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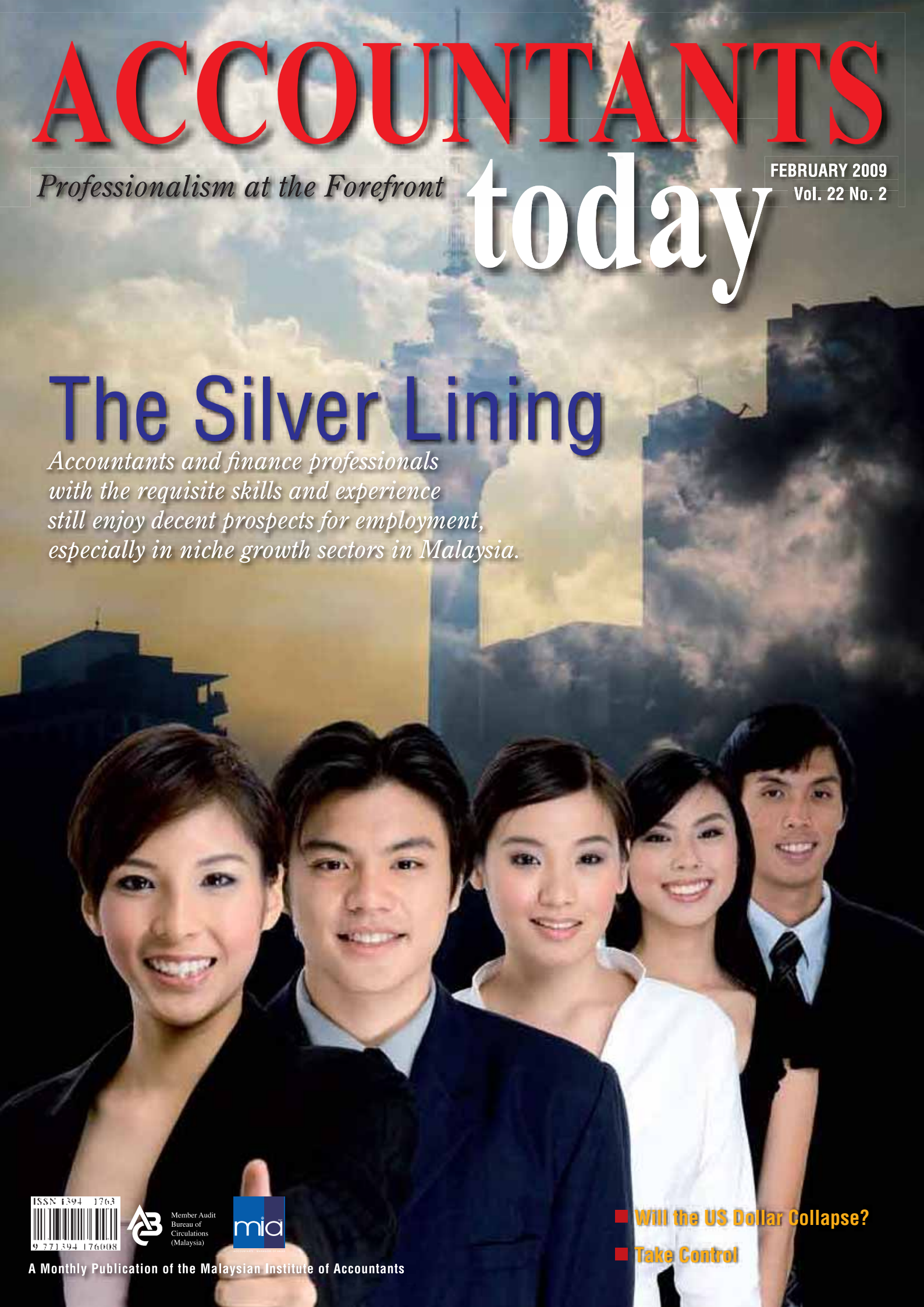
The Silver Lining

Accountants and finance professionals with the requisite skills and experience still enjoy decent prospects for employment, especially in niche growth sectors in Malaysia.



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Institut Akauntan Malaysia
(Established under the Accountants Act, 1967)

The Malaysian Institute of Accountants is a statutory body set up under the Accountants Act, 1967 to regulate and develop the accountancy profession in Malaysia. The functions of the Institute are, inter alia:

(a) To regulate the practice of the accountancy profession in Malaysia;
(b) To promote in any manner it thinks fit, the interests of the accountancy profession in Malaysia;
(c) To provide for the training and education by the Institute or any other body, of persons practising or intending to practise the profession;
(d) To determine the qualifications of persons for admission as members; and
(e) To approve, regulate and supervise the conduct of the Qualifying examination.

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Accountants still in demand

They say that it will get a lot worse before things start getting better. As we go into the month of February, from the global economic perspective, the outlook does not seem to be getting any brighter. Looks like we're all in this for the long haul.

But apparently there is a silver lining to this cloud for accountants. Against the backdrop of a difficult economic landscape such as now, ensuring good governance through high quality financial reporting becomes a crucial component towards maintaining public confidence. In addition, there is a need to intensify value creation to ensure sustainability in the face of a sluggish market environment.

Therefore, accountants and finance professionals with the right skills and experience will continue to enjoy decent prospects for employment.

In this month's cover story titled 'The Silver Lining' on page 8, we take a look at the employment outlook for accountants in this challenging economic landscape. With Malaysia setting itself up to blaze the trail in areas like Islamic finance, accountants will continue to find themselves in demand.

Another area that will hold potential for accountants is that of risk management. As local financial institutions move to strengthen their risk management systems in line to fortify governance structures, the involvement of accountants will also be crucial.

