRS 9 for entities whose activities are predominantly connected with insurance.

(e) Amendments to MFRSs Classified as "Annual Improvements to MFRS Standards 2014 – 2016 Cycle"

The *Annual Improvements to MFRS Standards 2014 – 2016 Cycle* include amendments to the following MFRSs:

(i) The Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* have removed certain provisions that have served their intended purposes.

(ii) The Amendments to MFRS 128 I*nvestments in Associates and Joint Ventures* clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 New MFRSs and IC Interpretation and Amendments to MFRSs That Are In Issue But Not Yet Effective (Cont'd.)

2.3.2 Effective for annual periods beginning on or after 1 January 2018 (Cont'd.)

(f) IC Interpretation 22, Foreign Currency Transactions and Advance Consideration

The IC Interpretation addresses which exchange rate to use in reporting foreign currency transactions that involve advance consideration paid or received.

The initial application of MFRS 9 and MFRS 15 may have an impact on the financial statements of the Institute. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed. The initial application of other new MFRSs and IC Interpretation and amendments to MFRSs for reporting periods beginning on or after 1 January 2018 is not expected to have any significant impact on the financial statements of the Institute.

2.3.3 Effective for annual periods beginning on or after 1 January 2019

MFRS 16, Leases

MFRS 16 will supersede the existing MFRS 117, *Leases*, IC Interpretation 4 – *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 – *Operating Leases – Incentives* and IC Interpretation 127 – *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* and it sets out the principles for the recognition, measurement, presentation and disclosures of leases.

Under the existing MFRS 117, lessees and lessors are required to classify their leases as either finance leases or operating leases and account for those two types of leases differently. It requires a lessee to recognise assets and liabilities arising from finance leases but not from operating leases.

The new MFRS 16 introduces a single accounting model and requires a lessee to recognise assets and liabilities for the rights and obligations arising from all leases and hence eliminates the distinction between finance leases and operating leases. As a consequence, a lessee recognises right-of-use assets and lease liabilities arising from operating leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116, *Property, Plant and Equipment* and the lease liability is accreted over time with interest expense recognised in the profit or loss.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

MFRS 16 also requires a more extensive disclosures.

The initial application of MFRS 16 may have an impact on the financial statements of the Institute. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

2.4 Plant and Equipment and Depreciation

Items of plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Plant and Equipment and Depreciation (Cont'd.)

Depreciation is calculated on a straight line basis to write off the cost of the plant and equipment to their residual values over their estimated useful lives. The principal annual rates used are as follows:

Furniture and fittings	10%
Security system	10%
Office equipment	20%
Computers	33%

The residual values and useful lives of assets are reviewed at each financial year end and adjusted prospectively, if appropriate, where expectations differ from previous estimates. Plant and equipment are reviewed for impairment in accordance with the Institute's accounting policy for impairment of non-financial assets.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

2.5 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (other than inventories of study manuals and deferred tax assets) are reviewed for impairment at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. Impairment losses are provided when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use which is measured by reference to discounted future cash flows.

An impairment loss is charged to the profit or loss in the period in which it arises.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.6 Study Manuals

(i) Development costs of study manuals

The costs of development of the MICPA study manuals consisting mainly of writers' and reviewers' fees are capitalised and amortised on a straight line basis over the economic lives of the study manuals, which are estimated at 3 to 5 years.

Fees incurred for updating of the MICPA study manuals are expensed in the year the fees are incurred.

Development costs of study manuals are reviewed for impairment in accordance with the Institute's accounting policy for impairment of non-financial assets and are derecognised when no future economic benefits are expected from its use.

(ii) Inventories of study manuals

Inventories of study manuals are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and consists of printing cost. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to sell.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.7 Intangible Asset Acquired Separately – Computer Software

Intangible asset acquired separately is carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over its estimated useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

2.8 Provisions

Provisions are recognised when the Institute has a present legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the amount of a provision due to passage of time is recognised as finance cost.

2.9 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits with licensed banks which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The statement of cash flows is prepared using the direct method.

Cash and cash equivalents are categorised and measured as loans and receivables in accordance with policy Note 2.14(c).

2.10 Employee Benefits

(i) Short-Term Employee Benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the year in which the associated services are rendered by employees of the Institute.

Accumulating compensated absences such as paid annual leave are recognised as an expense when services are rendered by employees that increase their entitlement to future compensated absences. Non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

The Institute provides post-employment benefits by way of contribution to defined contribution plans operated by the relevant authorities at the prescribed rates.

Defined contribution plans are post-employment benefit plans under which the Institute pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Institute's contributions to defined contribution plans are recognised as an expense in the period in which they relate.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.11 Foreign Currency Transactions and Balances

In preparing the financial statements of the Institute, transactions in currencies other than the Institute's functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non monetary items in respect of which gains or losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are recognised directly to other comprehensive income.

The closing rate of exchange of the foreign currency applicable in the preparation of the financial statements is as follows:

	2016 RM	2015 RM
1 Australian Dollar	**3.24**	3.09

2.12 Income Taxes

Tax expense is the aggregate amount of current and deferred taxation. Current and deferred taxes are recognised as income or expense in profit or loss except to the extent that the taxes relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and the amounts attributed to those assets and liabilities for taxation purpose.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unabsorbed tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Tax rates enacted or substantively enacted at the end of the reporting period are used to determine deferred tax.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Institute intends to settle its current tax assets and liabilities on a net basis.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.13 Income and Expense Recognition

Membership and Students Fees

(i) The subscription year of the Institute is January 1 to December 31. Membership and students' annual fees are payable annually in advance. Only those membership and students' annual fees which are attributable to the current financial year are recognised as income. Fees relating to periods beyond the current financial year are shown in the statement of financial position as Fees in Advance under the heading Current Liabilities.

(ii) Membership admission and students' registration fees are recognised upon approval of the respective applications.

(iii) Examination and exemption fees are recognised upon approval of the respective applications.

Interest Income

Interest income is recognised on the effective yield basis.

Other Activities

Other activities include providing continuing professional development courses, conducting examination workshops for students, sale of publications and MICPA study manuals and organising other professional development and students activities.

The policies of the Institute with respect to the recognition of income and expenses on such activities are as follows:

(i) To the extent that activities are completed on or before the reporting period, any surplus or deficit is recognised in the statement of comprehensive income.

(ii) Income for sale of publications and MICPA study manuals is recognised when physical control of the materials passes to the purchasers.

(iii) The cost of publications, other than study manuals, is recognised in the statement of comprehensive income in the financial year it is incurred.

Expenses on other activities relate to identifiable direct expenses.

2.14 Financial Assets

The Institute recognises all financial assets in its statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the instruments.

Classification and measurement

Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are classified into the following specified categories depending on the nature and purpose of the financial assets and are determined at the time of initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when the financial assets are either held for trading or designated as such upon initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Institute manages together and has a recent actual pattern of short-term profit-taking;
- it is a derivative that is not a designated and effective hedging instrument

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Financial Assets (Cont'd.)

Classification and measurement (Cont'd.)

(a) Financial assets at fair value through profit or loss (Cont'd.)

After initial recognition, financial assets at fair value through profit or loss are measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The net gains or losses do not include any exchange differences, dividend or interest earned on the financial asset. Exchange differences, dividend and interest earned on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other income or other expenses.

Derivative that is linked to and must be settled by delivery of unquoted equity instruments whose fair value cannot be reliably measured is measured at cost.

(b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Institute has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest rate method. A gain or loss is recognised in profit or loss when the held-to-maturity investment is derecognised or impaired, and through the amortisation process.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables, loans and other receivables are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or at fair value through profit or loss. Available-for-sale financial assets include quoted and unquoted equity and debt instruments that are not held-for-trading.

Subsequent to initial recognition, quoted equity and debt instruments are measured at fair value and investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. A gain or loss from changes in fair value is recognised in other comprehensive income, except that impairment losses, foreign exchange gains or losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Dividends on an equity instrument are recognised in profit or loss when the Institute's right to receive payment is established.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Financial Assets (Cont'd.)

Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset that requires delivery of asset within the time frame established generally by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting. Trade date accounting refers to:

- the recognition of an asset to be received and the liability to pay for it on the trade date which is the date the Institute commits itself to purchase or sell an asset; and
- derecognition of an asset that is sold, the recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Impairment of financial assets

The Institute assesses at the end of each reporting period whether there is any objective evidence that a financial asset, other than financial assets at fair value through profit or loss, is impaired. Financial assets are considered to be impaired when objective evidence indicates that a loss event has occurred after the initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. For a quoted equity instrument, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

An amount of impairment loss in respect of financial assets measured at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate i.e. the effective rate computed at initial recognition. The carrying amount of the asset is reduced through an allowance account. The amount of loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss on financial assets measured at amortised cost decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account to the extent that the carrying amount of the financial asset does not exceed its amortised cost had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

When an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity and recognised in profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of cumulative loss that is reclassified is the difference between the acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. Increase in fair value, if any, subsequent to the impairment loss, is recognised in other comprehensive income.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed with the amount of the reversal being recognised in profit or loss.

An amount of impairment loss in respect of financial assets carried at cost is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Financial Assets (Cont'd.)

Derecognition of a financial asset

The Institute derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset without retaining control or substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2.15 Financial liabilities

The Institute recognises all financial liabilities in its statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the instruments.

Classification and measurement

Financial liabilities are initially measured at fair value plus in the case of other financial liabilities, directly attributable transaction costs.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is either held for trading or it is designated as fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Institute manages together and has a recent actual pattern of short-term profit-taking;
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

After initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with any gains or losses arising from changes in fair value recognised in profit or loss. The net gains or losses recognised in profit or loss do not include any exchange differences or interest paid on the financial liability. Exchange differences and interest expense on financial liabilities at fair value through profit or loss are recognised separately in profit or loss as part of other income or other expenses.

Derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured is measured at cost.

(b) Other financial liabilities

All financial liabilities, other than those categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Other financial liabilities of the Institute include fees in advance and payables.

A gain or loss on other financial liabilities is recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 Financial liabilities (Cont'd.)

Derecognition of a financial liability

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with the same lender on substantially different terms or the terms of an existing liability are substantially modified, they are accounted for as an extinguishment of the original financial liability and a new financial liability is recognised. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.16 Offsetting Financial Instruments

Financial assets and financial liabilities are offset when the Institute has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.17 Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and leasing transactions, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring fair value, the Institute maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Fair value measurements are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires Council to exercise its judgement in the process of applying the Institute's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the Council's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D.)

(a) Significant judgements in applying the Institute's accounting policies

In the process of applying the Institute's accounting policies, which are described in Note 2, the Council is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations which are dealt with below.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(i) Income taxes and deferred tax

Judgement is required to determine the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There were transactions for which the ultimate tax determination is uncertain during the ordinary course of business. The Institute recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.

(ii) Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight line basis over the assets' useful lives. The Council estimates the useful lives of these plant and equipment to be within 3 years to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment losses of receivables

The Institute makes an allowance for impairment losses based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the Council has given due consideration to all pertinent information relating to the ability of the debtors to settle debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables. The carrying amounts of receivables and the cumulative allowance for impairment loss are disclosed in Note 7.

(iv) Amortisation of intangible asset – computer software

The cost of software acquired, including all directly attributable costs of preparing the asset for its intended use is amortised on a straight line basis to operating expenses over the estimated useful life of 3 years. Changes in the expected level of usage and technological developments could impact the economic useful life of the computer software, therefore future amortisation charges could be revised.

4. PLANT AND EQUIPMENT

2016	Office equipment RM	Furniture and fittings RM	Security system RM	Computers RM	Total RM
Costs					
At beginning of year	94,144	99,389	6,663	191,057	391,253
Additions	1,730	397	-	6,664	8,791
Write-offs	(7,800)	-	-	-	(7,800)
At end of year	88,074	99,786	6,663	197,721	392,244
Accumulated depreciation					
At beginning of year	82,313	89,166	3,941	180,820	356,240
Charge for the year	4,886	2,079	364	8,781	16,110
Write-offs	(7,800)	-	-	-	(7,800)
At end of year	79,399	91,245	4,305	189,601	364,550
Net book value as at 31 December 2016	8,675	8,541	2,358	8,120	27,694

2015	Office equipment RM	Furniture and fittings RM	Security system RM	Computers RM	Total RM
Costs					
At beginning of year	92,730	95,836	6,663	180,575	375,804
Additions	1,414	3,553	-	10,482	15,449
At end of year	94,144	99,389	6,663	191,057	391,253
Accumulated depreciation					
At beginning of year	76,752	87,127	3,577	171,623	339,079
Charge for the year	5,561	2,039	364	9,197	17,161
At end of year	82,313	89,166	3,941	180,820	356,240
Net book value as at 31 December 2015	11,831	10,223	2,722	10,237	35,013

5. INTANGIBLE ASSET – COMPUTER SOFTWARE

	2016 RM	2015 RM
Costs		
Balance at 1 January	**439,252**	406,214
Additions	**–**	33,038
Balance at 31 December	**439,252**	439,252
Accumulated amortisation		
Balance at 1 January	**417,117**	406,214
Amortisation for the financial year	**10,903**	10,903
Balance at 31 December	**428,020**	417,117
Net carrying amount	**11,232**	22,135

The intangible asset comprised cost of software acquired for the Institute's accounting system and members' and students' portal. The cost of software acquired includes all directly attributable costs of preparing the asset for its intended use and is amortised on a straight line basis over a period of 3 years (2015: 3 years).

6. DEVELOPMENT COSTS OF STUDY MANUALS

	2016 RM	2015 RM
Costs		
Balance at 1 January	**210,500**	763,524
Additions	**8,360**	–
Write-offs	**–**	(553,024)
Balance at 31 December	**218,860**	210,500
Accumulated amortisation and impairment loss		
Balance at 1 January:		
Accumulated amortisation	**202,200**	755,224
Accumulated impairment loss	**8,300**	8,300
	210,500	763,524
Write-offs for the year	**–**	(553,024)
Balance at 31 December:		
Accumulated amortisation	**202,200**	202,200
Accumulated impairment loss	**8,300**	8,300
	210,500	210,500
Net carrying amount	**8,360**	–

7. RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2016 RM	2015 RM
Receivable from Budget Commentary 2017/2016	**98,208**	46,962
Receivable from NACRA competition	**13,257**	32,527
Subscriptions receivable	**1,259,094**	456,881
Amount due from MACPA Educational Trust Fund	**4,123**	6,671
Other receivables	**7,366**	18,414
	1,382,048	561,455
Less: Allowance for impairment loss on subscriptions receivable	**(47,178)**	(35,785)
Total receivables	**1,334,870**	525,670
Prepayments	**30,020**	52,279
Deposits	**21,694**	21,144
	1,386,584	599,093

Subscriptions receivable from existing members are due on the first day of January and must be paid by 30 June of each year while new members are required to pay on or within two months of admission. There is no fixed credit period for receivables from the other activities.

As at the end of the reporting period, the Institute has significant concentration of credit risk arising from the exposure to the amounts owing by 2 government agencies which amounted to RM838,133 (2015: RM95,648). The outstanding amounts in aggregrate represents approximately 63% (2015: 18%) of the total receivables.

The Institute has recognised an impairment loss of receivables based on the individual assessment of the debts by management who consider that their default in payment is highly possible. The Institute does not hold any collateral or credit enhancements over these balances. The amounts of individual impairment recognised by the Institute are as follows:

(a) Analysis of receivables:

	2016 RM	2015 RM
Receivables carrying amount before impairment	**1,382,048**	561,455
Less: Allowance for impairment loss on subscriptions receivable	**(47,178)**	(35,785)
	1,334,870	525,670

(b) The movements of allowance for impairment loss during the financial year are as follows:

	2016 RM	2015 RM
Balance at 1 January	**35,785**	26,832
Additional impairment loss	**40,999**	31,539
Recoveries	**(16,321)**	(8,920)
Write-offs	**(13,285)**	(13,666)
Balance at 31 December	**47,178**	35,785

7. RECEIVABLES, PREPAYMENTS AND DEPOSITS (CONT'D.)

(c) The ageing analysis of the Institute's receivables is as follows:

	2016 RM	2015 RM
Neither past due nor impaired	**115,588**	97,225
0 to 30 days past due	**618,969**	161,828
31 to 60 days past due	**79,510**	30,118
61 to 90 days past due	**340,528**	28,644
More than 90 days past due	**227,453**	243,640
	1,382,048	561,455
Allowance for impairment loss	**(47,178)**	(35,785)
	1,334,870	525,670

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Institute. No significant change in the credit quality of these receivables has occurred which are still considered recoverable. The Institute does not hold any collateral over these balances.

Receivables that are past due but not impaired

Receivables that are past due but not impaired relate to members and a number of significant creditworthy debtors. No significant change in the credit quality of these receivables has occurred which are still considered fully recoverable. The Institute does not hold any collateral over these balances.

8. FIXED DEPOSITS

	2016 RM	2015 RM
Fixed deposits with licensed banks	**4,044,498**	3,960,197

The weighted average effective interest rate of the fixed deposits as at the end of the reporting period is 2.98% (2015: 3.28%) per annum.

The fixed deposits have an average maturity period of 3 months (2015: 2.9 months).

