



Policies On Answering Technical Enquiries

The Institute constantly receives many enquiries on Practice, Legal and Technical matters and on the application of various professional pronouncements and laws. In dealing with such queries in an orderly manner, the Council has endorsed the following policies on handling technical queries on 28 March 2003.

A copy of the policies appears below. The main features of the policies are as follows:

- a. The Institute's staff shall respond to members' queries on the Institute's official pronouncements.
- b. The Institute's staff shall not respond to queries on the application and interpretation of materials not published by MIA (e.g. KLSE Listing Requirements and Securities Industry Act, 1983), except for the Accounting Standards issued by MASB, the interpretation of the Companies Act, 1965 and also the Income Tax Act, 1967. However, responses to the Companies Act, 1965 and the Income Tax Act, 1967 shall be restricted mainly to areas of common knowledge or of current relevance. No enquiries on accounting, auditing and other professional requirements applicable in jurisdictions other than Malaysia shall be entertained.
- c. The Institute's staff shall entertain queries only from MIA members (with limited exceptions for regulatory bodies and the news media). Guidance for others is provided as to the alternative sources of information for queries.
- d. Queries shall be in writing.
- e. Responses to queries shall also be in writing and shall be appropriately disclaimed in a number of respects, as highlighted under para. 18 of this document.
- f. Queries and responses in the form of "frequently asked questions" are posted on the Institute's web-site subject to the same conditions under which an original response is provided.

The policies may be modified from time to time as determined by the Council.



Staff Policies on Handling Technical Queries

Introduction

1. The Council is empowered, in relation to the practice of accountancy, to issue, specify, adopt or endorse any of the following:
 - a. statement of professional ethics in the form of By-Laws; and /or
 - b. standards of accounting (especially those that were issued by MASB) and auditing practices.

The above are required to be observed, maintained or otherwise applied by MIA members as provided under the Accountants Act, 1967.

2. Statements of professional ethics in the form of By-Laws and standards on accounting and auditing practices (collectively, herein, referred to as "Professional Pronouncements") together with relevant interpretative and other guidance approved by the Council of MIA as current and published in the Institute's Members' Handbook in the form of the CD-Rom.
3. From time to time, the Institute receives queries in relation to the application and interpretation of its Professional Pronouncements and also receives queries in relation to such other matters as the application of laws (for example, in relation to the Company or Income Tax Act), or the accounting or other professional requirements applying in jurisdictions other than Malaysia.
4. The Institute's policies in relation to dealing with members' technical queries such that they may be dealt with in an orderly manner are outlined below. The policies may be modified from time to time as determined by the Council.

Addressing Technical Queries with the Institute

5. The Institute will receive queries on the application and interpretation of the Institute's Professional Pronouncements.
6. The Institute's staff will respond to such queries subject to the conditions outlined below:
 - The query should come from a member of the Institute (with limited exceptions for regulatory bodies and the media) – guidance for others as to alternative sources of information for queries is provided in para. 15 below.
 - The query should be in writing and addressed to the relevant Institute's Manager via mail, e-mail or fax.
 - The query should include the member's name, address, contact telephone number during normal office hours and membership number.
 - The query should include a written statement of all relevant facts and assumptions, and refer to available authoritative support and supporting rationale. Sufficient information

on the circumstance to which the query pertains must be provided, but the query should be generic in nature and not related to a specific enterprise or transaction (either actual or contemplated). The query should preferably provide a suggested conclusion consistent with the authoritative support and other references cited.