Against the backdrop of a difficult economic landscape such as now, ensuring good governance through high quality financial reporting becomes a crucial component towards maintaining public confidence. In addition, there is a need to intensify value creation to ensure sustainability in the face of a sluggish market environment.

Moving ahead, on other issues relating to global finance, *Accountants Today* also carries an article titled 'Will the US Dollar Collapse?'. It takes a look as to whether the international markets should abandon the US dollar in view of its ailing economy.

The Malaysian Institute of Accountants (MIA) has also set up a fund to collect cash to help the victims of the Gaza conflict. The funds will be channelled to the Malaysian Red Crescent Society. We urge members to donate to this fund and more information on how to do this can be found on page 43.

As usual we hope you find this month's issue an interesting read. Happy reading! AT

Editor
Accountants Today

letters to the editor

A key element in the world of publishing is what readers have to say. We want to hear from you on just about anything that appears in each issue of Accountants Today. Why not drop us a line now?

contribution of articles

Accountants Today welcomes original and previously unpublished contributions which are of interest to accountants, business leaders, executives and scholars. Manuscripts should cover domestic or international accounting developments. Lifestyle articles of interest to accountants are also welcomed. Manuscripts should be submitted in English and range from 1,000 to 2,000 words. They can be submitted in hardcopy or softcopy. Manuscripts are subject to a review procedure without prejudice and the Editor reserves the right to make amendments which may be deemed appropriate prior to publication.

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The Silver Lining

Nazatul Izma Abdullah

Accountants and finance professionals with the requisite skills and experience still enjoy decent prospects for employment, especially in niche growth sectors in Malaysia.

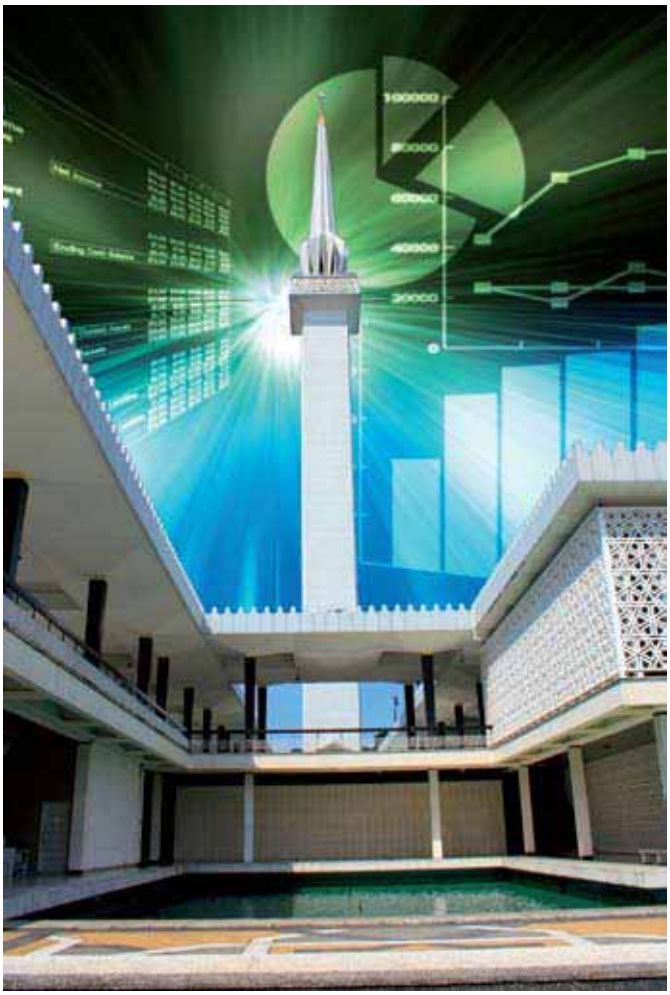
Despite bleak news on record job losses around the globe, employment opportunities are encouraging in niche growth sectors in Malaysia, especially for people with the right skills.

Certain fields are still a sellers' market, where jobs outnumber available talent. For instance, finding the right staff is a perennial challenge in Islamic finance. "Islamic finance is an exciting area and a relatively new frontier that needs talent. We have these talent but there is definitely a demand for more," said Cristine Cheim, Consultant - Banking/Finance, Robert Walters Malaysia.

Cheim noted that there was a previous spike in demand for talent with the entry of foreign Islamic financial institutions circa 2006. Demand could escalate again as Malaysia expands the sector in its bid to become a global hub for Islamic investment and wealth management. In January 2009, the Securities Commission (SC) granted approval to three foreign Islamic fund management companies (IFMCs) to start operations in Malaysia: Aberdeen Islamic Asset Management Sdn Bhd, BNP Paribas Islamic Asset Management Sdn Bhd and Nomura Islamic Asset Management Sdn Bhd, all of whom rated Islamic fund management and investment as an important strategic business. "Despite the global slowdown, the coming on board of these three international players reflects the strong growth potential in niche areas like Islamic fund management," said SC Chairman Datuk Seri Zarinah Anwar in a statement. The three join a growing pool of IFMCs which have been approved to establish operations, including Kuwait Finance House (Malaysia), DBS Asset Management, CIMB-Principal Asset Management, Global Investment House and Reliance Asset Management.

Qualified and experienced people are needed in virtually every aspect of Islamic finance, whether in operations, deal origination and structuring, product development, risk management or *Syariah* compliance, added Cheim. Currently, there are two routes to growing this talent pool.

Currently, there are two routes to growing this talent pool. Talent can be developed from scratch by encouraging college students and graduates to take up courses and careers in this area. Another option is for experienced bankers to migrate from conventional banking to Islamic finance.



"Islamic finance is an exciting area and a relatively new frontier that needs talent. We have these talent but there is definitely a demand for more."