9. PAYABLES AND ACCRUALS

	2016 RM	2015 RM
Other payables	**1,177,818**	1,122,652
Accruals	**591,306**	473,174
	1,769,124	1,595,826

The currency exposure profile of payables and accruals is as follows:

	2016 RM	2015 RM
Ringgit Malaysia	**1,450,292**	1,224,566
Australian Dollar	**318,832**	371,260
	1,769,124	1,595,826

10. INCOME FROM AND EXPENSES OF OTHER ACTIVITIES

2016	Income RM	Expenses RM	Surplus/ (Deficit) RM
Continuing professional development	**570,226**	**375,905**	**194,321**
PPAS-MICPA programme	**150,586**	**133,474**	**17,112**
Annual dinner	**98,349**	**108,561**	**(10,212)**
MICPA excellence awards	**13,949**	**31,055**	**(17,106)**
Journal and publications	**38,673**	**7,086**	**31,587**
Informal gatherings	**7,886**	**7,735**	**151**
MICPA study manuals	**4,250**	**4,201**	**49**
Accountancy week	**39,645**	**37,548**	**2,097**
	923,564	**705,565**	**217,999**
Joint activities with other bodies:			
NACRA competition	**1,862**	**-**	**1,862**
Budget Commentary 2017	**97,954**	**-**	**97,954**
	99,816	**-**	**99,816**
	1,023,380	**705,565**	**317,815**

10. INCOME FROM AND EXPENSES OF OTHER ACTIVITIES (CONT'D.)

2015	Income RM	Expenses RM	Surplus/ (Deficit) RM
Continuing professional development	386,769	244,779	141,990
Annual dinner	95,519	108,941	(13,422)
MICPA excellence awards	15,911	30,698	(14,787)
Journal and publications	31,731	6,963	24,768
Informal gatherings	32,378	25,940	6,438
MICPA study manuals	2,000	6,000	(4,000)
Commemorative lecture and luncheon	76,300	75,930	370
Accountancy week	36,141	34,619	1,522
Student's workshops	117,900	117,900	–
	794,649	651,770	142,879
Joint activities with other bodies:			
NACRA competition	21,131	–	21,131
Budget Commentary 2016	92,097	–	92,097
	113,228	–	113,228
	907,877	651,770	256,107

Expenses on the above activities relate to identifiable direct expenses only and do not include overhead expenses.

11. OTHER INCOME

	2016 RM	2015 RM
Affinity rebate – direct access	**4,831**	6,288
Fines received from disciplinary proceedings	**19,800**	24,728
Interest on fixed deposits	**122,106**	·126,027
Others	**6,652**	3,190
	153,389	160,233

12. OPERATING EXPENSES

	2016 RM	2015 RM
Professional examination and education		
Direct examination expenses	**559,154**	645,206
Technical fees	**497,055**	516,511
Promotional expenses	**76,839**	140,997
	1,133,048	1,302,714
Professional development		
Professional development expenses	**210,929**	244,107
Journal and technical pronouncements	**172,764**	157,369
	383,693	401,476
General administration		
AGM and Council meeting expenses	**11,579**	8,386
Amortisation of intangible asset – computer software (Note 5)	**10,903**	10,903
Auditors' remuneration	**23,000**	18,000
Bank charges	**43,750**	38,859
Contribution to 1Malaysia GRIP	**6,130**	3,446
Depreciation of plant and equipment (Note 4)	**16,110**	17,161
Electricity and water	**33,440**	32,475
General expenses	**13,448**	11,863
GST expenses	**725**	195
Impairment loss of receivables	**24,678**	22,619
Insurance	**17,883**	14,698
Inventories written off	**322**	–
Legal and professional fees	**6,500**	15,409
Maintenance	**24,933**	27,372
Medical expenses	**11,723**	13,518
Office rental	**120,000**	120,000
Periodicals and library stock	**11,446**	10,188
Postage and telephone	**81,634**	87,543
Printing and stationery	**73,679**	76,001
Realised loss on foreign exchange	**387**	1,061
Staff costs		
– Employees Provident Fund and SOCSO	**339,061**	318,418
– Salaries and bonus	**2,311,831**	2,186,902
Staff training	**360**	3,916
Staff recreation fund	**7,077**	3,571
Subscriptions to international accountancy bodies	**75,610**	49,217
Travelling expenses	**154,223**	153,912
Uncollectible receivables written off	**50,135**	30,319
Unrealised loss on foreign exchange	**16,005**	19,228
	3,486,572	3,295,180
	5,003,313	4,999,370

The above comparative figures have been reclassified or amended to conform with the current year's presentation.

13. TAXATION

(a) For tax purposes, the Institute is treated as a "Trade Association" under Section 53(3) of the Income Tax Act, 1967 under which its income is taxed at scale rates.

	2016 RM	2015 RM
Income tax	**17,205**	–

(b) The numerical reconciliation between the effective tax rate and the applicable tax rate of the Institute is as follows:

	2016 %	2015 %
Applicable tax rate	**19.61**	18.43
Tax effects in respect of:		
Non taxable income	**(68.12)**	(68.40)
Non allowable expenses	**5.47**	3.05
Tax savings arising from utilisation of previously unrecognised unabsorbed tax losses and capital allowances	**(20.78)**	–
Deferred tax income not recognised	**70.12**	46.92
Effective tax rate	**6.30**	–

(c) Subject to the agreement with the Inland Revenue Board, the Institute has unabsorbed tax losses and unutilised capital allowances amounting to RM2,510,253 (2015: RM2,679,460) and NIL (2015: RM119,847) respectively which are available for set-off against future taxable surplus.

14. DEFERRED TAXATION

Deferred tax, determined after appropriate offsetting is as follows:

	2016 RM	2015 RM
Deferred tax liabilities	**2,119**	2,415
Deferred tax assets	**(2,119)**	(2,415)
Net deferred tax	**–**	–

14. DEFERRED TAXATION (CONT'D.)

(a) The components and movements of deferred tax liabilities and assets during the financial year are as follows:

2016	As at 1 January RM	Recognised in profit or loss RM	As at 31 December RM
Deferred tax liabilities			
Excess of capital allowances over depreciation	**2,415**	**(296)**	**2,119**
Deferred tax assets			
Others deductible temporary differences	**–**	**(2,119)**	**(2,119)**
Unutilised capital allowances	**(2,415)**	**2,415**	**–**
	(2,415)	**296**	**(2,119)**

2015	As at 1 January RM	Recognised in profit or loss RM	As at 31 December RM
Deferred tax liabilities			
Excess of capital allowances over depreciation	3,530	(1,115)	2,415
Deferred tax assets			
Unutilised capital allowances	(3,530)	1,115	(2,415)

(b) The amount of unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences for which deferred tax assets have not been recognised in the financial statements is as follows:

	2016 RM	2015 RM
Unabsorbed tax losses	**2,510,253**	2,657,432
Unutilised capital allowances	**–**	83,466
Other deductible temporary differences	**960,784**	–
	3,471,037	2,740,898

The unabsorbed tax losses are in respect of non-tax exempt activities and for which future taxable profit is not probable.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and balances with banks and fixed deposits. Cash and cash equivalents included in the Statement of Cash Flows comprise the following Statement of Financial Position amounts:

	2016 RM	2015 RM
Fixed deposits	**4,044,498**	3,960,197
Cash and bank balances	**221,198**	214,481
	4,265,696	4,174,678

16. RELATED PARTY TRANSACTIONS

The transactions carried out with related parties during the financial year were as follows:

(a) Fees paid by Council Members

	2016 RM	2015 RM
Members' annual fees	**18,215**	17,670
Practising certificate fees	**12,100**	11,550
	30,315	29,220

(b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute either directly or indirectly. The key management personnel of the Institute are the Council Members and the Secretary and their remuneration for the financial year are as follows:

	2016 RM	2015 RM
Short-term employees benefits	**574,000**	539,000
Post-employment benefits		
– contribution to Employees Provident Fund	**86,100**	80,850
	660,100	619,850

The year-end outstanding balance in relation to compensation payable to key management personnel is as follows:

	2016 RM	2015 RM
Included in payables and accruals	**82,000**	77,000

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Institute include receivables, fixed deposits and cash and bank balances.

Financial liabilities of the Institute include payables and accruals.

(a) Categories of Financial Instruments

The following are details of the financial assets and financial liabilities of the Institute analysed by categories:

	2016 RM	2015 RM
Financial Assets		
Loans and receivables		
Receivables and deposits	**1,356,564**	546,814
Fixed deposits with licensed banks	**4,044,498**	3,960,197
Cash and bank balances	**221,198**	214,481
Total loans and receivables	**5,622,260**	4,721,492
Financial Liabilities		
Financial liabilities measured at amortised costs		
Payables, exclude Goods and Services Tax payable	**1,126,958**	1,097,254
Accruals	**591,306**	473,174
Total financial liabilities measured at amortised costs	**1,718,264**	1,570,428

(b) Financial Risk Management

The Institute's overall financial risk management objective is to seek to address and control the risks to which the Institute is exposed and to minimise or avoid the incidence of loss that may result from its exposure to such risks and to enhance returns, where appropriate.

The main risks arising from the Institute's activities are credit, liquidity, interest rate and currency risks. The Council reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Credit risk

Credit risk is the risk of financial loss attributable to default on obligations by parties contracting with the Institute. The Institute's main exposure to credit risk is in respect of its receivables and deposits, fixed deposits and bank balances. The counter parties are members, licensed banking institutions, regulatory and professional organisations. It is the policy of the Institute to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Institute is exposed to minimal credit risk.

At the reporting date, the Institute has subscriptions receivable of RM1,211,916 (2015: RM421,096) which have been outstanding for more than 30 days and bank balance and fixed deposits of RM4,263,696 (2015: RM4,172,678) with some major licensed banking institutions in Malaysia.

Other than as mentioned above and in Note 7, the Institute has no other significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amount of the financial assets in the reporting date.

17. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial Risk Management (Cont'd.)

(ii) Liquidity and cash flow risks

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments while cash flow risk is the risk of uncertainty of future cash flow amounts associated with a monetary financial instrument.

The Institute practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funds for contingent funding requirements of working capital.

Maturity analysis

The maturity profile of the Institute's financial liabilities which are less than 1 year as at the end of the reporting period based on undiscounted contractual payments are as follows:

	2016 RM	2015 RM
Other payables	**1,177,818**	1,122,652
Accruals	**591,306**	473,174

(iii) Market risk

Market risk is the risk that the value of the financial instruments will fluctuate due to changes in market prices.

The Institute's main market risk exposure are currency and interest rate fluctuations and which are discussed under the respective risk headings.

Interest rate risk

The Institute is exposed to interest rate risk in respect of its fixed deposits with licensed banks. The Institute ensures that it places fixed deposits at competitive rates under the most favourable terms and conditions.

Interest rate risk sensitivity analysis

As the Institute's fixed deposits at the end of the reporting period are based on fixed rates, a change in interest rates at the end of the reporting period would not affect the Institute's financial result.

Currency risk

The currency risk relates to transactions denominated in foreign currencies.

The Institute is exposed to currency risk mainly due to payments made in foreign currency that are denominated in currency other than Ringgit Malaysia. The currency giving rise to this risk is the Australian Dollar ("AUD"). The Institute's foreign currency exposure profile on payables and accruals is disclosed in Note 9.

The Institute minimises the exposure to foreign exchange risk by monitoring the movement in the exchange rates with a view to ensuring that the most competitive rates are secured, where appropriate.

The Institute does not hedge nor speculate in foreign currency derivatives.

Currency risk sensitivity analysis

A 10 percent strengthening or weakening of AUD against RM at the end of the reporting period would have decreased or increased the Institute's net operating surplus for the financial year by RM31,883 (2015: RM37,126).

17. FINANCIAL INSTRUMENTS (CONT'D.)

(c) Fair value of financial instruments

The carrying amount of the financial assets and financial liabilities of the Institute at the end of the financial year approximated their fair values due to their short term to maturity.

18. CAPITAL MANAGEMENT

The objectives of the Institute in managing capital are:

- to safeguard the Institute's ability to continue as a going concern and to enable its statutory obligations under the Companies Act, 1965 is fulfilled;
- to develop and maintain the qualification programme and continuing professional development programme for students and members; and
- to provide capital for the purpose of strengthening the Institute's operational efficiency.

The Institute regularly reviews and manages its capital to ensure adequacy for both operational and capital needs. All surpluses are transferred to the accumulated fund for future operational needs.

For the purpose of capital disclosure, the Council regards the accumulated fund as capital of the Institute.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

(3246-U) (INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)
(3246-U) (COMPANY INCORPORATED IN MALAYSIA LIMITED BY GUARANTEE)

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 79 to 109.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Institute in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Council of the Institute is responsible for the other information. The other information comprises information contained in the annual report, but does not include the financial statements of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Institute does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Institute, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Institute or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE COUNCIL FOR THE FINANCIAL STATEMENTS

The Council of the Institute is responsible for the preparation of financial statements of the Institute that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Council is also responsible for such internal control as the Council determine is necessary to enable the preparation of financial statements of the Institute that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Institute, the Council is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Institute as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements of the Institute, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Institute or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Institute, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)
(COMPANY INCORPORATED IN MALAYSIA LIMITED BY GUARANTEE)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Institute have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is made solely to the members of the Institute, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Khoo Pek Ling
900/03/18(J/PH)
Chartered Accountant

Leong Kok Tong
2973/11/17(J)
Chartered Accountant

Kuala Lumpur
Date: 13 May 2017

PENYATA KEWANGAN

LAPORAN MAJLIS

BAGI TAHUN BERAKHIR 31 DISEMBER 2016

Majlis dengan sukacitanya membentangkan laporan mereka dan penyata kewangan Institut Akauntan Awam Bertauliah Malaysia (Institut) yang telah diaudit bagi tahun kewangan berakhir 31 Disember 2016.

KEGIATAN UTAMA

Kegiatan utama Institut ialah memajukan profesion perakaunan.

Sepanjang tahun kewangan, tiada sebarang perubahan ketara yang berlaku dalam kegiatan ini.

KEPUTUSAN KEWANGAN

	RM
Lebihan kendalian bersih bagi tahun kewangan	255,630

DIVIDEN

Menurut Memorandum Pertubuhan, tiada dividen akan dibayar kepada ahli-ahli Institut.

REZAB DAN PERUNTUKAN

Sepanjang tahun kewangan, tiada sebarang pindahan penting kepada atau daripada akaun peruntukan selain daripada yang dinyatakan dalam penyata kewangan. Institut tidak mempunyai sebarang akaun rezab.

MAJLIS

Ahli-ahli Majlis yang berkhidmat sejak tarikh laporan terakhir pada 14 Mei 2016 ialah:

Dato' Ab Halim bin Mohyiddin	(Dilantik semula pada Jun 25, 2016)
Abdul Halim bin Md Lassim	
Dato' Abdul Rauf bin Rashid	(Dilantik semula pada Jun 25, 2016)
Beh Tok Koay	(Dilantik semula pada Jun 25, 2016)
Datin Hjh Fadzilah bte Saad	(Dilantik semula pada Jun 25, 2016)
Dato' Gan Ah Tee	
Goh Lee Hwa	
Datuk Johan bin Idris	(Dilantik semula pada Jun 25, 2016)
Khaw Hock Hoe	
Lee Tuck Heng	(Dilantik semula pada Jun 25, 2016)
Lim Thiam Kee	
Loh Lay Choon	(Dilantik semula pada Jun 25, 2016)
Dato' Megat Iskandar Shah bin Mohamad Nor	(Dilantik semula pada Jun 25, 2016)
Dato' Mohammad Faiz bin Mohammad Azmi	(Dilantik semula pada Jun 25, 2016)
Ng Gan Hooi	(Dilantik semula pada Jun 25, 2016)
Ng Kim Tuck	
Ong Chee Wai	
Poon Yew Hoe	
Pushpanathan a/l S.A. Kanagarayar	
Rozaini bin Mohd Sani	
Tan Theng Hooi	
Tang Seng Choon	
Dr Teh Chee Ghee	

MAJLIS (SAMB.)

Teo Swee Chua
Thong Foo Vung
Dr Veerinderjeet Singh
Venkatramanan Viswanathan
Yeoh Siew Ming
Datuk Robert Yong Kuen Loke
Yong Yoong Shing

Menurut Undang-undang Kecil 5, Ahli-ahli Majlis berikut akan bersara pada Mesyuarat Agung Tahunan dan, disebabkan layak, menawarkan diri mereka untuk dilantik semula:

Abdul Halim bin Lassim
Dato' Gan Ah Tee
Lim Thiam Kee
Ng Kim Tuck
Poon Yew Hoe
Tan Theng Hooi
Dr Teh Chee Ghee
Teo Swee Chua
Venkatramanan Viswanathan
Yeoh Siew Ming

MANFAAT AHLI-AHLI MAJLIS

Institut ini adalah sebuah syarikat berhad dengan jaminan dan oleh itu tidak mempunyai syer dalam mana Ahli-ahli Majlis boleh mempunyai kepentingan. Institut juga tidak mengeluarkan sebarang debentur.

Sejak akhir tahun kewangan yang lepas, tiada Ahli Majlis Institut telah menerima atau berhak menerima sebarang manfaat akibat dari perjanjian yang dibuat oleh Institut atau sebuah perbadanan yang berkaitan dengan Ahli Majlis atau dengan firma di mana Ahli Majlis adalah seorang ahli, atau dengan syarikat di mana Ahli Majlis mempunyai kepentingan kewangan yang ketara.

Pada akhir tahun kewangan, mahupun pada bila-bila masa sepanjang tahun tersebut, Institut tidak menjadi pihak kepada sebarang persetujuan yang matlamatnya adalah bertujuan untuk membolehkan Ahli-ahli Majlis mendapat faedah melalui perolehan syer atau debentur dalam sebarang badan korporat.