- Members should include details as to whether or not others have been consulted in respect of the query and, if so, the facts provided to that person, and the details of their response. The query to the Institute should, however, be kept generic and not refer to a specific enterprise and/or fact situation.
7. If, in the Institute's view, the above conditions have not been met, the member may be asked to resubmit the query, as appropriately raised, or the query may not be responded to, at the Institute's discretion. In the latter case, the member will be informed of the decision.
 8. The Institute's staff will generally respond to queries on the application and interpretation of material not published by the Institute, including matters of laws and regulation (for example, company law, taxation law, Stock Exchange Listing Rules, etc.), but these responses shall be restricted mainly to areas of common knowledge or of current relevance. No enquiries on accounting, auditing and other professional requirements applying in jurisdictions other than Malaysia shall be entertained.
 9. As a matter of policy, the Institute's staff should not respond to the following requests:
 - Provide advice on enterprise-specific and/or detailed fact-specific questions.
 - Suggest the appropriate audit opinion to be given.
 - Act as an arbitrator regarding any issue or dispute.
 - Assist in research for student assignments.
 10. The Institute's staff will provide only written responses to queries on the following basis:
 - Views expressed are intended to assist members solely on an ad hoc basis in resolving members' enquiries.
 - Staff response is based on the facts and assumptions provided and may not apply if there is a change or discrepancy in those facts or assumptions.
 - Reliance on the staff response is entirely at the enquirer's own risk.
 - Advice given is provided gratuitously and without liability.
 - Reference to the query and response, if any, may not be made – and shall not be permissible as evidence – in case of any complaint furnished to the Institute.
 11. Because of the Institute's limited resources to deal with member's queries, it is generally not possible for Institute's staff to attend to all queries necessarily in a timely manner. Staff will strive to answer 85% of queries, which contain all the information specified in this policy, within 10 working days of receipt.



Limitation

Institute's Professional Pronouncements

12. Note should be taken that the staff response is provided on the generic basis and should not be considered necessarily relevant to a specific enterprise or transaction. A query provides typically only a selected summary of the scenario about which advice is being sought and it is inevitable that the staff will be less well-informed, and consequently less able to provide appropriate advice, than the advisor who has become familiar with all the relevant facts regarding the matter in question.
13. The Institute's staff are able to assist members by providing information that guides them to the most appropriate source of information (such as relevant Professional Pronouncements). To enable meaningful discussions, members are expected to consult and understand the relevant Professional Pronouncements themselves first before further questions are raised.
14. As a last port of call for members' queries on a Professional Pronouncements, the Institute encourages both members and non-members to use other sources of information available, which may include:
 - For financial statement preparers -> your external auditor.
 - For professional accountants -> colleagues, fellow members, Institute's website including the discussion forum on the Internet.
 - For students -> library, lecturers, textbooks and Institute's website where you will find electronic copies of the Institute's standards and details of other professional literature published by the Institute.
 - For enterprise-specific queries -> the enterprise concerned.

Legal interpretations and Professional Pronouncements applying in other jurisdictions

15. The Institute's staff are generally not in the position to respond to most enquiries on the application and interpretation of the laws or professional pronouncements not issued or specified by the Institute. In the case of queries relating to legal matters, members are advised to seek independent legal advice.

Enterprise-specific queries

16. It is the Institute's policy not to comment on the specific facts pertaining to a company or its financial statements. Enterprise-specific queries should be raised with the enterprise concerned.
17. On occasions, queries in respect of a specific enterprise may be, or become, part of a matter of complaint to the Institute about the conduct of the member. Queries connected with an actual complaint should be directed to the Registrar of the Institute.



Disclaimer

18. As a matter of policy, the Institute disclaims responsibility for any comment or statement by any of its staff. The views expressed are based solely on the limited information given to MIA and are intended to assist members solely on an ad hoc basis in resolving members' enquiries. The views expressed are not the official opinion of MIA, its Council or any of its Committees. Advice given is provided gratuitously and without liability. Neither the MIA, its Council or any of its Committees nor its staff shall be responsible or liable for any claims, losses, damages, costs or expenses arising in any way out of or in connection with any persons relying upon the advice given.

Institute's Official Response

19. Where members consider that there are deficiencies in certain Professional Pronouncements that give rise to the ambiguities or difficulties in the application of Professional Pronouncements, suggestions are most welcome.

20. Any such suggestions should be directed to the Registrar of the Institute, which will be then referred to the relevant Committees for consideration, and the relevant Professional Pronouncements will be amended, where appropriate.

21. Owing to the limited resources, the Institute does not give individual responses to such suggestions.

Publication of Queries and Responses

22. To further assist members, the Institute may, where appropriate, publish, or post on its website, frequently asked technical questions and answers.

23. These will be published in generic terms without disclosing the identity of the enquirer.