Cristine Cheim, Consultant — Banking/Finance, Robert Walters Malaysia

Talent can be developed from scratch by encouraging college students and graduates to take up courses and careers in this area. Another option is for experienced bankers to migrate from conventional banking to Islamic finance.

Other than in Islamic finance, there is a shortage of skilled talent in risk management, noted Cheim. The dearth could become more acute, especially as local financial institutions move to augment risk management systems inline with global efforts to restructure and improve corporate governance.

Prospects for Accountants

Accountants in industry are optimistic about demand for their profession, as a slowing economy will pressure companies to improve financial management and keep a ceiling on costs. "Under the present market conditions, the demand for accountants should remain stable. Requirements (for accountants) should focus on their experience and skills in the SDM (structured decision-making) process as well as the process optimisation and cost-saving process," said Mustapa Kamal Mohd Razali, Director / CEO, Ancom Energy & Services Sdn Bhd. Nevertheless, employment security in the prevailing environment depends on the roles and contributions of accountants and financial professionals in sustaining business as well as the company's financial health going forward.

"The industry trend towards outsourcing and more automation of financial processes could also spell bright prospects for financial professionals who are willing to work in the fast-paced world of shared services centres (SSCs), whether

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"The industry trend towards outsourcing and more automating of financial processes could also spell bright prospects for financial professionals who are willing to work in the fast-paced world of shared services centres (SSCs), whether onshore or offshore. Accountants could gain a lot of exposure and develop both career breadth and depth in a SSC, where the financial reporting chain is broken down into individual processes."

Cristine Cheim, Consultant — Banking/Finance, Robert Walters Malaysia

onshore or offshore," noted Cheim. "Accountants could gain a lot of exposure and develop both career breadth and depth in a SSC, where the financial reporting chain is broken down into individual processes." For example, a junior accountant could start out in accounts payable, before eventually moving into the accounts receivable and general ledger functions.

Despite the advantages, people are often reluctant to shift to SSCs from a traditional 9-5 workplace, said Cheim. Deterrents include the very fast pace of work, the geographical location (typically out-of-town to keep operating costs low) and the egalitarian layout of the workplace which typically features an open-plan environment with no or low-walled cubicles and the hot-desking culture, where people park themselves at available workstations. "It can be quite a culture shock for people used to having their own personal domain with their potted plants and the family photo on the desk," Cheim quipped.

Adding Value

Accountants need to take the initiative to optimise their skills and roles, in order to be as effective and efficient as possible and to become indispensable. "Accountants must remain proactive and aggressively involved in the SDM (structured decision-making) processes. Senior accountants must possess strategic business revenue skills and junior accountants must aggressively position themselves to maintain timely and strategic management accounting information," said Mustapa Kamal.

Success factors for accountants and financial professionals have not changed, despite the downturn. Now, more than ever, people need to demonstrate the key success factors for employment, such as having a positive attitude, competency, and being an effective team player, in addition to having soft skills, noted Mustapa Kamal. Tan Seow Heng, Executive Director of Ipoh-based Sidney Industries Sdn Bhd, also recommended that financial professionals add value by acquiring an MBA and additional skills such as technical accounting strength, a better understanding of how to apply regulations in transactions, and report writing. AT

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Will the US Dollar Collapse?

Dr. Hassan Ali

Arguments over the global financial meltdown have now reverted to the mother of all debates — should the international market abandon the US dollar in view of the ailing American economy? Interestingly, many have even suggested that the debate should not be focused on the collapse but rather on the timing of the collapse — will it occur gradually or suddenly?

To understand how badly the US economy is ailing, one has to imagine the massive size of its deficit, which is estimated at US$1 trillion, accumulated over years of failed economic policies, continuous current account imbalances and budget deficits. The bailout packages of another US$825 billion needed by the Obama-led administration to lift the economy from its financial doldrums will undoubtedly strike another hefty blow on the dollar. The reason for this huge deficit is easy to comprehend — the country is spending more than it can afford with consumers living way beyond their means and borrowing far beyond their capacity. But how could the US economy have borne such a huge anomaly unscathed over these years?

The bailout packages of another US$825 billion needed by the Obama-led administration to lift the economy from its financial doldrums will undoubtedly strike another hefty blow on the dollar.

The US market has always been everyone's favourite destination to invest and trade. These trade dealings, particularly those involving the major developing economies of China, India, Middle-East oil producing countries and other successful Asian economies, have worked well over the last decade. On the surface, this arrangement appears to benefit both forces — the Asian economies desperately needing an open free market to export their products thereby reducing their huge unemployment problems and the US benefiting from the accumulated net savings earned by these economies that were often channelled back into the US market for investments.

The concept of sustained economic profitability that is based on the notion that exports must exceed imports does not appear to be the goal of US economic policy. In reality, the current account deficit of the United States is the current account surplus of exporting countries. To cover this deficit, the US treasury has been borrowing from these exporting countries and re-financing its imports. Hence, the strong productivity growth in the US over the last few years and its capacity to draw capital from reserves that were kept by emerging economies and oil-rich countries are actually exacerbating the decline of the US dollar.

For far too long the US economy has been accumulating massive debts without the least regard to the sensitivity of its economy. As a result, the average debt for every US citizen in 2007 is estimated at $29,100 or roughly 8.2 per cent of its GDP. No ordinary country could sustain such debts accumulated over decades without any symptoms of an eventual collapse. The US, however, has successfully raised its interest rate designed to sustain its massive borrowing programme — that is, until recently when it was reduced from 0 to 0.25 per cent. The impact of lowering the interest rates could induce investors to park their savings elsewhere, causing a blow to the economy already suffering from a huge deficit.