MAKLUMAT BERKANUN YANG LAIN

(a) Sebelum penyata kewangan Institut disediakan, Majlis telah mengambil langkah-langkah yang sewajarnya:

   (i) untuk memastikan bahawa tindakan sewajarnya telah diambil berkaitan dengan penghapuskiraan hutang lapuk dan membuat peruntukan bagi hutang ragu dan mereka berpuashati bahawa kesemua hutang lapuk yang diketahui telah dihapuskira dan peruntukan yang secukupnya telah dibuat untuk hutang ragu; dan

   (ii) untuk memastikan bahawa aset semasa yang tidak mungkin direalisasikan nilainya melalui urusan perniagaan biasa, sepertimana dinyatakan dalam rekod perakaunan Institut telahpun dikurangkan nilainya kepada amaun yang dijangka boleh direalisasikan.

MAKLUMAT BERKANUN YANG LAIN (SAMB.)

(b) Pada tarikh laporan ini, Majlis tidak mengetahui sebarang keadaan:

(i) yang boleh menyebabkan jumlah hutang lapuk yang dihapuskirakan dan jumlah elaun hutang ragu yang diperuntukkan dalam penyata kewangan Institut tidak mencukupi sehingga ke peringkat yang menjejaskan;

(ii) yang boleh menyebabkan nilai aset semasa dalam penyata kewangan Institut mengelirukan;

(iii) yang boleh mengakibatkan pematuhan kepada kaedah yang sedia ada bagi penilaian aset dan liabiliti Institut mengelirukan atau tidak sesuai; dan

(iv) yang tidak ditangani dalam laporan ini atau dalam penyata kewangan Institut, yang akan menyebabkan mana-mana amaun yang dinyatakan dalam penyata kewangan mengelirukan.

(c) Pada tarikh laporan ini, tidak terdapat:

(i) sebarang cagaran ke atas aset Institut yang telah diwujudkan semenjak akhir tahun kewangan yang menjamin liabiliti mana-mana perseorangan lain; dan

(ii) sebarang liabiliti luar jangka berhubung dengan Institut yang timbul semenjak akhir tahun kewangan.

(d) Pada pendapat Majlis:

(i) tiada liabiliti luar jangka atau liabiliti lain Institut yang akan berkuatkuasa atau mungkin dikuatkuasakan, dalam tempoh dua belas bulan berikutan akhir tahun kewangan ini yang akan atau mungkin memberi kesan terhadap keupayaan Institut untuk menyelesaikan tanggungannya apabila tiba masanya;

(ii) keputusan kendalian Institut sepanjang tahun kewangan tidak dipengaruhi dengan ketara oleh sebarang butiran, urusniaga atau kejadian penting dan luarbiasa; dan

(iii) tiada timbul sebarang butiran, urusniaga atau kejadian penting dan luarbiasa dalam jangka masa di antara akhir tahun kewangan dan tarikh laporan ini yang akan menjejaskan keputusan kendalian Institut dengan ketara bagi tahun kewangan semasa yang dilaporkan.

JURUAUDIT

Menurut Undang-undang Kecil 120, Datin Khoo Pek Ling dan Leong Kok Tong akan bersara sebagai juruaudit Institut pada Mesyuarat Agung Tahunan akan datang dan mengikut Undang-undang Kecil 121, Leong Kok Tong dengan ini dicalonkan untuk pelantikan semula sebagai juruaudit untuk tahun kewangan berikutnya. Datin Khoo Pek Ling telah menyatakan bahawa beliau tidak ingin dilantik semula. Majlis telah menerima pencalonan daripada Ng Eng Kiat yang mana beliau telah bersetuju untuk pelantikan sebagai juruaudit Institut pada Mesyuarat Agung Tahunan akan datang.

Bagi pihak Majlis,

DATO' ABDUL RAUF BIN RASHID
Presiden

TAN THENG HOOI
Naib Presiden

Laporan ini dibuat menurut resolusi Majlis yang telah diluluskan pada 13 Mei 2017.

Tarikh: 13 Mei 2017

PENYATA OLEH AHLI-AHLI MAJLIS

(MENURUT SEKSYEN 169(15) AKTA SYARIKAT, 1965)

Kami, **DATO' ABDUL RAUF BIN RASHID** dan **TAN THENG HOOI**, dua orang daripada Ahli-ahli Majlis **INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA**, dengan ini menyatakan bahawa, pada pendapat Ahli-ahli Majlis, penyata kewangan yang dibentangkan bersama dengan nota-notanya, telah disediakan mengikut Piawaian Pelaporan Kewangan Malaysia, Piawaian Pelaporan Kewangan Antarabangsa dan Peruntukan Akta Syarikat, 1965 di Malaysia supaya memberi gambaran yang benar dan saksama mengenai:

(i) kedudukan Institut pada 31 Disember 2016 dan keputusannya bagi tahun kewangan berakhir pada tarikh tersebut; dan

(ii) aliran tunai Institut bagi tahun kewangan berakhir pada 31 Disember 2016.

Bagi pihak Ahli-ahli Majlis,

DATO' ABDUL RAUF BIN RASHID
Presiden

TAN THENG HOOI
Naib Presiden

Kuala Lumpur
Tarikh: 13 Mei 2017

AKUAN BERKANUN

(MENURUT SEKSYEN 169(16) AKTA SYARIKAT, 1965)

Saya, **FOO YOKE PIN**, selaku pegawai yang terutama bertanggungjawab ke atas pengurusan kewangan **INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA**, dengan sesungguhnya dan tulus ikhlas mengaku bahawa penyata kewangan yang dibentangkan bersama dengan nota-notanya adalah untuk sebaik-baik pengetahuan dan kepercayaan saya adalah betul, dan saya membuat pengakuan ini dengan penuh kepercayaan bahawa perkara-perkara tersebut adalah benar serta menurut Akta Akuan Berkanun, 1960.

Ditandatangani dan diakui oleh penama)
di atas **FOO YOKE PIN**)
di Kuala Lumpur Wilayah Persekutuan)
pada 13 Mei 2017)

Di hadapan saya,

NG KA BIANG
Pesuruhanjaya Sumpah

Kuala Lumpur

PENYATA KEDUDUKAN KEWANGAN

PADA 31 DISEMBER 2016

	Nota	2016 RM	2015 RM
ASET			
Aset Bukan Semasa			
Loji dan peralatan	4	**27,694**	35,013
Aset tak ketara – Perisian komputer	5	**11,232**	22,135
Kos pembangunan buku panduan belajar	6	**8,360**	–
		47,286	57,148
Aset Semasa			
Inventori buku panduan belajar		**4,809**	3,582
Penghutang, prabayaran dan deposit	7	**1,386,584**	599,093
Simpanan tetap	8	**4,044,498**	3,960,197
Wang tunai dan baki di bank		**221,198**	214,481
		5,657,089	4,777,353
Jumlah Aset		**5,704,375**	4,834,501
DANA DAN LIABILITI			
Dana Terkumpul			
Baki pada 1 Januari		**2,690,829**	2,491,388
Lebihan kendalian bersih bagi tahun kewangan		**255,630**	199,441
Baki pada 31 Disember		**2,946,459**	2,690,829
Liabiliti Semasa			
Yuran pendahuluan		**971,587**	547,846
Pemiutang dan akruan	9	**1,769,124**	1,595,826
Cukai perlu dibayar		**17,205**	–
		2,757,916	2,143,672
Jumlah Liabiliti		**2,757,916**	2,143,672
Jumlah Dana dan Liabiliti		**5,704,375**	4,834,501

Nota-nota pada muka surat 123 hingga 149 merupakan sebahagian penting penyata kewangan ini.

PENYATA PENDAPATAN KOMPREHENSIF

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2016

	Nota	2016 RM	2015 RM
PENDAPATAN			
Yuran tahunan ahli		**1,672,600**	1,675,718
Yuran peperiksaan		**2,285,145**	2,383,200
Yuran sijil pengamalan		**208,230**	209,770
Yuran pengecualian pelajar		**269,350**	199,050
Yuran tahunan pelajar		**213,974**	193,037
Yuran kemasukan ahli		**46,200**	36,000
Yuran pendaftaran dan pemindahan pelajar		**97,700**	71,700
Yuran ahli sementara		**11,745**	13,996
		4,804,944	4,782,471
Pendapatan daripada Aktiviti-Aktiviti Lain	10	**1,023,380**	907,877
Pendapatan Lain	11	**153,389**	160,233
Jumlah Pendapatan		**5,981,713**	5,850,581
Belanja Kendalian	12	**(5,003,313)**	(4,999,370)
Belanja Aktiviti-Aktiviti Lain	10	**(705,565)**	(651,770)
		272,835	199,441
Cukai	13	**(17,205)**	–
Lebihan Kendalian Bersih/ Jumlah Pendapatan Komprehensif bagi Tahun Kewangan		**255,630**	199,441

Nota-nota pada muka surat 123 hingga 149 merupakan sebahagian penting penyata kewangan ini.

PENYATA PERUBAHAN EKUITI AHLI-AHLI

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2016

	Dana Terkumpul	
	2016 RM	**2015 RM**
Baki pada 1 Januari 2015 / 1 Januari 2014	**2,491,388**	2,219,655
Lebihan kendalian bersih / Jumlah pendapatan komprehensif bagi tahun kewangan	**199,441**	271,733
Baki pada 31 Disember 2015 / 31 Disember 2014	**2,690,829**	2,491,388
Lebihan kendalian bersih / Jumlah pendapatan komprehensif bagi tahun kewangan	**255,630**	199,441
Baki pada 31 Disember 2016 / 31 Disember 2015	**2,946,459**	2,690,829

Nota-nota pada muka surat 123 hingga 149 merupakan sebahagian penting penyata kewangan ini.

PENYATA ALIRAN TUNAI

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2016

	Nota	2016 RM	2015 RM
ALIRAN TUNAI DARIPADA AKTIVITI KENDALIAN			
Penerimaan tunai			
Yuran		**2,461,002**	2,384,026
Yuran peperiksaan		**2,161,547**	2,363,300
Jurnal dan penerbitan		**126,653**	126,233
Seminar		**578,948**	343,745
Lain-lain		**131,637**	361,006
Bayaran tunai			
Belanja kendalian		**(5,362,084)**	(5,311,304)
Bayaran sewa pejabat kepada Tabung Amanah Pendidikan MACP		**(120,000)**	(120,000)
Tunai bersih (Digunakan)/terjana daripada aktiviti kendalian		**(22,297)**	147,006
ALIRAN TUNAI DARIPADA AKTIVITI PELABURAN			
Pembelian loji dan peralatan	4	**(8,791)**	(15,449)
Pembelian aset tak ketara	5	**-**	(33,038)
Faedah diterima daripada simpanan tetap		**122,106**	126,027
Tunai bersih daripada aktiviti pelaburan		**113,315**	77,540
Tambahan Bersih dalam Tunai dan Kesetaraan Tunai		**91,018**	224,546
Tunai dan Kesetaraan Tunai pada Awal Tahun Kewangan		**4,174,678**	3,950,132
Tunai dan Kesetaraan Tunai pada Akhir Tahun Kewangan	15	**4,265,696**	4,174,678

Nota-nota pada muka surat 123 hingga 149 merupakan sebahagian penting penyata kewangan ini.

NOTA KEPADA PENYATA KEWANGAN
PADA 31 DISEMBER 2016

1. MAKLUMAT AM

Institut Akauntan Awam Bertauliah Malaysia (Institut) adalah sebuah syarikat berhad dengan jaminan, diperbadankan dan berdomisil di Malaysia.

Pejabat berdaftar dan tempat utama perniagaan Institut terletak di No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur.

Aktiviti utama Institut ialah memajukan profesion perakaunan.

Jumlah kakitangan di akhir tahun kewangan adalah 24 (2015: 25).

Penyata kewangan dibentangkan dalam Ringgit Malaysia (RM), iaitu matawang fungsian Institut.

Penyata kewangan telah diluluskan dan dibenarkan untuk diterbit menurut satu resolusi Majlis pada 13 Mei 2017.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING

2.1 Asas Penyediaan

Penyata kewangan Institut disediakan menurut Piawaian Pelaporan Kewangan Malaysia (MFRS), Piawaian Pelaporan Kewangan Antarabangsa (IFRS) dan peruntukan Akta Syarikat,1965 di Malaysia.

Penyata kewangan Institut disediakan berasaskan konvensyen kos sejarah kecuali seperti yang dinyatakan dalam ringkasan dasar perakaunan penting ini.

Polisi perakaunan yang diguna pakai adalah konsisten dengan polisi yang telah diguna pakai dalam tahun kewangan sebelumnya selain daripada penggunaan pakai pindaan kepada MFRS seperti yang didedahkan dalam Nota 2.2 di bawah.

2.2 Penggunaan Pakai Pindaan kepada MFRS

Sepanjang tahun kewangan, Institut telah mengguna pakai pindaan kepada MFRS berikut yang diterbitkan oleh Lembaga Piawaian Perakaunan Malaysia (MASB) yang dikuatkuasakan untuk tempoh perakaunan bermula pada atau selepas 1 Januari 2016:

Pindaan kepada MFRS 101 – Pendedahan Inisiatif
Pindaan kepada MFRSs 116 dan MFRS 138 – Penjelasan Kaedah Susut Nilai dan Pelunasan Boleh Diterima
Pindaan kepada MFRS diklasifikasikan sebagai “Penambahbaikan Tahunan kepada MFRS kitaran 2012 – 2014”

Aplikasi pindaan kepada MFRSs di atas tiada kesan terhadap penyata kewangan Institut.

2.3 MFRSs dan Interpretasi IC Baru dan Pindaan kepada MFRSs yang Telah Diterbitkan tetapi Belum Dikuatkuasakan

Institut belum menerima pakai awal MFRSs dan Interpretasi IC baru dan pindaan kepada MFRSs berikut yang telah diterbitkan oleh MASB tetapi belum dikuatkuasakan:

Berkuatkuasa untuk tempoh tahunan bermula pada atau selepas 1 Januari 2017
Pindaan kepada MFRS 107 – Pendedahan Inisiatif
Pindaan kepada MFRS 112 – Pengiktirafan Aset Cukai Tertunda untuk Rugi Belum Terealisasi
Pindaan kepada MFRS diklasifikasikan sebagai “Penambahbaikan Tahunan kepada MFRS kitaran 2014 – 2016”
– Pindaan kepada MFRS 12, Pendedahan Kepentingan dalam Entiti Lain

Berkuatkuasa untuk tempoh tahunan bermula pada atau selepas 1 Januari 2018
MFRS 9, Instrumen Kewangan (IFRS 9 yang diterbitkan pada Julai 2014)
MFRS 15, Hasil daripada Kontrak dengan Pelanggan
Penjelasan kepada MFRS 15, Hasil daripada Kontrak dengan Pelanggan
Pindaan kepada MFRS 2 – Pengelasan dan Pengukuran Urus Niaga Pembayaran Berasaskan Saham

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.3 MFRSs dan Interpretasi IC Baru dan Pindaan kepada MFRSs yang Telah Diterbitkan tetapi Belum Dikuatkuasakan (Samb.)

Berkuatkuasa untuk tempoh tahunan bermula pada atau selepas 1 Januari 2018 (Samb.)
Pindaan kepada MFRS 4 – Mengguna Pakai MFRS 9, Instrumen Kewangan dengan MFRS 4, Kontrak Insurans
Pindaan kepada MFRS 140 – Pindahan Harta Pelaburan
Pindaan kepada MFRSs Diklasifikasikan sebagai "Penambahbaikan Tahunan kepada MFRS kitaran 2014 – 2016"
– Pindaan kepada MFRS 1, Penerimaan Pakai Piawaian Pelaporan Kewangan Malaysia Pertama Kali
– Pindaan kepada MFRS 128, Pelaburan dalam Syarikat Bersekutu dan Usaha Sama
Interpretasi IC 22, Urus Niaga Mata Wang Asing dan Ganjaran Pendahuluan

Berkuatkuasa untuk tempoh tahunan bermula pada atau selepas 1 Januari 2019
MFRS 16, Pajakan

Berkuatkuasa untuk tempoh tahunan bermula pada atau selepas satu tarikh yang akan ditentukan oleh MASB
Pindaan kepada MFRS 10 dan MFRS 128 – Jualan atau Caruman Aset di antara Pelabur dan Syarikat Bersekutu atau Usaha Sama.

Institut akan mengguna pakai MFRSs dan Interpretasi IC yang baru dan pindaan kepada MFRSs di atas yang berkenaan sebaik sahaja mereka dikuatkuasakan. Ciri-ciri utama adalah diringkaskan seperti berikut:

2.3.1 Berkuatkuasa untuk tempoh tahunan bermula pada atau selepas 1 Januari 2017

(a) Pindaan kepada MFRS 107 – Pendedahan Inisiatif

Pindaan kepada MFRS 107, *Penyata Aliran Tunai*, mengkehendaki sebuah entiti untuk menyediakan pendedahan yang membolehkan pengguna penyata kewangan menilai perubahan liabiliti yang berpunca daripada aktiviti pembiayaan, termasuk perubahan daripada aliran tunai dan bukan tunai.

(b) Pindaan kepada MFRS 112 – Pengiktirafan Aset Cukai Tertunda untuk Rugi Belum Terealisasi

Pindaan kepada MFRS 112 *Cukai Pendapatan* menjelaskan bahawa:

(i) Penurunan nilai instrumen hutang yang diukur pada nilai saksama yang mana asas cukai kekal pada kos asalnya akan meningkatkan perbezaan sementara boleh kurang. Anggaran kebarangkalian untung boleh cukai masa depan harus merangkumi pemulihan sebahagian aset entiti yang melebihi amaun dibawa aset berkenaan sekiranya ada bukti yang cukup yang menunjukkan kemungkinan untuk entiti mencapainya.

