MICPA MALAYSIA

IMPLEMENTING MFRS 18: PRACTICAL ISSUES

HRD CORP Scheme & Training Programme
No.: HRD Corp Claimable Courses – Skim Bantuan Latihan Khas & 10001685859

*Recognised for Audit Approval Renewal

December 11, 2026
(Friday)
09:00 a.m. – 05:00 p.m.

Hotel in KL

Total CPD Hours:
8 hours

Registration Fee:
MICPA & CAANZ Members / Approved Training Employer (ATE):
RM560.00
Non-Members:
RM680.00

due to e-invoicing, once the billing information have been chosen, NO FURTHER CHANGES WILL BE PERMITTED

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- Change the agenda or any relevant details without notice;
- Cancel the event due to any unforeseen circumstances; and
- Close the registration should the participant number exceeds capacity

INTRODUCTION

MFRS 18 replaces MFRS 101. It introduces a fundamentally new structure for presenting financial performance, with clearer categories, mandatory subtotals, and stricter rules on management defined performance measures. These changes affect how entities classify income and expenses, design internal reporting systems, communicate results to stakeholders, and document key judgements.

This training will cover areas such as implementation issues, strengthen governance and documentation, and ensure transparent, decision useful financial statements under the new standard.

TRAINING OBJECTIVE

- Understand and be aware of NSRF and the timeline for implementation
- Explain the general requirement of IFRS SI and S2
- Review of case studies
- Begin the journey for IFRS S1 and S2

PROGRAMME OUTLINE

09:00 a.m. – 05:00 p.m.

Registration

1. INTRODUCTION

- Why MFRS 18 is a major change to financial reporting.
- Shift to a more structured, comparable presentation framework.
- New required subtotals and new categories
- New disclosures on MPMs
- Increased discipline around aggregation/disaggregation.

2. IMPLEMENTATION ISSUES:

A. Re mapping the Statement of Profit or Loss

- Identifying which income/expense items belong in operating, investing, or financing categories.
- Treatment of foreign exchange, fair value gains/losses, impairments, share of results of associates, interest income/expense.
- Reclassification challenges for diversified groups and conglomerates.
- Consistency across periods and across subsidiaries.

B. Operating Profit: Practical Judgement Areas

- Determining what is “main business activity”.
- When interest income/expense is part of operating profit
- How to treat unusual or infrequent items.
- Avoiding management bias in classification.

C. Management Defined Performance Measures (MPMs)

- Identifying which KPIs qualify as MPMs.
- Ensuring reconciliations to IFRS / MFRS subtotals.
- Avoiding misleading adjustments (e.g., “normalised profit”, “core EBITDA”).
- Documentation of rationale for each MPM.

D. Aggregation and Disaggregation

- When to disaggregate items (e.g., separating cost of sales, distribution, admin).
- When to aggregate items without losing meaning.
- Consistency with segment reporting.

3. TRANSITION PLANNING AND PROJECT MANAGEMENT

A. Implementation Roadmap

- Gap analysis: comparing current MFRS 101 presentation vs MFRS 18 requirements.
- Identifying affected systems: chart of accounts, ERP mapping, consolidation tools.
- Timeline for restating comparatives.
- Internal controls and governance updates.

B. Data and System Readiness

- Updating chart of accounts to reflect new categories.
- Ensuring ERP systems can produce new subtotals.
- Testing mapping logic for complex transactions.
- Ensuring group reporting packages are updated for subsidiaries.

C. Policy Development and Documentation

- Drafting new accounting policies for classification.
- Documenting judgements for operating vs investing vs financing.
- Documenting MPM definitions, rationale, and reconciliation methods.
- Preparing internal guidance for finance teams.

4. ILLUSTRATIONS AND CASE STUDIES COMMON PITFALLS

- Misclassifying financing income as operating.
- Overuse of MPMs without proper reconciliation.
- Inconsistent classification across subsidiaries.
- Insufficient disaggregation leading to regulator/auditor challenge.

5. WORKING WITH STAKEHOLDERS

- Directors and audit committee members
- Investors and analysts
- Auditors

6. DOCUMENTATION, CONTROLS, AND QUALITY REVIEW

A. Documentation Requirements

- Judgement papers for classification decisions.
- MPM rationale and reconciliation files.
- Internal control updates for financial reporting.
- Board approval of new presentation policies.

B. Quality Review and Post Implementation Monitoring

- Internal audit involvement.
- Benchmarking against peers.
- Monitoring regulator and IFRS Interpretations Committee discussions.
- Updating disclosures in subsequent years.

Q & A
End of Session

SPEAKER’S PROFILE

Mr NG KEAN KOK is a Chartered Accountant and has more than 25 years of auditing, accounting and company secretarial experience across various industries. Previously, he worked with one of the international accounting firms in the audit and advisory services and covered industries such as agriculture, manufacturing, trading, marketing, banking and finance, and construction. He has served as a director and company secretary to several family related firms.

Mr Ng is a member of the Malaysian Institute of Accountants (MIA). At MIA, he previously served as a Council Member. Additionally, he has served / is serving on several committees of MIA such as the Financial Reporting Standards Implementation Committee (FRSIC), Financial Statements Review Committee (FSRC), Public Accountants in Business (PAIB) Committee, Monitoring Committee and the SSM Committee.

Mr Ng is a fellow member of the Association of Chartered Certified Accountants (ACCA), UK. He is also a member of ACCA’s Global Forum–Corporate Reporting, a grouping of members from around the world that looks at various corporate reporting issues. Previously, he served as member of ACCA Malaysia’s Technical Committee.

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