Another likely cause is the dollar's dependence on oil. It may seem bizarre to some that oil is traded in US dollars at exchanges located in New York and London when almost half of the world's oil output is produced in the Middle-East. Until now, by tacit approval of the OPEC countries, the US had ensured that its currency is implicitly backed by crude oil. In turn, these countries would enjoy high returns in their net savings both under the guise of government-led investment firms or direct investments in the US capital market. But this arrangement may be failing because of the US financial crunch that is affecting their investments. Most sovereign wealth funds, already pressured to sustain a high return in their net savings, would prefer to cut their losses and seek other profitable international markets.

The common paradigm that excess supply will result in a fall of value truly explains the precarious condition of the US dollar. The inherent weakness of the US financial system coupled with the emergence of the Euro and the declining confidence of international investors will ultimately lead to lower demand for the US dollar and thereby trigger a dollar collapse. Indeed, international investors are monitoring the value of the US dollar and any attempt by the international market to use any other major currency could trigger an exodus of investors abandoning the US dollar.

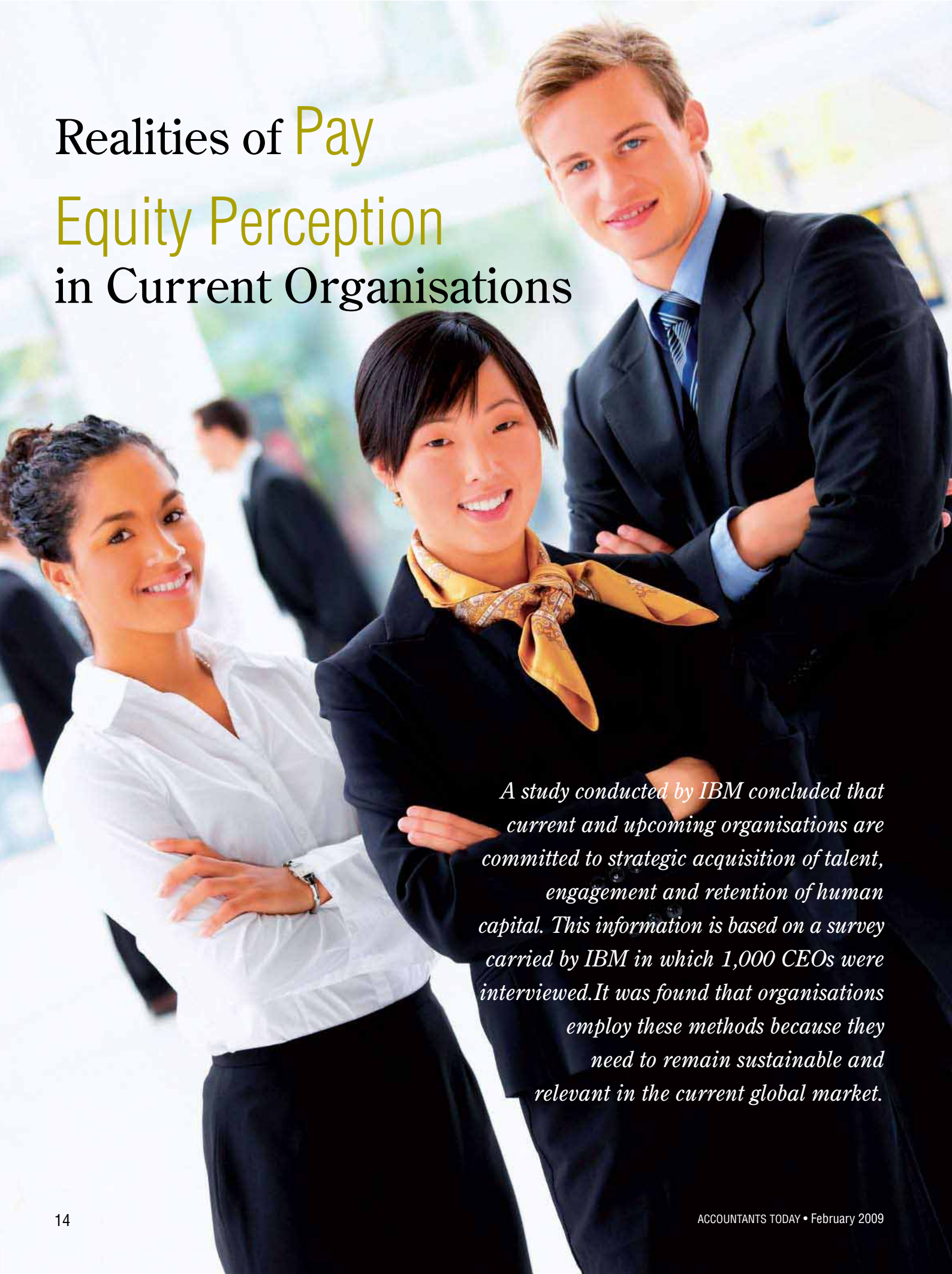
Despite the global financial meltdown, massive unemployment across Europe and the doomsday scenario on the future of the global financial system, some central banks of countries in Europe are defending the US dollar. Naturally they are caught in a dilemma whether to correct the imbalance of the global financial system hoping perhaps the situation will revert to its "normal" course or risk an imminent collapse that will render huge losses to their foreign exchange reserves that are denominated in US dollars.

"Today, in the wake of a global financial meltdown, international investors are nervously looking over each other's shoulder and observing if anyone would break ranks and abandon the US dollar, thereby triggering its collapse."

Today, in the wake of a global financial meltdown, international investors are nervously looking over each other's shoulder and observing if anyone would break ranks and abandon the US dollar, thereby triggering its collapse. There could only be two possibilities from here — either there would be a total global meltdown of the US dollar that could trigger huge losses for institutional investors that are trading in US dollars or the status quo remains with the US dollar buoyed by staunch foreign investors bent on ensuring its survival. AT

Dr. Hassan Ali is an Associate Professor with the Graduate School of Business, Universiti Sains Malaysia.