(ii) Perbezaan sementara boleh kurang harus dibandingkan dengan untung boleh cukai masa depan entiti tidak termasuk potongan cukai yang terhasil daripada penarikbalikan perbezaan sementara boleh kurang berkenaan semasa entiti menilai sama ada ia mempunyai untung boleh cukai masa depan yang mencukupi. Apabila sesebuah entiti menaksir sama ada untung boleh cukai akan tersedia, ia harus mempertimbangkan sekatan undang-undang cukai yang berkaitan dengan penggunaan potongan.

(c) Pindaan kepada MFRS diklasifikasikan sebagai "Penambahbaikan Tahunan kepada MFRS Kitaran 2014 - 2016" – Pindaan kepada MFRS 12, Pendedahan Kepentingan dalam Entiti lain

Pindaan menerangkan skop piawaian dengan menyatakan bahawa keperluan pendedahan dalam piawaian diguna pakai untuk kepentingan entiti dalam anak syarikat, pengaturan bersama, syarikat bersekutu dan entiti berstruktur tidak disatukan yang diklasifikasikan sebagai pegangan untuk jualan, sebagai pegangan untuk pengagihan atau sebagai kendalian yang dihentikan menurut MFRS 5, *Aset Bukan Semasa Dipegang untuk Jualan dan Penamatan Kendalian*.

Pindaan juga menerangkan bahawa entiti tidak perlu mendedahkan ringkasan maklumat kewangan sekiranya anak syarikat, usaha sama atau syarikat bersekutu entiti berkenaan diklasifikasikan sebagai pegangan untuk dijual menurut MFRS 5.

Aplikasi awal pindaan di atas dijangka tidak akan memberi kesan ketara terhadap penyata kewangan Institut.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.3 MFRSs dan Interpretasi IC Baru dan Pindaan kepada MFRSs yang Telah Diterbitkan tetapi Belum Dikuatkuasakan (Samb.)

2.3.2 Berkuatkuasa untuk tempoh tahunan bermula pada atau selepas 1 Januari 2018

(a) MFRS 9, Instrumen Kewangan (IFRS 9 yang diterbitkan pada Julai 2014)

Piawaian tersebut mengganti versi awal MFRS 9 dan memperkenalkan pakej penambahbaikan termasuk model klasifikasi dan pengukuran, suatu model tunggal rosot nilai yang mempunyai 'rugi dijangka' pandang ke hadapan dan suatu reformasi yang ketara terhadap pendekatan perakaunan lindung nilai.

Penambahbaikan utama MFRS 9 adalah:

- Di bawah MFRS 9, semua aset kewangan yang diiktiraf perlu diukur berikutnya sama ada pada kos dilunaskan, nilai saksama melalui pendapatan komprehensif lain (FVTOCI) atau nilai saksama melalui untung atau rugi (FVTPL) berdasarkan kepada kedua-dua model perniagaan suatu entiti untuk menguruskan aset kewangan dan sifat aliran tunai berkontrak aset kewangan. Keperluan-keperluan tersebut menambahbaikan dan memudahkan pendekatan untuk klasifikasi dan pengukuran aset kewangan memandangkan beberapa kategori aset kewangan dalam MFRS 139 telah diganti.

- Kebanyakan keperluan dalam MFRS 139 untuk klasifikasi dan pengukuran liabiliti kewangan dibawa ke hadapan tanpa perubahan kepada MFRS 9, melainkan untuk pengukuran liabiliti kewangan yang ditetapkan pada FVTPL. Di bawah MFRS 139, jumlah keseluruhan perubahan dalam nilai saksama liabiliti kewangan ditetapkan sebagai FVTPL adalah dibentangkan dalam untung atau rugi. Walaubagaimanapun, MFRS 9 memerlukan jumlah yang berubah dalam nilai saksama liabiliti kewangan yang disebabkan perubahan dalam risiko kredit liabiliti tersebut dibentangkan dalam pendapatan komprehensif lain, kecuali pengiktirafan kesan perubahan dalam risiko kredit liabiliti sendiri dalam pendapatan komprehensif lain akan mewujudkan atau memperbesarkan suatu perakaunan yang ketidakpadanan dalam untung atau rugi. Perubahan dalam nilai saksama disebabkan risiko kredit liabiliti kewangan tidak diklasifikasikan kemudiannya dalam untung atau rugi.

- Berkenaan dengan rosot nilai aset kewangan, MFRS 9 memerlukan suatu model rugi kredit dijangka, yang bertentangan dengan model rugi kredit yang berlaku dalam MFRS 139. Di bawah MFRS 9, adalah tidak perlu lagi untuk peristiwa kredit berlaku sebelum rugi kredit diiktirafkan. Sebaliknya, suatu entiti sentiasa mengambilkira rugi kredit dijangka dan perubahan dalam rugi kredit dijangka tersebut pada setiap tarikh pelaporan supaya menggambarkan perubahan dalam risiko kredit sejak pengiktirafan awal.

- Keperluan am baru perakaunan lindung nilai mengekalkan tiga jenis mekanisme perakaunan lindung nilai yang sedia ada pada masa kini dalam MFRS 139 iaitu lindung nilai bagi nilai saksama, lindung nilai aliran tunai dan lindung nilai suatu pelaburan bersih dalam operasi asing. MFRS 9 mengandungi suatu model baru perakaunan lindung nilai yang menjajarkan perakaunan lindung nilai lebih dekat dengan aktiviti pengurusan risiko suatu entiti. Model baru perakaunan lindung nilai juga memperluaskan skop kelayakan butiran lindung nilai dan instrumen yang dilindung nilai.

(b) MFRS 15, Hasil daripada Kontrak dengan Pelanggan

MFRS 15 mewujudkan suatu model komprehensif tunggal bagi entiti menggunakan dalam perakaunan untuk hasil yang timbul daripada kontrak dengan pelanggan. MFRS 15 akan menggantikan panduan pengiktirafan hasil masa kini termasuk MFRS 111, MFRS 118 dan Tafsiran IC yang berkaitan sebaik sahaja ianya dikuatkuasakan.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.3 MFRSs dan Interpretasi IC Baru dan Pindaan kepada MFRSs yang Telah Diterbitkan tetapi Belum Dikuatkuasakan (Samb.)

2.3.2 Berkuatkuasa untuk tempoh tahunan bermula pada atau selepas 1 Januari 2018 (Samb.)

(b) MFRS 15, Hasil daripada Kontrak dengan Pelanggan (Samb.)

Prinsip teras MFRS 15 adalah di mana suatu entiti mengiktiraf hasil untuk menunjukkan pemindahan barangan atau perkhidmatan yang dijanji kepada pelanggan dalam suatu jumlah yang menggambarkan ganjaran yang entiti tersebut dijangka layak mendapatkannya sebagai pertukaran untuk barangan atau perkhidmatan. Suatu entiti mengiktiraf hasil mengikut prinsip teras dengan mengguna pakai langkah-langkah berikut:

Langkah 1 Mengenalpasti kontrak dengan seorang pelanggan
Langkah 2 Mengenalpasti obligasi prestasi dalam kontrak
Langkah 3 Menentu harga urusniaga
Langkah 4 Mengagih harga urusniaga kepada obligasi prestasi dalam kontrak
Langkah 5 Mengiktiraf hasil apabila (atau bila) entiti memuaskan obligasi prestasi

Di bawah MFRS 15, suatu entiti mengiktiraf hasil apabila (atau bila) suatu obligasi prestasi adalah dipuaskan iaitu apabila ‘kawalan’ barangan atau perkhidmatan yang mendasari obligasi prestasi tertentu dipindahkan kepada pelanggan. MFRS 15 juga memerlukan pendedahan yang lebih.

(c) Penjelasan kepada MFRS 15, Hasil daripada Kontrak dengan Pelanggan

Pindaan menerangkan bagaimana prinsip-prinsip tertentu harus diguna pakai:

(i) mengenalpasti sama ada obligasi pelaksanaan adalah berbeza;
(ii) menentukan sama ada entiti adalah prinsipal atau agen; dan
(iii) menaksir sama ada hasil daripada lesen harta intelek diiktiraf dari masa ke masa atau pada sesuatu masa.

(d) Pindaan kepada MFRS 4 – Mengguna Pakai MFRS 9, Instrumen Kewangan dengan MFRS 4, Kontrak Insurans

Pindaan kepada MFRS 4 *Kontrak Insurans* adalah untuk menangani masalah yang timbul daripada pelaksanaan MFRS 9 *Instrumen Kewangan* yang baru sebelum piawaian Kontrak Insurans yang baru iaitu IFRS 17 yang akan datang yang mana dirancang untuk diterbitkan dalam tahun 2017 oleh Lembaga Piawaian Perakaunan Antarabangsa (IASB). Kebimbangan ini termasuk ketidaktentuan sementara didalam keputusan yang dilaporkan.

IASB telah memperkenalkan dua pilihan tambahan bebas, iaitu pendekatan bertindih dan pendekatan bertangguh untuk digunapakai sekiranya kriteria tertentu dipenuhi, di mana akan membantu menangani ketidaktentuan sementara di dalam keputusan yang dilaporkan oleh entiti yang berurusan dengan kontrak insurans.

Pendekatan bertindih melibatkan pilihan untuk mengiktiraf kemungkinan ketidaktentuan didalam pendapatan komprehensif lain, dan bukannya untung atau rugi, manakala pendekatan bertangguh memberikan pengecualian sementara daripada menggunapakai MFRS 9 untuk entiti yang sebahagian besar aktivitinya berkaitan dengan insurans.

(e) Pindaan kepada MFRSs diklasifikasikan sebagai “Penambahbaikan Tahunan kepada MFRS Kitaran 2014 - 2016”

Penambahbaikan Tahunan kepada MFRS Kitaran 2014 - 2016 merangkumi pindaan-pindaan kepada MFRSs berikut:

(i) Pindaan kepada MFRS 1 *Penerimaan Pakai Piawaian Pelaporan Kewangan Malaysia Pertama Kali* telah menghapuskan peruntukan-peruntukan tertentu yang telah mencapai matlamat yang dikehendaki.

(ii) Pindaan kepada MFRS 128 *Pelaburan dalam Syarikat Bersekutu dan Usaha Sama* menerangkan bahawa organisasi pengusaha niaga modal atau entiti lain yang layak boleh memilih untuk mengukur setiap pelaburan dalam syarikat bersekutu atau usaha sama pada nilai saksama melalui untung atau rugi dengan asas pelaburan demi pelaburan, semasa pengiktirafan permulaan.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.3 MFRSs dan Interpretasi IC Baru dan Pindaan kepada MFRSs yang Telah Diterbitkan tetapi Belum Dikuatkuasakan (Samb.)

2.3.2 Berkuatkuasa untuk tempoh tahunan bermula pada atau selepas 1 Januari 2018 (Samb.)

(f) Interpretasi IC 22, Urus Niaga Mata Wang Asing dan Ganjaran Pendahuluan

Interpretasi IC menerangkan kadar pertukaran yang mana harus digunakan dalam pelaporan urusniaga mata wang asing yang melibatkan ganjaran pendahuluan yang telah dibayar atau telah diterima.

Aplikasi awal MFRS 9 dan MFRS 15 berkemungkinan mempunyai kesan keatas penyata kewangan Institut. Walaubagaimanapun, ianya tidak praktikal untuk memberikan anggaran yang munasabah berkenaan kesan terbabit sehingga satu kajian terperinci diselesaikan. Aplikasi awal MFRSs dan IC Interpretasi baru yang lain dan pindaan kepada MFRSs untuk tempoh pelaporan bermula pada atau selepas 1 Januari 2018 dijangka tidak akan memberi kesan ketara keatas penyata kewangan Institut.

2.3.3 Berkuatkuasa untuk tempoh tahunan bermula pada atau selepas 1 Januari 2019

MFRS 16, Pajakan

MFRS 16 akan menggantikan MFRS 117 sedia ada, *Pajakan*, Interpretasi IC 4 - *Menentukan sama ada suatu Pengaturan mengandungi sesuatu Pajakan*, Interpretasi IC 115 - *Pajakan Operasi - Insentif* dan Interpretasi IC 127 - *Menilai Inti Pati Urus Niaga yang Melibatkan Bentuk Sah Sesuatu Pajakan* dan ia menetapkan prinsip-prinsip pengiktirafan, penilaian, pembentangan dan pendedahan sesuatu pajakan.

Di bawah MFRS 117 sedia ada, penerima pajak dan pemberi pajak perlu mengklasifikasikan pajakan mereka sama ada sebagai pajakan kewangan atau pajakan operasi dan mengambil kira secara berlainan kedua-dua jenis pajakan tersebut. Ianya memerlukan penerima pajak untuk mengiktiraf aset dan liabiliti yang timbul daripada pajakan kewangan tetapi bukan daripada pajakan operasi.

MFRS 16 yang baru memperkenalkan model perakaunan tunggal dan memerlukan penerima pajak untuk mengiktiraf aset dan liabiliti bagi hak dan obligasi yang timbul daripada semua pajakan dan justeru menyingkirkan perbezaan di antara pajakan kewangan dan pajakan operasi. Kesannya, penerima pajak mengiktiraf hak kegunaan aset dan liabiliti pajakan yang timbul daripada pajakan operasi. Hak kegunaan aset disusut nilai berdasarkan prinsip di dalam MFRS 116, *Hartanah, Loji dan Peralatan* dan liabiliti pajakan diakru sepanjang masa dengan belanja faedah diiktiraf di dalam untung atau rugi.

Untuk pemberi pajak, MFRS 16 mengekalkan kebanyakan daripada syarat-syarat di dalam MFRS 117. Pemberi pajak berterusan mengklasifikasikan semua pajakan sama ada sebagai pajakan operasi atau pajakan kewangan dan mengambil kiranya secara berlainan.

MFRS 16 juga memerlukan satu pendedahan yang lebih menyeluruh.

Aplikasi awal MFRS 16 berkemungkinan mempunyai kesan keatas penyata kewangan Institut. Walaubagaimanapun, ianya tidak praktikal untuk memberikan anggaran yang munasabah berkenaan kesan terbabit sehingga satu kajian terperinci diselesaikan.

2.4 Loji dan Peralatan dan Susut Nilai

Butiran loji dan peralatan dicatat pada kos, tolak susut nilai terkumpul dan kerugian rosot nilai terkumpul. Kos termasuk perbelanjaan yang boleh diagihkan terus kepada perolehan aset tersebut.

Kos mengganti sebahagian daripada butiran loji dan peralatan diiktiraf dalam nilai buku butiran tersebut atau diiktiraf sebagai aset berasingan, seperti yang sewajarnya, hanya apabila terdapatnya kemungkinan bahawa manfaat-manfaat ekonomi masa depan berkaitan dengan butiran tersebut akan mengalir masuk ke Institut dan kos butiran tersebut dapat dinilai dengan pasti. Nilai buku bagi bahagian diganti akan dilucutkan pengiktirafannya. Kesemua pembaikan dan penyelenggaraan yang lain akan dicaj kepada untung atau rugi dalam tahun kewangan di mana ianya berlaku.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.4 Loji dan Peralatan dan Susut Nilai (Samb.)

Susut nilai dikira berasaskan kaedah garis lurus untuk menghapuskira kos loji dan peralatan kepada nilai sisanya ke atas hayat berguna yang dijangkakan. Kadar tahunan asas yang digunakan adalah seperti berikut:

Perabot dan lengkapan	10%
Sistem kawalan	10%
Peralatan pejabat	20%
Komputer	33%

Nilai sisa dan hayat berguna aset disemak semula pada setiap akhir tahun kewangan dan diselaraskan secara prospektif, sekiranya sesuai, di mana jangkaan berlainan daripada anggaran sebelumnya. Loji dan peralatan disemak semula untuk rosot nilai berasaskan kepada dasar perakaunan Institut untuk rosot nilai aset bukan kewangan.

Suatu butiran loji dan peralatan dilucutkan pengiktirafannya sebaik sahaja pelupusan atau apabila tiada manfaat ekonomi pada masa depan dijangka daripada penggunaan atau pelupusannya. Perbezaan di antara hasil pelupusan bersih, jika ada, dan nilai buku bersih adalah diiktirafkan dalam untung atau rugi.

2.5 Rosot Nilai Aset Bukan Kewangan

Nilai buku aset bukan kewangan (selain daripada inventori buku panduan belajar dan aset cukai tertunda) disemak semula untuk rosot nilai pada akhir setiap tempoh pelaporan untuk menentukan sama ada terdapat sebarang petunjuk rosot nilai. Sekira wujudnya petunjuk sebegini, nilai perolehan semula aset adalah dijangka untuk menentukan nilai kerugian rosot nilai. Kerugian rosot nilai diperuntukkan apabila nilai buku satu aset melebihi nilai perolehan semulanya. Nilai perolehan semula adalah nilai yang lebih tinggi di antara nilai saksama satu aset ditolak kos jualan dan nilai penggunaannya yang dinilai dengan merujuk kepada aliran tunai masa depan yang didiskaunkan.

Kerugian rosot nilai adalah diiktiraf dalam untung atau rugi dalam tempoh di mana ianya wujud.

Kerugian rosot nilai untuk suatu aset adalah dinyatakan semula sekiranya, dan hanya sekiranya, terdapat perubahan dalam anggaran yang digunakan untuk menentukan nilai perolehan semula satu aset sejak kerugian rosot nilai yang terakhir diiktirafkan. Nilai buku satu aset akan ditingkatkan kepada nilai perolehan yang disemak semula, jika nilai tersebut tidak melebihi nilai buku yang telah ditentukan (tolak pelunasan atau susut nilai) jika tidak terdapat kerugian rosot nilai diiktirafkan untuk aset dalam tahun-tahun sebelumnya. Suatu penyataan semula kerugian rosot nilai untuk suatu aset diiktiraf dalam untung atau rugi.