Realities of Pay Equity Perception in Current Organisations



A study conducted by IBM concluded that current and upcoming organisations are committed to strategic acquisition of talent, engagement and retention of human capital. This information is based on a survey carried by IBM in which 1,000 CEOs were interviewed.It was found that organisations employ these methods because they need to remain sustainable and relevant in the current global market.

Hence the reward systems and benefit provision by organisations are constantly being scrutinised and revised. The motive behind this reality is very much reliant on the current trend of globalisation. In recent times the demand for skilled talent has been high. Labour retention is crucial for the survivability and sustainability of organisations naturally driven by long term profit generation and expansion. The customer base of organisations these days has diversified significantly without bias of nationality, race and orientation. Globalisation impacts the market growth in an exponential manner.

"A survey carried out by Diversity Inc.com revealed that 70 per cent of market players are made up of women. There is a possibility that due to this reality of global proportions, the likeliness of Malaysia facing an increase in the number of women and minority races in organisations and academia is already a given," stated Edmond Ang, Vice-President and Head of Global Rewards for the Neptune Oriental Lines (NOL) Group. Speaking at the National Accountants Conference 2008, held in Kuala Lumpur, on 24 and 25 November, the presentation titled *Pay Equity: A Business Case for Equal Pay Between the Sexes* raised some crucial points to accountants on the realities of the general practice of human capital acquisition by organisations around the globe.

He said based on market research done, employees usually have a strong tendency to leave their employers rather than leave their respective jobs. This will in turn affect the diversity in businesses and therefore business sustainability of organisations.

"Productivity, creation of profit and improved customer service are an accumulation of the diversity offered by organisations. The byproduct of diversity is a reflection of efficient and effective human capital retainment of an organisation for sustainable business practices. Rewards and engagement of employees are very much motivated by some fundamental essentials offered by corporations. The categories of rewards are direct (pay), indirect (benefits) and intangible (non-financial satisfaction).

Labour retention is crucial for the survivability and sustainability of organisations naturally driven by long term profit generation and expansion. The customer base of organisations these days has diversified significantly without bias of nationality, race and orientation.

Of the three, the intrinsic rewards account for higher commitment by employees which in turn lead to better financial results for companies. Upon a more personal engagement towards the needs of human capital, work performance of the individual improves. At the same the individual is motivated and will demonstrate it through loyalty and service for his or her corporation."

Issues of fairness were discussed in relation to the equity theory. The equity theory states that work inputs (efforts) rely upon on how equitable (fair) reward outputs are perceived by an employee. Once an external or internal factor disrupts the balance of the theory, it will lead towards morale and commitment loss. Hereinafter when the input is affected the output will be manifested as an end result. The need for a fair balance when measuring fairness in terms of reward derived from the input of efforts has to be balanced by the output produced.

The presentation also focused on pay equity comparison between Malaysia and Singapore. The study demonstrated co-dependences of factors in the Diversity Quotient and Fairness factors. The relationship demonstrated that besides pay factors the intrinsic values affect employee satisfaction engagement against fairness policies and the diversity climate of organisations.

Ang concluded his presentation by saying,"The new realities which must be actively addressed by companies are that they need people who are talented, competitive, versatile and committed. Pay equity must be seriously taken into consideration especially in the Asian context where women too are equipped with knowledge and experience to deal with the challenging complexities of global organisations." AT

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NAC is a Malaysian Institute of Accountants (MIA) flagship event held annually for accountants from both the public and private sectors. The event covers presentations and exhibitions by sponsors of the event and focuses on bringing in perspectives on the advancement of the profession.

Economic Integration and the Optimum Currency Area (OCA)

Wai-Ching Poon

The advent of globalisation has witnessed an increasing importance of emerging market economies. Emerging market economies play a critical role in today's world economy and in macroeconomics at the country level as well as microeconomics at the company level.

Generally, economic integration refers to economic interdependence or linkages between groups of countries or regions. The flow of trade, capital, labour and technology across countries are evidence of economic linkages (O'Neill, 2002). Since the 1997 Asian financial crisis, regional initiatives have been undertaken to intensify monetary cooperation to ward off a recurrence of the crisis. Indeed many economies are eager to take the same path as the EU. It is believed that a monetary union could help economic growth. Obviously, the success of the Euro adoption has sparked interest in economic integration, especially among developing economies in the Asian region. However, potential members will have to at least demonstrate some form of macroeconomic synchronisation prior to the formation of an economic union.

Countries in the ASEAN region are at various stages of economic development. For instance, Malaysia is a middle-income economy, while Thailand, Indonesia, and the Philippines are lower middle income economies. Maintaining economic growth above the trend output level could have inflationary consequences for an economy. Inflation could result in undermine the external competitiveness of a country and affect its debt and exchange rate conditions. Any macroeconomic policy that affects inflation could trigger a currency crisis that could result in a regional infection. The worry today is not so much inflation as the possibility of slow growth and recession.

Earlier studies on economic integration have centred on the optimum currency area (OCA) theory. "Does Asia need a common currency?" Robert Mundell, the father of the optimum currency area, answered "yes" to this question. The theory of OCA provides a starting framework for adopting a common currency. The OCA theory stresses the importance of labour mobility (Mundell, 1961), openness of an economy (McKinnon, 1963) and product differentiation (Kenen, 1969) as criteria necessary to form an OCA.

Apart from these fundamental criteria, researchers have also proposed other prerequisites namely having a stable exchange rate, facing symmetrical shocks, increasing trade and capital flows, and experiencing coherent macroeconomic activities where fiscal and monetary initiatives are coordinated. In addition to these criteria, the possibility of an economic union can also be determined by conducting a marginal benefits — marginal cost analysis of integration. The formation of an economic union will only be possible if the marginal benefits with respect to trade, foreign direct investment and economic growth exceed the marginal cost of giving up monetary policy independence.

Let us get started by studying the basic concept of OCA.

Concepts: Optimum Currency Area (OCA)

According to Robert Mundell, OCA is a geographical region in which economic efficiency could be maximised by having the entire region share a single currency. It describes the optimal characteristics for the merger of currencies or the creation of a new currency. The theory is used often to argue whether or not a certain region is ready to become a monetary union.

Monetary Union

A Monetary Union or Economic Union is a single market with a common currency. It is the fifth stage of economic integration but different from a mere currency union. (The largest economic and monetary union at present is the Euro zone).

- The first stage is a Preferential Trade Agreement (PTA) that involves lower tariffs on imports among members.
- The second stage involves the formation of Free Trade Areas (FTAs), where tariffs and non-tariff barriers are abolished among members (the commonly used example is the formation of ASEAN). Regional trade agreements have been revived since the successful evolution of the European Union integration. The rapid progress in market-driven regionalisation in East Asia since the financial crisis of the late 1990s has accelerated the worldwide regionalisation process.
- The third stage involves the establishment of a Customs Union, where members must pursue common external commercial relations and establish a common external tariff on imports from non-members.
- The fourth stage is a Common Market, with custom unions, and labour and capital mobility. (For example, the European Union is a common market).
- The fifth stage is reached when an Economic Union is formed, where there is a common market with complete unification of monetary and fiscal policies by the central authority. And the last stage is the Supra-National Union, where members hand over sovereignty in economic and social policies to a supra-national government, and this is the completion of economic integration. A problem may appear here. Countries with a predilection for rapid economic growth may not be willing to surrender their macroeconomic policy sovereignty to a supranational institution. The loss of monetary policy autonomy implies that economic-growth policies cannot be indiscriminately pursued by any country.

As for the case of the European Monetary Union, it evaluates the compatibility of economies through institutional convergence criteria. The EU established a set of "convergence criteria" to be fulfilled by countries wanting to adopt the common currency Euro. Countries must fulfil the convergence criteria that are specifically spelt out in the Maastricht Treaty.

The use of Common Currency

There are positive and negative implications in the use of a common currency. On the positive side, a common currency enhances the functionality and credibility of money. A country may improve its economic stability by joining a larger monetary union, given the expansion of trade and capital flows. However, the country that joins a monetary union must give up monetary autonomy, and therefore lose its ability to respond to asymmetric shocks. The country also loses seigniorage (the process of creating money to be held by others) and the ability to act as a lender of last resort should there be any potential banking crisis. Within this framework, giving up monetary autonomy might become the key issue in a country's decision to adopt a common currency.

In general, OCA focuses on four interrelationships between the countries that

would impinge on the benefits of adopting a common currency: the extent of trade, nature of disturbances, degree of labour mobility and fiscal transfers. If the potential union members heavily trade among each other, a monetary union would benefit from the reduction of transaction costs. Second, if the countries experience similar shocks, the cost of giving up monetary policy independence would decrease. Third, high labour mobility across borders can be a useful mechanism for adjusting to asymmetric shocks that lead to high unemployment in a subset of the union membership. Fourth, if region-specific shocks prevail, a federal fiscal system would provide regional insurance (in the form of federal funded unemployment insurance benefits), thereby attenuating the impact of regional shocks on interregional income differentials.

1 *The Importance & Composition of Intra-Region Trade*

The greater the intra-regional trade, the larger will be the benefit of adopting a common currency. ASEAN intra-regional trade as a share of regional GDP is higher than that of the Mercouser and NAFTA. ASEAN's ratio of intra-regional trade to regional GDP has risen considerably in recent years, which implies rapid regional growth. As far as the composition of trade is concerned, the appeal of a common currency would be greater if there is a higher share of trade in manufactures and similar goods in which prices are largely determined by producers, as opposed to commodities whose prices are set by the international market.

2 *The Nature of Shock & the Flexibility of Factor Markets*

The cost of adopting a common currency is higher for countries that experience dissimilar or asymmetric shocks. Besides, countries are better candidates for a currency arrangement if their disturbances are correlated and small, and if adjustment in response to such shocks takes place rapidly.

3 *The Similarity of Economic Development & Financial Systems*

Macroeconomic stability will also increase the attractiveness of a monetary union. The more flexible and sustainable a country's fiscal policy is, the less likely is it to rely on monetary policy to respond to shocks, and lower the inflationary pressures. It may also be easier to integrate countries which are at similar levels of economic development. However, the levels of economic development differ within ASEAN countries. For example, Singapore is a world leader in high-tech industries, while Vietnam exports relatively low-tech manufactures. Singapore has one of the most advanced financial markets in the world and is one of the leading foreign-exchange trading centres, but Vietnam is in its early stage of developing and opening its financial markets. Such differences in economic and financial development would complicate economic and financial integration.

Brief background information on ASEAN

The founding of the ASEAN on 8 August 1967 following the signing of the Bangkok Declaration by five countries (Indonesia, Malaysia, the Philippines, Singapore, Thailand), and Brunei (joined later on 8 January 1984), has promoted an effective cooperation among its member states. The primary political function of ASEAN has been its promotion of harmonious relations among its members, and maintaining regional peace and stability. ASEAN also maintains dialogue and good relations with other countries in the Asia Pacific region and beyond.

The Benefits of a Single Currency

The adoption of a common currency leads to an increasing number of economic agents using the currency as a medium of exchange. It eliminates the need for exchanging one currency to another in the union. Consequently, a common currency reduces transaction costs and ultimately increases the price transparency, and promotes intra-zone trade.