2.6 Buku Panduan Belajar

(i) Kos pembangunan buku panduan belaja

Kos pembangunan buku panduan belajar MICPA yang sebahagian besarnya terdiri daripada bayaran kepada penulis dan penyemak semula dipermodalkan dan dilunaskan mengikut asas garis lurus ke atas hayat ekonomi buku panduan belajar, yang dianggarkan dari 3 hingga 5 tahun.

Bayaran untuk mengemaskini buku panduan belajar MICPA akan dibelanjakan dalam tahun di mana bayaran dilakukan.

Kos pembangunan buku panduan belajar telah dikaji semula bagi tujuan rosot nilai berdasarkan dasar perakaunan Institut untuk rosot nilai aset bukan kewangan dan dinyahiktirafkan apabila tiada manfaat ekonomi masa depan yang dijangka dari penggunaannya.

(ii) Inventori buku panduan belajar

Stok buku panduan belajar dicatat pada nilai terendah antara kos dan nilai boleh direalis bersih. Kos ditetapkan mengikut asas masuk-dulu, keluar-dulu dan terdiri daripada kos percetakan. Nilai boleh direalis bersih merupakan harga jualan yang dianggarkan dalam urusan perniagaan biasa tolak kesemua kos anggaran untuk menjual.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.7 Aset Tak Ketara Diperolehi Berasingan – Perisian Komputer

Aset tak ketara diperolehi berasingan adalah dinilai pada kos tolak sebarang pelunasan terkumpul dan sebarang kerugian rosot nilai terkumpul. Pelunasan adalah diiktiraf berasaskan kepada garis lurus ke atas hayat berguna yang dijangkakan, melebihi 3 tahun. Hayat berguna yang dijangka dan kaedah pelunasan disemak semula pada akhir setiap tempoh pelaporan di mana kesan sebarang perubahan anggaran diambilkira secara prospektif.

2.8 Peruntukan

Peruntukan diiktiraf apabila Institut mempunyai satu obligasi semasa yang sah di sisi undang-undang dan konstruktif yang disebabkan oleh peristiwa lepas dan terdapat kemungkinan satu aliran keluar sumber melibatkan manfaat ekonomi diperlukan untuk menyelesaikan obligasi tersebut dan anggaran yang boleh dipercayai dapat dibuat bagi amaun obligasi tersebut. Di mana kesan nilai masa untuk wang adalah penting, jumlah peruntukan diukur pada nilai kini perbelanjaan yang dijangka akan diperlukan untuk menjelaskan obligasi tersebut dengan menggunakan kadar pra-cukai yang menggambarkan penilaian pasaran semasa nilai masa untuk wang dan risiko tertentu terhadap liabiliti tersebut. Di mana diskaun digunakan, peningkatan dalam jumlah sesuatu peruntukan disebabkan masa diiktirafkan sebagai kos kewangan.

2.9 Tunai dan Kesetaraan Tunai

Tunai dan kesetaraan tunai merangkumi tunai dalam tangan, baki di bank, deposit dengan bank berlesen dan pelaburan yang amat mudah cair yang boleh ditukar dengan mudah kepada amaun tunai dan tertakluk kepada risiko perubahan nilai yang tidak ketara. Penyata aliran tunai disediakan dengan menggunakan kaedah langsung.

Tunai dan kesetaraan tunai dikategori dan dinilai sebagai pinjaman dan penghutang menurut polisi Nota 2.14(c).

2.10 Manfaat Kakitangan

(i) Manfaat Kakitangan Jangka Pendek

Upah, gaji, caruman keselamatan sosial, cuti tahunan berbayar, cuti sakit berbayar, bonus dan faedah bukan kewangan diiktiraf sebagai belanja pada tahun di mana perkhidmatan berkaitan diberikan oleh kakitangan Institut.

Pampasan ketidakhadiran terkumpul seperti cuti tahunan berbayar adalah diiktiraf sebagai belanja apabila perkhidmatan adalah diberikan oleh kakitangan yang meningkatkan hak mereka bagi pampasan ketidakhadiran masa depan. Pampasan ketidakhadiran tak terkumpul seperti cuti sakit adalah diiktiraf apabila berlakunya ketidakhadiran tersebut.

(ii) Pelan Caruman Tetap

Institut memperuntukkan manfaat selepas penggajian melalui caruman kepada pelan caruman tetap yang dikendali oleh pihak berkuasa yang relevan pada kadar yang ditetapkan.

Pelan caruman tetap adalah pelan manfaat selepas penggajian di mana Institut membayar caruman tetap kepada suatu entiti berasingan (suatu dana) dan tidak mempunyai obligasi yang sah di sisi undang-undang atau konstruktif untuk membayar caruman selanjutnya sekiranya dana tersebut tidak memegang aset yang mencukupi untuk membayar semua manfaat kakitangan berkaitan dengan perkhidmatan kakitangan dalam tempoh semasa dan sebelumnya.

Caruman Institut kepada pelan caruman tetap diiktiraf sebagai belanja dalam tahun ianya berlaku.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.11 Urusniaga Matawang Asing dan Baki

Dalam menyediakan penyata kewangan Institut, urusniaga dalam matawang selain daripada matawang fungsian Institut (matawang asing) dicatatkan dalam matawang fungsian dengan menggunakan kadar pertukaran lazim pada tarikh urusniaga. Pada akhir setiap tempoh pelaporan, aset dan liabiliti kewangan dalam matawang asing diterjemahkan pada kadar pertukaran lazim pada akhir tempoh pelaporan. Item bukan kewangan yang dinilai mengikut kos sejarah dalam matawang asing diterjemahkan dengan menggunakan kadar pertukaran pada tarikh urusniaga. Butiran bukan kewangan yang dinilai pada nilai saksama dalam matawang asing diterjemahkan dengan menggunakan kadar pertukaran pada tarikh apabila nilai saksama ditentukan.

Perbezaan pertukaran yang wujud dari penyelesaian urusniaga dalam matawang asing dan dari terjemahan aset dan liabiliti kewangan dalam matawang asing diiktiraf dalam untung atau rugi.

Perbezaan pertukaran yang wujud dari terjemahan butiran bukan kewangan yang dinilai pada nilai saksama adalah termasuk dalam untung atau rugi untuk tempoh tersebut kecuali perbezaan yang wujud dari terjemahan butiran bukan kewangan di mana perolehan atau kerugian diiktiraf secara langsung dalam pendapatan komprehensif yang lain. Perbezaan pertukaran yang wujud dari butiran bukan kewangan sebegini adalah diiktiraf secara langsung dalam pendapatan komprehensif lain.

Kadar penutup pertukaran matawang asing diguna pakai dalam penyediaan penyata kewangan adalah seperti berikut:

	2016 RM	2015 RM
1 Dolar Australia	**3.24**	3.09

2.12 Cukai Pendapatan

Belanja cukai merupakan agregat amaun cukai semasa dan cukai tertunda. Cukai semasa dan cukai tertunda diiktiraf sebagai pendapatan atau perbelanjaan dalam untung atau rugi kecuali setakat di mana cukai tersebut berkaitan dengan butiran yang diiktiraf di luar untung atau rugi, sama ada dalam pendapatan komprehensif lain atau secara langsung dalam ekuiti.

Cukai semasa merupakan cukai yang dijangkakan perlu dibayar ke atas pendapatan bercukai bagi tahun tersebut dengan menggunakan kadar cukai yang dikuatkuasakan atau hampir dikuatkuasakan pada akhir tempoh pelaporan.

Cukai tertunda diperuntukkan mengikut kaedah liabiliti ke atas perbezaan sementara pada akhir tempoh pelaporan antara nilai buku aset dan liabiliti dalam penyata kewangan dengan jumlah yang digunakan bagi aset dan liabiliti tersebut untuk tujuan percukaian.

Liabiliti cukai tertunda diiktiraf bagi semua perbezaan sementara yang boleh dikenakan cukai dan aset cukai tertunda diiktiraf bagi semua perbezaan sementara yang boleh diberikan potongan dan kerugian cukai belum diserap dan kredit cukai belum guna setakat terdapat kemungkinan keuntungan bercukai masa depan akan berlaku di mana aset tersebut boleh digunakan.

Nilai buku aset cukai tertunda disemak semula pada akhir setiap tempoh pelaporan dan akan dikurangkan setakat di mana kemungkinan faedah cukai yang berkaitan tidak akan direalis.

Kadar cukai yang dikuatkuasakan atau hampir dikuatkuasakan pada akhir tempoh pelaporan adalah digunakan untuk menentukan cukai tertunda.

Aset cukai tertunda dan liabiliti cukai tertunda diimbangi apabila terdapatnya hak boleh dikuatkuasakan dari segi undang-undang untuk mengimbangi aset cukai semasa dengan liabiliti cukai semasa dan apabila ia berkaitan dengan cukai pendapatan yang dikenakan oleh pihak berkuatkuasa cukai yang sama dan Institut ingin menyelesaikan aset cukai semasa dan liabiliti cukai semasa secara asas bersih.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.13 Pengiktirafan Pendapatan dan Belanja

Yuran Ahli dan Pelajar

(i) Yuran tahunan Institut ialah 1 Januari hingga 31 Disember. Yuran tahunan ahli dan pelajar adalah dibayar terdahulu setiap tahun. Hanya yuran tahunan ahli dan pelajar yang berpunca dari tahun kewangan semasa diiktiraf sebagai pendapatan. Yuran berhubung dengan tempoh selepas tahun kewangan semasa ditunjuk dalam penyata kedudukan kewangan sebagai Yuran Pendahuluan di bawah tajuk Liabiliti Semasa

(ii) Yuran kemasukan ahli dan yuran pendaftaran pelajar diiktiraf apabila permohonan masing-masing diluluskan.

(iii) Yuran peperiksaan dan pengecualian diiktiraf apabila permohonan masing-masing diluluskan.

Pendapatan Faedah

Pendapatan faedah diiktiraf berasaskan kadar hasil efektif.

Aktiviti-aktiviti Lain

Aktiviti lain termasuk penyediaan kursus-kursus pembangunan profesional berterusan, mengendalikan bengkel peperiksaan untuk pelajar, jualan penerbitan dan buku panduan belajar MICPA dan pengelolaan aktiviti-aktiviti pembangunan profesional dan pelajar yang lain.

Dasar pengiktirafan pendapatan dan belanja bagi aktiviti-aktiviti sebegini oleh Institut adalah seperti berikut:

(i) Setakat aktiviti disempurnakan pada atau sebelum tempoh pelaporan, sebarang lebihan atau defisit diiktiraf dalam penyata pendapatan komprehensif.

(ii) Pendapatan daripada jualan penerbitan dan buku panduan belajar MICPA diiktiraf apabila kawalan fizikal bahan dipindahkan kepada pembeli.

(iii) Kos penerbitan, selain daripada buku panduan belajar, diiktiraf dalam penyata pendapatan komprehensif dalam tahun kewangan ianya berlaku.

Belanja aktiviti lain adalah berkaitan dengan belanja langsung yang boleh dikenalpasti.

2.14 Aset Kewangan

Institut mengiktiraf semua aset kewangan dalam penyata kedudukan kewangannya apabila, dan hanya apabila, Institut menjadi satu pihak berkontrak kepada peruntukan instrumen tersebut.

Klasifikasi dan Penilaian

Aset kewangan dinilai pada mulanya berdasarkan kepada nilai saksama ditambah, dalam kes di mana aset kewangan bukan pada nilai saksama melalui untung atau rugi, kos urusniaga yang berpunca secara langsungnya.

Aset kewangan adalah diklasifikasikan mengikut kategori tertentu berikut bergantung kepada sifat semulajadi dan tujuan aset kewangan tersebut dan ditentukan pada masa pengiktirafan permulaan.

(a) Aset kewangan pada nilai saksama melalui untung atau rugi

Aset kewangan diklasifikasikan pada nilai saksama melalui untung atau rugi apabila aset kewangan tersebut sama ada dipegang untuk dagangan atau ditetapkan sebegini selepas pengiktirafan permulaan.

Suatu aset kewangan diklasifikasikan sebagai dipegang untuk dagangan sekiranya:

- ianya diperolehi terutamanya untuk tujuan menjual dalam jangka masa yang terdekat; atau
- semasa pengiktirafan permulaan, ia merupakan sebahagian daripada portfolio instrumen kewangan dikenalpasti di mana Institut mengurus bersama dan mempunyai suatu corak sebenar terkini bagi mengaut untung jangka pendek; atau
- ia adalah suatu derivatif yang bukan suatu instrumen lindung nilai yang ditetapkan dan efektif.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.14 Aset Kewangan (Samb.)

Klasifikasi dan Penilaian (Samb.)

(a) Aset kewangan pada nilai saksama melalui untung atau rugi (Samb.)

Selepas pengiktirafan permulaan, aset kewangan pada nilai saksama melalui untung atau rugi dinilai pada nilai saksama dengan sebarang perolehan atau kerugian yang wujud daripada perubahan dalam nilai saksama diiktiraf dalam untung atau rugi. Perolehan atau kerugian bersih tersebut tidak termasuk sebarang perbezaan pertukaran, dividen atau faedah diperolehi daripada aset kewangan. Perbezaan pertukaran, dividen dan faedah diperolehi daripda aset kewangan pada nilai saksama melalui untung atau rugi diiktiraf secara berasingan dalam untung atau rugi sebagai sebahagian daripada pendapatan lain atau perbelanjaan lain.

Derivatif yang berkaitan dengan dan patut dijelaskan dengan menggunakan instrumen ekuiti tidak disebut harga di mana nilai saksamanya tidak dapat dinilai dengan kepastian adalah dinilai pada kos.

(b) Pelaburan dipegang sehingga matang

Pelaburan dipegang sehingga matang adalah aset kewangan bukan derivatif dengan pembayaran ditetapkan atau boleh ditentukan dan kematangan tetap di mana Institut mempunyai hasrat positif dan keupayaan untuk memegang sehingga matang.

Berikutan pengiktirafan permulaan, pelaburan dipegang sehingga matang dinilai pada kos dilunaskan dengan menggunakan kaedah kadar faedah efektif. Suatu perolehan atau kerugian diiktiraf dalam untung atau rugi apabila pelaburan dipegang sehingga matang dilucut pengiktirafan atau rosot nilai, dan melalui proses pelunasan.

(c) Pinjaman dan penghutang

Pinjaman dan penghutang adalah aset kewangan bukan derivatif dengan pembayaran ditetapkan atau boleh ditentukan yang mana tidak disebut harga dalam suatu pasaran yang aktif. Penghutang perniagaan, pinjaman dan penghutang lain diklasifikasikan sebagai pinjaman dan penghutang.

Berikutan pengiktirafan permulaan, pinjaman dan penghutang dinilai pada kos dilunaskan dengan menggunakan kaedah faedah efektif. Perolehan dan kerugian diiktiraf dalam untung atau rugi apabila pinjaman dan penghutang dilucut pengiktirafan atau rosot nilai, dan melalui proses pelunasan.

(d) Aset kewangan sedia untuk dijual

Aset kewangan sedia untuk dijual adalah aset kewangan bukan derivatif yang ditetapkan sebagai sedia untuk dijual atau tidak diklasifikasikan sebagai pinjaman dan penghutang, pelaburan dipegang sehingga matang atau pada nilai saksama melalui untung atau rugi. Aset kewangan sedia untuk dijual termasuk ekuiti disebut harga dan ekuiti tidak disebut harga dan instrumen hutang yang tidak dipegang untuk dagangan.

Berikutan pengiktirafan permulaan, ekuiti disebut harga dan instrumen hutang adalah dinilai pada nilai saksama dan pelaburan dalam instrumen ekuiti yang tidak mempunyai harga pasaran disebut harga dalam suatu pasaran aktif dan di mana nilai saksamanya tidak dapat dinilai dengan kepastian adalah dinilai pada kos. Suatu perolehan atau kerugian daripada perubahan nilai saksama diiktiraf dalam pendapatan komprehensif lain, melainkan kerugian rosot nilai, perolehan atau kerugian pertukaran asing bagi instrumen kewangan dan faedah dikira dengan menggunakan kaedah faedah efektif diiktiraf dalam untung atau rugi. Perolehan atau kerugian terkumpul diiktiraf sebelumnya dalam pendapatan komprehensif lain diklasifikasi semula daripada ekuiti kepada untung atau rugi sebagai pelarasan pengklasifikasi semula apabila aset kewangan tersebut dilucut pengiktirafannya. Dividen bagi suatu instrumen ekuiti diiktiraf dalam untung atau rugi apabila hak Institut untuk menerima bayaran adalah mantap.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.14 Aset Kewangan (Samb.)

Kaedah biasa untuk membeli atau menjual aset kewangan

Kaedah biasa untuk membeli atau menjual merupakan suatu pembelian atau penjualan suatu aset kewangan yang memerlukan penyerahan aset dalam jangka masa yang tertentu adalah ditetapkan oleh peraturan atau konvensyen dalam pasaran yang berkaitan. Kesemua kaedah biasa untuk membeli atau menjual aset kewangan adalah diiktiraf dan dilucut pengiktirafan dengan menggunakan perakaunan tarikh dagangan. Perakaunan tarikh dagangan merujuk kepada:

- pengiktirafan suatu aset diterima dan liabiliti perlu dibayarnya pada tarikh dagangan yang merupakan tarikh di mana Institut menyatakan kesanggupannya untuk membeli atau menjual suatu aset; dan
- melucutkan pengiktirafan suatu aset yang telah dijual, pengiktirafan sebarang perolehan atau kerugian ke atas penghapuskiraan dan pengiktirafan penghutang daripada pembeli untuk bayaran pada tarikh dagangan.