Lower transaction costs are seen as one of the major benefits associated with European unification. Lower risks from one exchange mechanism would lead to lower premiums associated with hedging and investment, through remarkable innovations in technology that will reduce the cost of financial transactions.

An exchange rate risk discourages investments, but with a fixed exchange rate, it would boost the inflow of foreign investment into a country, encourage trade and allow for more efficient allocation of resources within a monetary union, and create economies of scale. A common currency raises the volume of trade in goods and services and will eventually be of advantage to consumers. However, if the country does not have a fixed exchange rate regime, hot money flows in and out so quickly that governments may not respond fast enough to the velocity of exchange, especially with weak institutions in the country. On the other hand, most of the world's reserves will be held in EURO and the European Union will be able to benefit from seigniorage and lower interest rates than would otherwise be the case.

To form a monetary union, discretionary power would be removed from the hands of central bankers. If united through economies and currencies, the probability of conflict between countries is expected to be reduced. By forming a monetary union, human rights issues, environmental policies, social policies, and industrial policies can be discussed within the member countries to overcome the problems of credibility. Forums, discussions, or a treaty can further strengthen relationships and the cooperation within the union.

The Costs of a Single Currency

Adopting a single currency, however, involves costs. The main disadvantage of a union is related to the fact that a country must surrender its ability to conduct monetary policy independently, which may prevent it from using the exchange rate instrument to satisfy national policy objectives. For instance, if a country experiences a sudden fall in exports, and if the country has its own currency, it can choose to devalue the currency to regain

international export competitiveness without causing a fall in nominal income, or a rise in unemployment at home. But, if a country has joined a currency union, it has to absorb the external shocks. The size and openness of the economy determine the cost of losing currency flexibility. Small countries have relatively large propensities to import and therefore are able to achieve external balance through proportionately small changes in Gross Domestic Product. Larger countries require a larger movement of output to rectify external imbalances.

The second factor is decision-making. Decisions relating to monetary policies would have to be made at the union level. The flexibility of seeking central bank financing for budgetary deficits would be limited through collective decision making. With diverse stages of development and varying degrees of financial and structural disequilibria, the constraints forced by a union on the pursuit of individual country-oriented financial policies might be viewed as a barrier to the accomplishment of a balanced and sustainable level of economic growth.

The third factor is the exposure of a national economy to an asymmetric shock. If every member state of the union is hit by an economic shock, it can be accommodated by the coordinated union-wide monetary and possibly fiscal policy. The more a country resembles the union-wide average, the less harmful is the loss of exchange rate flexibility.

The degree of labour or capital mobility also affects the desirability of a currency union. High mobility helps to adjust a negative shock because labour and captital can move from the impacted region to areas where they are in higher demand. For example, if the demand for a commodity in Malaysia falls due to more favourable pricing of the same commodity in Thailand, unemployment would increase in Malaysia. The Thais might have an increase in wages and would find that Malaysian commodity looks attractive because it is cheaper. This would create more demand in Malaysia and drive corresponding lower demand in Thailand.

Last but not least, fiscal policy might constraint a country from joining a single currency. The flexibility of fiscal policy in a union is controlled by the restrictions collectively set on central bank financing of budgetary deficits. This constraint is less serious for industrial countries than for developing countries. It is hard to collect tariffs that are already at a relatively high level. Thus, it is very hard for a developing country to gain much in this single currency fiscal policy. There are two problems that may arise. First, the least developed countries in the group might be forced to follow excessively austere financial policies that may adversely affect economic growth. Second, the more developed a country in the region, the more it would enjoy the presence of a more advanced infrastructure that would provide economies of scale to new industries and it can become the extremity of growth within the region, attract capital and investments, while the least developed countries would suffer heavily.

Many studies have been done on the OCA with respect to the pros and cons of a common currency. From the lessons learned from the EURO experience, the criteria for feasibility of OCA fundamentals versus the reality of European Union (EU)'s Maastricht Treaty are summarised as follows:

Feasibility vs Reality

FEASIBILITY (OCA Fundamentals)	REALITY (EU's Maastricht Treaty)
• Openness and goods market integration;	• Price stability;
• Factor market integration;	• Interest rate stability;
• Symmetry in economic structure and shocks;	• Currency stability;
• Financial market integration;	• Fiscal sustainability;
• Policy coordination.	• Debt sustainability.

The role of China

There is an increasing influence of Chinese investments in the capital market in the region. After China's accession to WTO in November 2001, she is moving towards liberalising her external sectors and capital account. The rapid cross-border capital investment has, in some cases, facilitated the financial convergence and monetary cooperation. China was actively involved in the Chiang Mai Initiative (CMI) in 2000, and later on devoted a closer cooperation within the ASEAN plus 3 framework (ASEAN countries + China, Japan and South Korea). CMI concerns the development of bilateral currency swaps and repurchase agreements against future financial crises. China should be aware that capital market confidence could be undermined should there be abuse of swap and repurchase facilities, where countries defend their misaligned real exchange rates to counter inflationary pressure. Therefore, the prolonged undervaluing of its currency and overstatement of its annual GDP growth rate have put forth some stumbling blocks to the global economy in general, and to the region in particular.