Rosot nilai aset kewangan

Institut menilai pada setiap akhir tempoh pelaporan sama ada terdapat sebarang bukti objektif yang mana suatu aset kewangan, selain daripada aset kewangan pada nilai saksama melalui untung atau rugi, adalah rosot nilai. Aset kewangan dianggap rosot nilai apabila bukti objektif menyatakan bahawa suatu peristiwa kerugian telah berlaku selepas pengiktirafan permulaan aset dan di mana peristiwa kerugian tersebut mempunyai kesan negatif ke atas aliran tunai masa depan dijangka aset tersebut yang boleh dijangka dengan kepastian. Kerugian dijangka yang disebabkan oleh suatu peristiwa masa depan, tidak dikira betapa berkemungkinannya, tidak diiktirafkan. Untuk suatu instrumen ekuiti disebut harga, pengurangan yang ketara atau berpanjangan dalam nilai saksama pelaburan yang kurang daripada kosnya dianggap sebagai bukti objektif rosot nilai.

Suatu jumlah kerugian rosot nilai mengenai aset kewangan dinilai pada kos dilunaskan adalah dinilai sebagai perbezaan antara nilai buku aset dan nilai kini aliran tunai masa depan dijangka didiskaunkan pada kadar faedah efektif asal aset kewangan iaitu kadar efektif dikira pada pengiktirafan permulaan. Nilai buku aset dikurangkan melalui suatu akaun peruntukan. Jumlah kerugian diiktiraf dalam untung atau rugi.

Sekiranya, dalam suatu tempoh berikutnya, jumlah kerugian rosot nilai bagi aset kewangan dinilai pada kos dilunaskan berkurangan dan kekurangan tersebut boleh dikaitkan secara objektif kepada suatu peristiwa yang berlaku selepas rosot nilai diiktiraf, kerugian rosot nilai diiktiraf sebelumnya dinyatakan semula dengan menyelaraskan peruntukan akaun kepada setakat nilai buku aset kewangan tidak melebihi kos dilunaskannya jika rosot nilai belum diiktiraf pada tarikh rosot nilai dinyatakan semula. Nilai dinyatakan semula diiktiraf dalam untung atau rugi.

Apabila suatu aset kewangan sedia untuk dijual adalah rosot nilai, kerugian terkumpul yang telah diiktiraf dalam pendapatan komprehensif lain diklasifikasikan semula daripada ekuiti dan diiktiraf dalam untung atau rugi sebagai pelarasan klasifikasi semula walaupun aset kewangan belum dilucut pengiktirafannya. Jumlah kerugian terkumpul yang diklasifikasikan semula adalah perbezaan antara kos perolehan (tolak sebarang bayaran semula wang pokok dan pelunasan) dan nilai saksama semasa, tolak sebarang kerugian rosot nilai ke atas aset kewangan yang diiktiraf sebelumnya dalam untung atau rugi.

Kerugian rosot nilai diiktiraf dalam untung atau rugi untuk suatu pelaburan dalam instrumen ekuiti yang diklasifikasikan sebagai sedia untuk dijual adalah tidak dinyatakan semula melalui untung atau rugi. Peningkatan dalam nilai saksama, sekiranya ada, berikutan kerugian rosot nilai, diiktiraf dalam pendapatan komprehensif lain.

Sekiranya nilai saksama suatu instrumen hutang diklasifikasikan sebagai sedia untuk dijual, peningkatan dalam tempoh berikutnya dan peningkatan tersebut dapat dikaitkan secara objektif kepada suatu peristiwa yang berlaku selepas kerugian rosot nilai diiktiraf dalam untung atau rugi, kerugian rosot nilai dinyatakan semula dengan nilai penyataan semula diiktiraf dalam untung atau rugi.

Suatu jumlah kerugian rosot nilai berkaitan dengan aset kewangan dibawa pada kos dinilai sebagai perbezaan antara nilai buku aset kewangan dan nilai semasa aliran tunai masa depan dijangka yang didiskaunkan pada kadar pulangan pasaran semasa untuk aset kewangan yang sama. Kerugian rosot nilai sebegini tidak dinyatakan semula dalam tempoh-tempoh berikutnya.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.14 Aset Kewangan (Samb.)

Melucutkan pengiktirafan suatu aset kewangan

Institut melucut pengiktirafan suatu aset kewangan apabila, dan hanya apabila, hak kontraktual kepada aliran tunai daripada aset kewangan tamat atau ia memindah aset kewangan tersebut tanpa mengekal kawalan atau hampir-hampir semua risiko dan ganjaran pemilik aset kewangan kepada pihak lain.

Dengan melucutkan pengiktirafan aset kewangan secara keseluruhannya, perbezaan antara nilai buku dan jumlah pertimbangan diterima dan sebarang perolehan atau kerugian terkumpul yang telah diiktiraf dalam pendapatan komprehensif lain adalah diiktiraf dalam untung atau rugi.

2.15 Liabiliti Kewangan

Institut mengiktiraf semua liabiliti kewangan dalam penyata kedudukan kewangannya apabila, dan hanya apabila, Institut menjadi satu pihak berkontrak kepada peruntukan instrumen tersebut.

Klasifikasi dan Penilaian

Liabiliti kewangan dinilai pada mulanya berdasarkan kepada nilai saksama ditambah, dalam kes liabiliti kewangan lain, kos urusniaga yang berpunca secara langsungnya.

Liabiliti kewangan adalah diklasifikasikan sebagai sama ada liabiliti kewangan pada nilai saksama melalui untung atau rugi atau liabiliti kewangan lain.

(a) Liabiliti kewangan pada nilai saksama melalui untung atau rugi

Liabiliti kewangan adalah diklasifikasikan pada nilai saksama melalui untung atau rugi apabila liabiliti kewangan adalah sama ada dipegang untuk dagangan atau ditetapkan pada nilai saksama melalui untung atau rugi selepas pengiktirafan permulaan.

Suatu liabiliti kewangan diklasifikasikan sebagai dipegang untuk dagangan sekiranya:

- ia telah diperolehi terutamanya untuk tujuan membeli semula dalam jangka masa terdekat; atau
- semasa pengiktirafan permulaan, ia merupakan sebahagian daripada portfolio instrumen kewangan dikenalpasti di mana Institut mengurus bersama dan mempunyai suatu corak sebenar terkini bagi mengaut untung jangka pendek; atau
- ia adalah suatu derivatif yang bukan suatu kontrak jaminan kewangan atau suatu instrumen lindung nilai yang ditetapkan dan efektif.

Selepas pengiktirafan permulaan, liabiliti kewangan pada nilai saksama melalui untung atau rugi adalah dinilai pada nilai saksama dengan sebarang perolehan atau kerugian yang wujud daripada perubahan dalam nilai saksama diiktiraf dalam untung atau rugi. Perolehan atau kerugian bersih diiktiraf dalam untung atau rugi tidak termasuk sebarang perbezaan pertukaran atau faedah dibayar pada liabiliti kewangan. Perbezaan pertukaran dan belanja faedah ke atas liabiliti kewangan pada nilai saksama melalui untung atau rugi diiktiraf secara berasingan dalam untung atau rugi sebagai sebahagian pendapatan lain atau belanja lain.

Liabiliti derivatif yang berkaitan dengan dan mesti dijelaskan dengan menggunakan instrumen ekuiti tidak disebut harga yang nilai saksamanya tidak dapat dinilai dengan kepastian adalah dinilai pada kos.

(b) Liabiliti kewangan lain

Semua liabiliti kewangan, selain daripada yang diklasifikasikan sebagai nilai saksama melalui untung atau rugi, adalah kemudiannya dinilai pada kos dilunaskan dengan menggunakan kaedah faedah efektif. Liabiliti kewangan lain Institut termasuk yuran pendahuluan dan pemiutang.

Suatu perolehan atau kerugian ke atas liabiliti kewangan lain diiktiraf dalam untung atau rugi apabila liabiliti kewangan dilucut pengiktirafan dan melalui proses pelunasan.

2. ASAS PENYEDIAAN DAN RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMB.)

2.15 Liabiliti Kewangan (Samb.)

Liabiliti kewangan dilucut pengiktirafan

Suatu liabiliti kewangan dilucut pengiktirafan apabila, dan hanya apabila, obligasi tertentu dalam kontrak telah lupus. Apabila liabiliti kewangan yang sedia ada ditukar dengan peminjam yang sama dengan syarat yang amat berbeza atau syarat liabiliti sedia ada yang sebahagian besarnya diubah suai, maka ianya diambilkira sebagai suatu pelupusan liabiliti kewangan asal dan liabiliti kewangan baru diiktirafkan. Perbezaan antara nilai buku liabiliti kewangan yang dilupuskan atau dipindah kepada pihak lain dan ganjaran yang dibayar, termasuk aset bukan tunai yang dipindah atau liabiliti yang diandaikan, adalah diiktiraf dalam untung atau rugi.

2.16 Mengofset Instrumen Kewangan

Aset kewangan dan liabiliti kewangan diofset apabila Institut mempunyai hak boleh kuatkusasa di sisi undang-undang untuk mengofset dan bercadang untuk sama ada menyelesaikan pada asas bersih, atau merealisasikan aset dan menyelesaikan liabiliti pada masa yang sama.

2.17 Pengukuran Nilai Saksama

Nilai saksama sesuatu aset atau liabiliti, selain untuk urus niaga berasaskan saham dan urus niaga pajakan, adalah harga yang akan diterima untuk jualan aset atau bayaran untuk memindahkan liabiliti di dalam urus niaga teratur di antara peserta pasaran pada tarikh pengukuran. Pengukuran ini beranggapan bahawa urus niaga jualan aset atau pindahan liabiliti berlaku sama ada dalam pasaran utama atau dalam pasaran paling menguntungkan, ketika ketiadaan pasaran utama. Untuk aset bukan kewangan, pengukuran nilai saksama mengambil kira keupayaan peserta pasaran untuk menjana manfaat ekonomi dengan menggunakan aset tersebut dalam keadaan yang terbaik dan tertinggi atau dengan menjualnya kepada peserta pasaran yang akan menggunakan aset tersebut dalam keadaan yang terbaik dan tertinggi.

Apabila mengukur nilai saksama, Institut memaksimumkan penggunaan input yang dapat diperhatikan yang berkaitan dan mengurangkan penggunaan input yang tidak dapat diperhatikan. Ukuran nilai saksama dikategorikan kepada beberapa tahap yang berbeza dalam hieraki nilai saksama berdasarkan pada input yang digunakan dalam teknik penilaian seperti berikut:

Tahap 1: Harga yang disebut (tidak diselaraskan) di dalam pasaran aktif bagi aset atau liabiliti yang sama.;

Tahap 2: Input selain daripada harga yang disebut termasuk dalam Tahap 1 yang diperhatikan bagi aset atau liabiliti, sama ada secara langsung (iaitu sebagai harga) atau tidak langsung (diperoleh daripada harga); dan;

Tahap 3: Input bagi aset atau liabiliti yang tidak berdasarkan data pasaran yang boleh dilihat (input tidak dapat diperhatikan).

3. PERTIMBANGAN PERAKAUNAN PENTING DAN SUMBER UTAMA KETIDAKPASTIAN ANGGARAN

Penyediaan penyata kewangan mengikut Piawaian Pelaporan Kewangan Malaysia memerlukan Majlis untuk mengamal pertimbangan mereka dalam proses penggunaan pakai polisi perakaunan Institut dan mungkin mempunyai kesan ketara ke atas jumlah yang diiktirafkan dalam penyata kewangan. Ia juga memerlukan penggunaan anggaran-anggaran perakaunan dan andaian-andaian yang mempengaruhi jumlah aset dan liabiliti yang dilaporkan dan pendedahan aset dan liabiliti luar jangka pada tarikh penyata kewangan dan keputusan yang dilaporkan bagi tempoh pelaporan dan berkemungkinan mempunyai risiko ketara yang menyebabkan suatu pelarasan yang penting kepada nilai buku aset dan liabiliti dalam tahun kewangan depan. Walaupun pertimbangan dan anggaran tersebut berasaskan kepada pengetahuan terbaik Majlis mengenai peristiwa dan tindakan semasa, keputusan sebenar mungkin berbeza.

Anggaran-anggaran dan andaian-andaian asas adalah disemak semula secara berterusan. Semakan semula kepada anggaran perakaunan adalah diiktiraf dalam tempoh di mana anggaran tersebut disemak semula jika semakan semula hanya mempengaruhi tempoh tersebut, atau dalam tempoh semakan semula dan tempoh masa depan jika semakan semula tersebut mempengaruhi tempoh semasa dan tempoh masa depan.

3. PERTIMBANGAN PERAKAUNAN PENTING DAN SUMBER UTAMA KETIDAKPASTIAN ANGGARAN (SAMB.)

(a) Pertimbangan penting dalam mengguna pakai polisi perakaunan Institut

Dalam proses mengguna pakai polisi perakaunan Institut, yang dinyatakan dalam Nota 2, Majlis berpendapat bahawa sebarang contoh penggunaan pertimbangan adalah tidak dijangka mempunyai kesan ketara ke atas jumlah yang diiktirafkan dalam penyata kewangan, melainkan anggaran yang melibatkan penganggaran yang ditangani di bawah.

(b) Sumber utama ketidakpastian anggaran

Andaian utama mengenai masa depan dan sumber utama ketidakpastian anggaran lain pada tarikh pelaporan, yang mempunyai suatu risiko ketara yang menyebabkan suatu pelarasan yang penting kepada nilai buku aset dan liabiliti dalam tahun kewangan depan, adalah dibincangkan di bawah:

(i) Cukai pendapatan dan cukai tertunda

Pertimbangan diperlukan untuk menentukan peruntukan modal dan potongan belanja tertentu apabila menganggarkan peruntukan cukai pendapatan. Terdapat urusniaga di mana penetapan cukai muktamad adalah tidak pasti dalam keadaan biasa dagangan. Institut mengiktiraf liabiliti berasaskan kepada anggaran sama ada cukai tambahan kena dibayar. Sekiranya keputusan cukai muktamad berkenaan perkara tersebut berbeza daripada jumlah yang dicatatkan pada mulanya, perbezaan tersebut akan memberi kesan kepada cukai pendapatan dan cukai tertunda dalam tempoh di mana keputusan diketahui.

(ii) Susut nilai loji dan peralatan

Kos loji dan peralatan disusut nilai berasaskan garis lurus ke atas hayat berguna aset. Majlis menganggarkan hayat berguna loji dan peralatan adalah di antara tempoh 3 tahun dan 10 tahun. Perubahan dalam anggaran tahap penggunaan dan pembangunan teknologi boleh memberi kesan ke atas hayat berguna ekonomi dan nilai sisa aset tersebut. Oleh yang demikian, caj susut nilai untuk masa depan mungkin disemak semula.

(iii) Kerugian rosot nilai penghutang dagangan

Institut membuat suatu peruntukan untuk kerugian rosot nilai berdasarkan kepada penilaian pemulihan daripada penghutang. Peruntukan diguna pakai ke atas penghutang di mana terdapat peristiwa atau perubahan dalam keadaan yang menyatakan bahawa nilai buku mungkin tidak dapat dipulihkan semula. Dalam penilaian tahap hutang yang tidak dapat dipulihkan semula, Majlis telah memberi pertimbangan yang sewajarnya kepada semua maklumat penting berkenaan kesanggupan penghutang untuk menjelaskan hutang. Sekiranya jangkaan adalah berbeza daripada anggaran asal, perbezaan tersebut akan memberi kesan kepada nilai buku penghutang. Nilai buku penghutang dan peruntukan terkumpul untuk kerugian rosot nilai adalah didedahkan dalam Nota 7.

(iv) Pelunasan aset tak ketara – perisian komputer

Perisian komputer mewakili kos perisian yang diperolehi. Kos perisian yang diperolehi, termasuk semua kos langsung berpunca dari menyediakan aset tersebut untuk tujuan kegunaannya dilunaskan berasaskan garis lurus kepada belanja kendalian ke atas hayat berguna dijangka selama 3 tahun. Perubahan dalam anggaran tahap penggunaan dan pembangunan teknologi boleh memberi kesan ke atas hayat berguna ekonomi perisian komputer tersebut. Oleh yang demikian, caj pelunasan nilai untuk masa depan mungkin disemak semula.

4. LOJI DAN PERALATAN

2016	Peralatan Pejabat RM	Perabot dan lengkapan RM	Sistem kawalan RM	Komputer RM	Jumlah RM
Kos					
Pada awal tahun	94,144	99,389	6,663	191,057	391,253
Tambahan	1,730	397	-	6,664	8,791
Dihapuskira	(7,800)	-	-	-	(7,800)
Pada akhir tahun	88,074	99,786	6,663	197,721	392,244
Susut nilai terkumpul					
Pada awal tahun	82,313	89,166	3,941	180,820	356,240
Susut nilai bagi tahun kewangan	4,886	2,079	364	8,781	16,110
Dihapuskira	(7,800)	-	-	-	(7,800)
Pada akhir tahun	79,399	91,245	4,305	189,601	364,550
Nilai buku bersih pada 31 Disember 2016	8,675	8,541	2,358	8,120	27,694

2015	Peralatan Pejabat RM	Perabot dan lengkapan RM	Sistem kawalan RM	Komputer RM	Jumlah RM
Kos					
Pada awal tahun	92,730	95,836	6,663	180,575	375,804
Tambahan	1,414	3,553	-	10,482	15,449
Pada akhir tahun	94,144	99,389	6,663	191,057	391,253
Susut nilai terkumpul					
Pada awal tahun	76,752	87,127	3,577	171,623	339,079
Susut nilai bagi tahun kewangan	5,561	2,039	364	9,197	17,161
Pada akhir tahun	82,313	89,166	3,941	180,820	356,240
Nilai buku bersih pada 31 Disember 2015	11,831	10,223	2,722	10,237	35,013

5. ASET TAK KETARA – PERISIAN KOMPUTER

	2016 RM	2015 RM
Kos		
Baki pada 1 Januari	**439,252**	406,214
Tambahan	**–**	33,038
Baki pada 31 Disember	**439,252**	439,252
Pelunasan terkumpul		
Baki pada 1 Januari	**417,117**	406,214
Pelunasan dalam tahun semasa	**10,903**	10,903
Baki pada 31 Disember	**428,020**	417,117
Nilai buku bersih	**11,232**	22,135

Aset tak ketara merangkumi kos perisian yang diperolehi untuk portal ahli dan pelajar Institut. Kos perisian yang diperolehi, termasuk semua kos langsung berpunca dari menyediakan aset tersebut untuk tujuan kegunaannya dan dilunaskan pada dasar garis lurus dalam tempoh 3 tahun (2015: 3 tahun).

6. KOS PEMBANGUNAN BUKU PANDUAN BELAJAR

	2016 RM	2015 RM
Kos		
Baki pada 1 Januari	**210,500**	763,524
Tambahan	**8,360**	–
Dihapuskira	**–**	(553,024)
Baki pada 31 Disember	**218,860**	210,500
Pelunasan dan kerugian rosot nilai terkumpul		
Baki pada 1 Januari:		
Pelunasan terkumpul	**202,200**	755,224
Kerugian rosot nilai terkumpul	**8,300**	8,300
	210,500	763,524
Pelunasan dalam tahun semasa	**–**	(553,024)
Baki pada 31 Disember:		
Pelunasan terkumpul	**202,200**	202,200
Kerugian rosot nilai terkumpul	**8,300**	8,300
	210,500	210,500
Nilai buku bersih	**8,360**	–

7. PENGHUTANG, PRABAYARAN DAN DEPOSIT

	2016 RM	2015 RM
Hutang dari Ulasan Belanjawan 2017/2016	**98,208**	46,962
Hutang dari pertandingan NACRA	**13,257**	32,527
Yuran belum diterima	**1,259,094**	456,881
Hutang daripada Tabung Amanah Pendidikan MACPA	**4,123**	6,671
Pelbagai penghutang	**7,366**	18,414
	1,382,048	561,455
Tolak: Peruntukan untuk kerugian rosot nilai pada yuran belum diterima	**(47,178)**	(35,785)
Jumlah belum terima	**1,334,870**	525,670
Prabayaran	**30,020**	52,279
Deposit	**21,694**	21,144
	1,386,584	599,093

Yuran belum terima dari ahli-ahli semasa adalah matang pada 1 Januari dan perlu dijelaskan pada 30 Jun setiap tahun manakala ahli-ahli baru perlu jelaskan pada atau dalam jangka masa dua bulan dari kemasukan. Tiada tempoh kredit yang tetap untuk penghutang-penghutang bagi aktiviti-aktiviti lain.

Pada akhir tempoh pelaporan, Institut mempunyai tumpuan risiko kredit yang ketara disebabkan pendedahan kepada amaun terhutang oleh 2 agensi kerajaan berjumlah RM838,133 (2015 : RM95,648). Agregat amaun belum dijelaskan dianggarkan sebanyak 63% (2015: 18%) daripada jumlah belum diterima.

Institut telah mengiktiraf suatu kerugian rosot nilai penghutang berdasarkan penilaian hutang individu oleh pengurusan yang menganggap bahawa besar kemungkinan mereka akan gagal dalam pembayaran. Institut tidak memegang sebarang cagaran atau penambahan kredit ke atas baki-baki tersebut. Amaun rosot nilai individu diiktiraf oleh Institut adalah seperti berikut:

(a) Analisa penghutang:

	2016 RM	2015 RM
Nilai buku penghutang sebelum rosot nilai	**1,382,048**	561,455
Tolak: Peruntukan untuk kerugian rosot nilai pada yuran belum diterima	**(47,178)**	(35,785)
	1,334,870	525,670

(b) Perubahan peruntukan untuk kerugian rosot nilai sepanjang tahun kewangan adalah seperti berikut:

	2016 RM	2015 RM
Baki pada 1 Januari	**35,785**	26,832
Kerugian rosot nilai tambahan	**40,999**	31,539
Diperolehi semula	**(16,321)**	(8,920)
Dihapuskira	**(13,285)**	(13,666)
Baki pada 31 Disember	**47,178**	35,785

7. PENGHUTANG, PRABAYARAN DAN DEPOSIT (SAMB.)

(c) Analisa jangka masa penghutang Institut adalah seperti berikut:

	2016 RM	2015 RM
Belum lepasi tempoh matang atau rosot nilai	**115,588**	97,225
0 hingga 30 hari lepasi tempoh matang	**618,969**	161,828
31 hingga 60 hari lepasi tempoh matang	**79,510**	30,118
61 hingga 90 hari lepasi tempoh matang	**340,528**	28,644
Melebihi 90 hari lepasi tempoh matang	**227,453**	243,640
	1,382,048	561,455
Peruntukan untuk kerugian rosot nilai	**(47,178)**	(35,785)
	1,334,870	525,670

Penghutang yang belum lepasi tempoh bayaran atau dirosot nilai

Penghutang yang belum lepasi tempoh bayaran atau dirosot nilai adalah merupakan penghutang yang dipercayai kreditnya di mana rekod bayaran dengan Institut adalah baik. Tidak terdapat perubahan yang ketara telah berlaku dalam kualiti kredit penghutang tersebut yang masih dianggap dapat diperolehi semula. Institut tidak memegang sebarang cagaran ke atas baki-baki tersebut.

Penghutang yang lepasi tempoh bayaran tetapi tidak dirosot nilai

Penghutang yang lepasi tempoh bayaran tetapi tidak dirosot nilai adalah berkaitan dengan ahli-ahli dan sesetengah penghutang yang dipercayai kreditnya. Tidak terdapat perubahan ketara telah berlaku dalam kualiti kredit mereka. Institut percaya bahawa amaun tersebut masih dianggap dapat diperolehi semula dengan sepenuhnya. Institut tidak memegang sebarang cagaran ke atas baki-baki tersebut.

8. SIMPANAN TETAP

	2016 RM	2015 RM
Simpanan tetap dengan sebuah bank berlesen	**4,044,498**	3,960,197

Kadar faedah efektif purata berwajaran untuk simpanan tetap pada akhir tempoh pelaporan adalah 2.98% (2015: 3.28%) setahun.

Tempoh matang purata simpanan tetap tersebut adalah 3 bulan (2015: 2.9 bulan).

9. PEMIUTANG DAN AKRUAN

	2016 RM	2015 RM
Pemiutang lain	**1,177,818**	1,122,652
Akruan	**591,306**	473,174
	1,769,124	1,595,826

Profil pendedahan matawang pemiutang dan akruan adalah seperti berikut:

	2016 RM	2015 RM
Ringgit Malaysia	**1,450,292**	1,224,566
Dolar Australia	**318,832**	371,260
	1,769,124	1,595,826

10. PENDAPATAN DAN BELANJA AKTIVITI LAIN

2016	Pendapatan RM	Belanja RM	Lebihan/ (Defisit) RM
Pembangunan profesional berterusan	570,226	375,905	194,321
Program PPAS-MICPA	150,586	133,474	17,112
Majlis jamuan tahunan	98,349	108,561	(10,212)
Anugerah kecemerlangan MICPA	13,949	31,055	(17,106)
Jurnal dan penerbitan	38,673	7,086	31,587
Perhimpunan ahli-ahli tidak formal	7,886	7,735	151
Buku panduan belajar MICPA	4,250	4,201	49
Minggu perakaunan	39,645	37,548	2,097
	923,564	705,565	217,999
Aktiviti yang dikelolakan bersama pertubuhan lain:			
Pertandingan NACRA	1,862	-	1,862
Ulasan Belanjawan 2017	97,954	-	97,954
	99,816	-	99,816
	1,023,380	705,565	317,815

10. PENDAPATAN DAN BELANJA AKTIVITI LAIN (SAMB.)

2015	Pendapatan RM	Belanja RM	Lebihan/ (Defisit) RM
Pembangunan profesional berterusan	386,769	244,779	141,990
Majlis jamuan tahunan	95,519	108,941	(13,422)
Anugerah kecemerlangan MICPA	15,911	30,698	(14,787)
Jurnal dan penerbitan	31,731	6,963	24,768
Perhimpunan ahli-ahli tidak formal	32,378	25,940	6,438
Buku panduan belajar MICPA	2,000	6,000	(4,000)
Syarahan kenangan dan jamuan	76,300	75,930	370
Minggu perakaunan	36,141	34,619	1,522
Bengkel Pelajar	117,900	117,900	–
	794,649	651,770	142,879
Aktiviti yang dikelolakan bersama pertubuhan lain:			
Pertandingan NACRA	21,131	–	21,131
Ulasan Belanjawan 2016	92,097	–	92,097
	113,228	–	113,228
	907,877	651,770	256,107

Belanja bagi aktiviti-aktiviti di atas merupakan belanja langsung yang dapat dikenalpasti sahaja dan tidak termasuk belanja overhed.

11. PENDAPATAN LAIN

	2016 RM	2015 RM
Rebat afiniti – akses langsung	**4,831**	6,288
Denda diterima daripada prosiding disiplin	**19,800**	24,728
Faedah simpanan tetap	**122,106**	126,027
Lain-lain	**6,652**	3,190
	153,389	160,233

12. BELANJA KENDALIAN

	2016 RM	2015 RM
Peperiksaan profesional dan pendidikan		
Belanja langsung peperiksaan	**559,154**	645,206
Bayaran teknikal	**497,055**	516,511
Belanja promosi	**76,839**	140,997
	1,133,048	1,302,714
Pembangunan profesional		
Belanja pembangunan profesional	**210,929**	244,107
Jurnal dan pernyataan teknikal	**172,764**	157,369
	383,693	401,476
Pengurusan am		
Belanja mesyuarat agung tahunan dan mesyuarat Majlis	**11,579**	8,386
Pelunasan aset tidak ketara – perisian komputer (Nota 5)	**10,903**	10,903
Ganjaran juruaudit	**23,000**	18,000
Bayaran bank	**43,750**	38,859
Caruman kepada 1Malaysia GRIP	**6,130**	3,446
Susut nilai loji dan peralatan (Nota 4)	**16,110**	17,161
Elektrik dan air	**33,440**	32,475
Belanja am	**13,448**	11,863
Belanja GST	**725**	195
Kerugian rosot nilai penghutang	**24,678**	22,619
Insuran	**17,883**	14,698
Inventori dihapuskirakan	**322**	–
Bayaran perundangan dan profesional	**6,500**	15,409
Penyelenggaraan	**24,933**	27,372
Belanja perubatan	**11,723**	13,518
Sewa pejabat	**120,000**	120,000
Majalah dan stok perpustakaan	**11,446**	10,188
Pos dan telefon	**81,634**	87,543
Percetakan dan alatulis	**73,679**	76,001
Kerugian pertukaran asing yang direalisasi	**387**	1,061
Kos kakitangan		
– Kumpulan Wang Simpanan Pekerja dan SOCSO	**339,061**	318,418
– Gaji dan bonus	**2,311,831**	2,186,902
Latihan staff	**360**	3,916
Dana rekreasi pekerja	**7,077**	3,571
Yuran kepada badan perakaunan antarabangsa	**75,610**	49,217
Belanja perjalanan	**154,223**	153,912
Penghapuskiraan penghutang tidak dapat diperolehi semula	**50,135**	30,319
Kerugian pertukaran asing yang belum direalisasi	**16,005**	19,228
	3,486,572	3,295,180
	5,003,313	4,999,370

Angka-angka perbandingan diatas telah diklasifikasikan semula atau dipinda untuk disesuaikan dengan pembentangan tahun semasa.

13. CUKAI

(a) Bagi tujuan cukai, Institut ditaksirkan sebagai "Persatuan Dagangan" di bawah seksyen 53(3) Akta Cukai Pendapatan, 1967, di mana pendapatannya dikenakan cukai mengikut kadar skala.

	2016 RM	2015 RM
Pendapatan cukai	**17,205**	–

(b) Penyelarasan berangka di antara kadar cukai efektif dan kadar cukai dikenakan bagi Institut adalah seperti berikut:

	2016 %	2015 %
Kadar cukai dikenakan	**19.61**	18.43
Kesan cukai berkaitan dengan:		
Pendapatan tidak dikenakan cukai	**(68.12)**	(68.40)
Belanja tidak dibenarkan	**5.47**	3.05
Penjimatan cukai disebabkan penggunaan kerugian cukai dan peruntukan modal belum diserap yang tidak diiktiraf sebelum ini	**(20.78)**	–
Pendapatan cukai tertunda tidak diiktirafkan	**70.12**	46.92
Kadar cukai efektif	**6.30**	–

(c) Tertakluk kepada persetujuan dengan Lembaga Hasil Dalam Negeri, Institut mempunyai kerugian cukai belum serap dan peruntukan modal belum guna, masing-masing berjumlah RM2,510,253 (2015 : RM2,679,460) dan TIADA (2015 : RM119,847) di mana boleh digunakan untuk mengimbangi lebihan kena dibayar cukai pada masa hadapan.

14. CUKAI TERTUNDA

Cukai tertunda ditentukan selepas imbangan sewajarnya adalah seperti berikut:

	2016 RM	2015 RM
Liabiliti cukai tertunda	**2,119**	2,415
Aset cukai tertunda	**(2,119)**	(2,415)
Cukai tertunda bersih	**–**	–

14. CUKAI TERTUNDA (SAMB.)

(a) Komponen-komponen dan perubahan-perubahan liabiliti dan aset cukai tertunda pada tahun kewangan adalah seperti berikut:

2016	Pada 1 Januari RM	Diiktiraf dalam untung atau rugi RM	Pada 31 Disember RM
Liabiliti cukai tertunda			
Lebihan peruntukan modal ke atas susut nilai	**2,415**	**(296)**	**2,119**
Aset cukai tertunda			
Perbezaan sementara boleh kurang lain	**–**	**(2,119)**	**(2,119)**
Elaun modal belum guna	**(2,415)**	**2,415**	**–**
	(2,415)	**296**	**(2,119)**

2015	Pada 1 Januari RM	Diiktiraf dalam untung atau rugi RM	Pada 31 Disember RM
Liabiliti cukai tertunda			
Lebihan peruntukan modal ke atas susut nilai	3,530	(1,115)	2,415
Aset cukai tertunda			
Elaun modal belum guna	(3,530)	1,115	(2,415)

(b) Jumlah kerugian cukai belum serap, peruntukan modal belum guna dan perbezaan sementara boleh kurang lain di mana aset cukai tertunda belum diiktiraf dalam penyata kewangan adalah seperti berikut:

	2016 RM	2015 RM
Kerugian cukai belum diserap	**2,510,253**	2,657,432
Elaun modal belum guna	**–**	83,466
Perbezaan sementara boleh kurang lain	**960,784**	–
	3,471,037	2,740,898

Kerugian cukai belum diserap adalah berkaitan dengan aktiviti-aktiviti yang tidak dikecualikan cukai dan di mana keuntungan boleh dikenakan cukai masa hadapan adalah tidak berkemungkinan.

15. TUNAI DAN KESETARAAN TUNAI

Tunai dan kesetaraan tunai terdiri daripada tunai dalam tangan dan baki di bank dan simpanan tetap. Tunai dan kesetaraan tunai termasuk dalam penyata aliran tunai terdiri daripada amaun di penyata kedudukan kewangan seperti berikut:

	2016 RM	2015 RM
Simpanan tetap	**4,044,498**	3,960,197
Tunai dan baki di bank	**221,198**	214,481
	4,265,696	4,174,678

16. URUSNIAGA PIHAK BERKAITAN

Urusniaga yang diuruskan dengan pihak berkaitan pada tahun kewangan adalah seperti berikut:

(a) Yuran dibayar oleh Ahli-ahli Majlis

	2016 RM	2015 RM
Yuran tahunan ahli	**18,215**	17,670
Yuran sijil pengamalan	**12,100**	11,550
	30,315	29,220

(b) Pampasan kakitangan pengurusan utama

Kakitangan pengurusan utama adalah mereka yang mempunyai kuasa dan tanggungjawab untuk merancang, memberi arahan dan mengawal aktiviti Institut sama ada secara langsung atau tidak langsung. Kakitangan pengurusan utama Institut adalah Ahli-ahli Majlis dan Setiausaha dan ganjaran mereka bagi tahun kewangan adalah seperti berikut:

	2016 RM	2015 RM
Faedah pekerja jangka pendek	**574,000**	539,000
Faedah selepas penggajian		
– sumbangan kepada Kumpulan Wang Simpanan Pekerja	**86,100**	80,850
	660,100	619,850

Baki belum dijelaskan pada akhir tahun berkaitan dengan pampasan kena dibayar kepada kakitangan pengurusan utama adalah seperti berikut:

	2016 RM	2015 RM
Termasuk dalam pemiutang dan akruan	**82,000**	77,000

17. INSTRUMEN KEWANGAN

Suatu instrumen kewangan adalah sebarang kontrak yang menimbulkan kedua-dua aset kewangan bagi satu pihak perniagaan dan liabiliti kewangan atau instrumen ekuiti bagi satu pihak perniagaan yang lain.

Aset kewangan Institut merangkumi penghutang, simpanan tetap dan wang tunai dan baki di bank.

Liabiliti kewangan Institut merangkumi pemiutang dan akruan.

(a) Kategori Instrumen Kewangan

Berikut adalah butiran aset kewangan dan liabiliti kewangan Institut yang dianalisa mengikut kategori:

	2016 RM	2015 RM
Aset Kewangan		
Pinjaman dan penghutang		
Penghutang dan deposit	**1,356,564**	546,814
Simpanan tetap dengan bank berlesen	**4,044,498**	3,960,197
Wang tunai dan baki di bank	**221,198**	214,481
Jumlah pinjaman dan penghutang	**5,622,260**	4,721,492
Liabiliti Kewangan		
Liabiliti kewangan dinilai pada kos dilunaskan		
Pemiutang, tidak termasuk Cukai Barangan dan Perkhidmatan belum bayar	**1,126,958**	1,097,254
Akruan	**591,306**	473,174
Jumlah liabiliti kewangan dinilai pada kos dilunaskan	**1,718,264**	1,570,428

(b) Pengurusan Risiko Kewangan

Objektif Institut dalam pengurusan risiko kewangan secara keseluruhan adalah untuk menangani dan mengawal risiko yang dihadapi oleh Institut dan untuk meminimumkan atau mengelak daripada berlakunya kerugian yang mungkin disebabkan oleh pendedahannya kepada risiko sebegini dan untuk menambahkan pulangan sekiranya sesuai.

Risiko-risiko utama yang wujud daripada aktiviti Institut adalah risiko kredit, risiko mudah cair, risiko kadar faedah dan risiko matawang. Majlis menyemak semula dan bersetuju dengan dasar-dasar untuk mengurus setiap risiko tersebut dan adalah diringkaskan seperti di bawah:

(i) Risiko Kredit

Risiko kredit adalah risiko kerugian kewangan yang disebabkan kegagalan pihak yang berkontrak dengan Institut untuk melaksanakan obligasinya. Pendedahan utama kepada risiko kredit Institut adalah berkaitan dengan penghutang dan deposit, simpanan tetap dan baki di bank. Pihak-pihak berurusniaga adalah ahli-ahli, institusi perbankan berlesen dan organisasi profesional. Adalah menjadi dasar Institusi untuk memantaui kedudukan kewangan pihak-pihak berurusniaga secara berterusan untuk memastikan bahawa pendedahan Institusi terhadap risiko kredit adalah minimum.

Pada tarikh pelaporan, Institut mempunyai yuran yang belum diterima sebanyak RM1,211,916 (2015: RM421,096) yang telah berhutang melebihi 30 hari dan baki di bank dan simpanan tetap sebanyak RM4,263,696 (2015: RM4,172,678) dengan beberapa institusi perbankan berlesen yang utama di Malaysia.

Selain daripada yang tersebut dan di dalam Nota 7, Institut tidak mempunyai tumpuan risiko kredit yang ketara. Pendedahan maksimum kepada risiko kredit diwakili oleh nilai buku aset kewangan pada tarikh pelaporan.

17. INSTRUMEN KEWANGAN (SAMB.)

(b) Pengurusan Risiko Kewangan (Samb.)

(ii) Risiko Kecairan dan Aliran Tunai

Risiko kecairan atau pembiayaan adalah risiko di mana tidak dapat memenuhi komitmen yang berkaitan dengan instrumen kewangan sementara risiko aliran tunai adalah risiko ketidakpastian amaun aliran tunai masa depan yang berkaitan dengan instrumen kewangan.

Institut mengamalkan pengurusan risiko kecairan hemat untuk meminimumkan ketidakpadanan antara aset dan liabiliti kewangan dan mengekalkan dana yang mencukupi untuk keperluan pembiayaan modal kerja luar jangka.

Analisa Kematangan

Profil kematangan liabiliti kewangan Institut yang kurang dari 1 tahun pada akhir tempoh pelaporan berasaskan kepada bayaran kontraktual yang belum didiskaunkan adalah seperti berikut:

	2016 RM	2015 RM
Pemiutang lain	**1,177,818**	1,122,652
Akruan	**591,306**	473,174

(iii) Risiko Pasaran

Risiko pasaran adalah risiko di mana nilai instrument kewangan akan berubah disebabkan perubahan harga pasaran.

Pendedahan risiko pasaran utama Institut adalah perubahan kadar matawang dan faedah dan di mana dibincangkan di bawah tajuk risiko masing-masing.

Risiko Kadar Faedah

Institut juga didedahkan kepada risiko kadar faedah terhadap simpanan tetapnya dengan bank-bank berlesen. Institut menjangka bahawa sebarang perubahan kadar faedah simpanan tetap tidak akan memberi kesan yang ketara kepada keputusan kewangan Institut.

Analisa Sensitiviti Risiko Kadar Faedah

Disebabkan simpanan tetap Institut pada akhir tempoh pelaporan berasaskan kepada kadar tetap, perubahan kadar faedah pada akhir tempoh pelaporan tidak akan memberi kesan ke atas keputusan kewangan Institut.

Risiko Matawang

Risiko matawang adalah berkaitan dengan urusniaga yang didenominasikan dalam matawang asing.

Institut terdedah kepada risiko matawang terutamanya disebabkan oleh bayaran yang dilakukan dalam matawang asing yang didenominasikan dalam matawang selain daripada Ringgit Malaysia. Matawang yang menimbulkan risiko tersebut ialah Dolar Australia (AUD). Profil pendedahan matawang asing Institut bagi pemiutang dan akruan diberitahu dalam Nota 9.

Institut meminimumkan pendedahan kepada risiko pertukaran asing dengan mengawasi pergerakan kadar pertukaran supaya memastikan kadar yang paling kompetitif adalah diperolehi, di mana sesuai.

Institut tidak mempunyai lindung nilai atau membuat spekulasi dalam derivatif matawang asing.

Analisa Sensitiviti Risiko Matawang

Keteguhan atau kelemahan AUD ke atas RM sebanyak 10% pada akhir tempoh pelaporan akan mengurangkan atau menambahkan lebihan kendalian Institut untuk tahun kewangan sebanyak RM31,883 (2015: RM37,126).

17. INSTRUMEN KEWANGAN (SAMB.)

(c) Nilai Saksama untuk Penyata Kewanga

Nilai buku aset kewangan dan liabiliti kewangan Institut pada akhir tahun kewangan menghampiri nilai saksamanya disebabkan jangka pendek kematangannya.

18. PENGURUSAN MODAL

Objektif Institut dalam mengurus modal adalah:

- untuk melindungi keupayaan Institut diteruskan secara berterusan supaya membolehkan obligasi berkanunnya di bawah Akta Syarikat 1965, dapat dipenuhi;
- untuk membangun dan mengekal program kelayakan dan program pembangunan profesional berterusan untuk pelajar-pelajar dan ahli-ahli; dan
- untuk memperuntukkan modal bagi tujuan memperkukuhkan keberkesanan kendalian Institut.

Institut sering menyemak semula dan mengurus modalnya untuk memastikan berkecukupan untuk keperluan kendalian dan modal. Kesemua lebihan dipindah kepada dana terkumpul untuk keperluan kendalian masa depan.

Untuk tujuan pendedahan modal, Majlis menganggap dana terkumpul sebagai modal Institut.

LAPORAN JURUAUDIT KEPADA AHLI-AHLI THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA) (3246-U)
(SYARIKAT BERHAD DENGAN JAMINAN YANG DITUBUHKAN DI MALAYSIA)

LAPORAN MENGENAI PENYATA KEWANGAN

Pendapat

Kami telah mengaudit penyata kewangan INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA yang merangkumi penyata kedudukan kewangan pada 31 Disember 2016, dan penyata pendapatan komprehensif, penyata perubahan ekuiti ahli-ahli dan penyata aliran tunai untuk tahun berakhir pada tarikh tersebut, serta satu ringkasan dasar perakaunan yang penting dan nota-nota penerangan lain, seperti yang dibentangkan pada muka surat 119 hingga 149.

Pada pendapat kami, penyata kewangan tersebut memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Institut pada 31 Disember 2016 dan prestasi kewangan dan aliran tunai untuk tahun kewangan berakhir pada tarikh tersebut menurut Piawaian Pelaporan Kewangan Malaysia, Piawaian Pelaporan Kewangan Antarabangsa dan keperluan Akta Syarikat, 1965 di Malaysia.

Asas Pendapat

Kami telah melaksanakan audit sejajar dengan piawaian pengauditan di Malaysia dan piawaian pengauditan antarabangsa yang telah diluluskan. Tanggungjawab kami terhadap piawaian-piawaian tersebut telah dijelaskan dengan lebih lanjut didalam bahagian Tanggungjawab Juruaudit untuk Pengauditan Laporan Kewangan di dalam laporan kami. Kami percaya bukti audit yang diperolehi adalah mencukupi dan bersesuaian untuk dijadikan asas kepada pendapat kami.

Kebebasan dan Tanggungjawab Beretika lain

Kami bebas daripada Institut menurut Undang-undang Kecil (bahagian Etika Profesional, Kelakuan dan Amalan) Institut Perakaunan Malaysia dan Kod Etika Akauntan Profesional IESBA (“Kod IESBA”), dan kami telah memenuhi tanggungjawab beretika kami yang lain menurut Undang-undang Kecil dan Kod IESBA.

MAKLUMAT LAIN SELAIN DARIPADA LAPORAN KEWANGAN DAN LAPORAN JURUAUDIT

Majlis Institut bertanggungjawab untuk maklumat lain. Maklumat lain merangkumi maklumat yang terdapat di dalam laporan tahunan, tetapi tidak termasuk penyata kewangan Institut dan laporan juruaudit kami.

Pendapat kami terhadap penyata kewangan Institut tidak meliputi maklumat lain dan kami tidak menyatakan sebarang bentuk jaminan kesimpulan.

Berkaitan dengan pengauditan kami ke atas penyata kewangan Institut, tanggungjawab kami adalah untuk membaca maklumat lain dan, dengan ini, mempertimbangkan sama ada maklumat lain berkenaan adalah tidak konsisten secara material dengan penyata kewangan Institut atau pengetahuan yang diperoleh kami di dalam audit atau sebaliknya kelihatan tersalah nyata secara material.

Sekiranya, berdasarkan kerja yang telah dilaksanakan, kami merumuskan bahawa ada salah nyata yang ketara di dalam maklumat lain, kami diminta untuk melaporkan fakta berkenaan. Kami tiada apa-apa untuk dilaporkan mengenainya.

TANGGUNGJAWAB MAJLIS KEATAS PENYATA KEWANGAN

Majlis Institut bertanggungjawab untuk menyediakan penyata kewangan Institut yang memberikan gambaran yang benar dan saksama menurut Piawaian Pelaporan Kewangan Malaysia, Piawaian Pelaporan Kewangan Antarabangsa dan peruntukan Akta Syarikat, 1965 di Malaysia. Majlis juga bertanggungjawab keatas kawalan dalaman berkaitan kerana penentuan Majlis diperlukan untuk membolehkan penyediaan penyata kewangan Institut yang bebas daripada salah nyata yang ketara, sama ada disebabkan oleh penipuan atau kesilapan.

Dalam penyediaan penyata kewangan Institut, Majlis bertanggungjawab untuk menilai keupayaan Institut untuk diteruskan sebagai satu usaha berterusan, mendedahkan, sekiranya berkenaan, perkara-perkara yang berkaitan dengan usaha berterusan dan menggunakan asas perakaunan usaha berterusan melainkan Majlis berhasrat sama ada untuk membubarkan Institut atau menamatkan kendalian, atau tidak mempunyai alternatif yang realistik tetapi terpaksa dilakukan.

TANGGUNGJAWAB JURUAUDIT UNTUK PENGAUDITAN PENYATA KEWANGAN

Objektif kami ialah untuk mendapatkan jaminan yang munasabah tentang sama ada penyata kewangan Institut secara keseluruhannya bebas daripada salah nyata yang ketara, sama ada disebabkan oleh penipuan atau kesilapan, dan untuk mengeluarkan satu laporan juruaudit yang meliputi pendapat kami.Jaminan yang munasabah adalah jaminan pada tahap tertinggi, tetapi ianya bukanlah satu jaminan bahawa audit yang dilaksanakan menurut piawaian pengauditan di Malaysia dan piawaian pengauditan antarabangsa yang diluluskan akan sentiasa dapat mengesan sebarang salah nyata yang ketara apabila ianya ada. Salah nyata boleh terjadi disebabkan penipuan atau kesilapan dan akan dianggap material sekiranya, secara individu atau agregat, ianya dijangka secara munasabah boleh mempengaruhi keputusan ekonomi pengguna yang menggunakan penyata kewangan tersebut sebagai asas untuk membuat keputusan.

Sebagai sebahagian audit menurut piawaian pengauditan di Malaysia dan piawaian pengauditan antarabangsa yang diluluskan, kami mengamalkan pertimbangan profesional dan mengekalkan skeptisisme profesional sepanjang melaksanakan pengauditan. Kami juga:

- Mengenalpasti dan menaksir risiko salah nyata yang material keatas penyata kewangan Institut, sama ada disebabkan penipuan atau kesilapan, merekabentuk dan melaksanakan prosedur audit yang responsif terhadap risiko berkenaan, dan mendapatkan bukti audit yang cukup dan bersesuaian untuk dijadikan asas kepada pendapat kami. Risiko tidak dapat mengesan salah nyata yang material yang disebabkan penipuan adalah lebih tinggi berbanding yang disebabkan oleh kesilapan, kerana penipuan berkemungkinan melibatkan pakatan sulit, pemalsuan, pengabaian yang disengajakan, gambaran yang salah atau kawalan dalaman yang dilangkaui.
- Mendapatkan pemahaman tentang kawalan dalaman yang berkaitan dengan audit untuk merekabentuk prosedur audit yang bersesuaian dengan keadaan, tetapi bukan dengan tujuan untuk menyatakan pendapat tentang keberkesanan kawalan dalaman Institut.
- Menilai kesesuaian polisi-polisi perakaunan yang diguna pakai dan kewajaran anggaran-anggaran perakaunan dan pendedahan berkaitan yang dibuat oleh Majlis.
- Merumuskan tentang kesesuaian penggunaan asas perakaunan usaha berterusan oleh Majlis dan, berdasarkan bukti audit yang diperoleh, sama ada ketidakpastian yang material yang ada berkaitan dengan peristiwa atau keadaan yang mungkin menyebabkan keraguan yang signifikan terhadap keupayaan Institut untuk diteruskan sebagai satu usaha berterusan. Sekiranya kami merumuskan bahawa adanya ketidakpastian yang material, kami perlu menekankan di dalam laporan juruaudit kami berkenaan pendedahan yang berkaitan di dalam penyata kewangan Institut atau, sekiranya pendedahan berkaitan adalah tidak mencukupi, kami perlu mengubahsuai pendapat kami. Rumusan kami adalah berdasarkan bukti audit yang diperoleh sehingga ke tarikh laporan juruaudit kami. Walaubagaimanapun, peristiwa atau keadaan yang akan datang boleh menyebabkan Institut terhenti untuk diteruskan sebagai usaha berterusan.

TANGGUNGJAWAB JURUAUDIT UNTUK PENGAUDITAN PENYATA KEWANGAN (SAMB.)

- Menilai keseluruhan pembentangan, struktur, dan kandungan penyata kewangan Institut, termasuk pendedahan, dan sama ada penyata kewangan menggambarkan urusniaga sandaran dan peristiwa dengan cara yang boleh mencapai pembentangan saksama.

Kami berkomunikasi dengan Majlis mengenai, antara perkara lain, skop yang telah dirancang dan pengaturan masa audit dan penemuan audit yang signifikan, termasuk sebarang kelemahan dalam kawalan dalaman yang signifikan yang kami telah kenalpasti semasa pengauditan.

LAPORAN MENGENAI PERUNDANGAN LAIN DAN KEPERLUAN BADAN PENGAWASAN

Menurut keperluan Akta Syarikat 1965 di Malaysia, kami juga melaporkan bahawa pada pendapat kami, rekod perakaunan dan rekod lain, serta daftar yang wajib disimpan di bawah Akta oleh Institut telah disimpan dengan sempurna selaras dengan peruntukan Akta tersebut.

HAL-HAL LAIN

Laporan ini disediakan hanya untuk ahli-ahli Institut, sebagai satu badan, selaras dengan peruntukan Seksyen 266 Akta Syarikat 2016 di Malaysia dan bukan untuk sebarang tujuan yang lain. Kami tidak akan bertanggungjawab kepada mana-mana pihak lain untuk kandungan laporan ini.

Khoo Pek Ling
900/03/18(J/PH)
Akauntan Bertauliah

Leong Kok Tong
2973/11/17(J)
Akauntan Bertauliah

Kuala Lumpur
Tarikh: 13 Mei 2017

The Malaysian Institute of Certified Public Accountants
(Institut Akauntan Awam Bertauliah Malaysia) (3246-U)
No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur, Malaysia. Tel : 03-2698 9622 | Fax : 03-2698 9403

FORM OF PROXY

I, ____
(Full Name in Block Capitals & Membership Number)

of ____

being a member of the abovenamed Institute hereby appoint

1. ____
(Full Name & Membership Number)

____ or
(Address)

2. ____
(Full Name & Membership Number)

____
(Address)

as my proxy to attend on my behalf the Annual General Meeting of the Institute to be held at **Roof Garden Lounge, RG Floor, Sime Darby Convention Centre, Jalan Bukit Kiara, 60000 Kuala Lumpur** on **June 17, 2017** at **10:00 a.m.** and at any adjournment thereof.

Signature ____

Dated this ____________________ day of ____________________, 2017

Note:
A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy must be a member of the Institute. The instrument appointing a proxy must be deposited at the office of the Institute at No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur not less than 48 hours before the time set for holding the meeting.

This page is intentionally left blank.

The Malaysian Institute of Certified Public Accountants
Institut Akauntan Awam Bertauliah Malaysia *(3246-U)*
No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur
Tel : 603 2698 9622 **Fax** : 603 2698 9403
Email : micpa@micpa.com.my

www.micpa.com.my