Conclusion

By considering cooperative action, East Asian countries would be in a better position to resist the adverse effects that may exaggerate the growth of domestic economies. Therefore, synchronisation, of macroeconomic and exchange rate policies, as well as business cycle synchronisation would enable this region to exert an important new chapter upon the future of global trade and the financial system. AT

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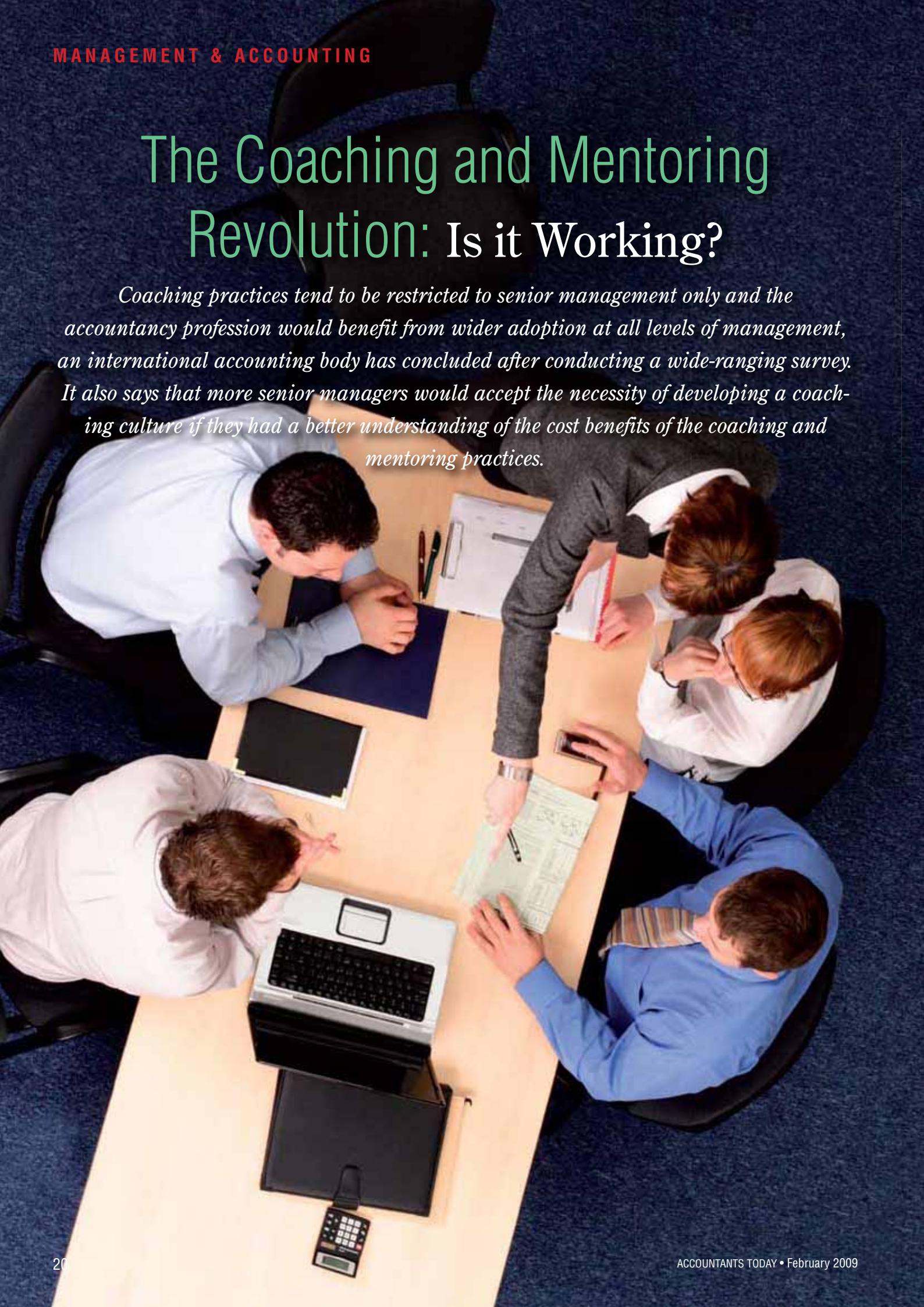
The Coaching and Mentoring Revolution: Is it Working?

Coaching practices tend to be restricted to senior management only and the accountancy profession would benefit from wider adoption at all levels of management, an international accounting body has concluded after conducting a wide-ranging survey. It also says that more senior managers would accept the necessity of developing a coaching culture if they had a better understanding of the cost benefits of the coaching and mentoring practices.



These are two of the key learning pointers from a survey conducted by the Association of Chartered Certified Accountants (ACCA). The survey, involving some 700 ACCA members across 170 countries and published in January 2009, comes at a time when the role of the finance professional is changing. While core accounting skills are still a prerequisite, increasing competition, globalisation and business regulations have resulted in an expectation that the finance professional should now be an essential contributor to strategy, risk management and business performance.

The report is entitled *The coaching and mentoring revolution: Is it working?* It reveals that although most organisations believe in coaching and mentoring, it is more of an aspiration than reality. Few organisations are currently seeking to embed a coaching culture across their businesses.

ACCA says global research suggests few finance organisations are practising a coaching and mentoring culture, revealing a lack of understanding of good practice and ultimately leading to poor returns on training investment.

Coaching and mentoring have become more important since more and more people have to understand that finance professionals must not only develop their 'finance' technical skills but also embrace the competencies of business leaders: analysis, planning, risk identification, team building, leadership, communication and control. These are often referred to as 'softer' skills.

"A more contemporary description of these 'soft' attributes would be 'high performance' behaviours, attitudes and styles. The challenge for all organisations is to ensure that their finance professionals and finance leaders have these attributes," notes the report.

Here are some of the key conclusions:

- 85 per cent of respondents believed it would be beneficial to use coaches but over 60 per cent of organisations do not use accredited internal or external coaches to develop the competencies of finance professionals
- 85 per cent of respondents deemed it beneficial to implement a coaching culture but lack of buy-in from senior management remains a challenge for the establishment of coaching practices in many organisations
- although many employers include coaching as a style of leadership in their management training programmes, it is not seen as a compulsory requirement.

Lessons Learnt

The survey also showed up some key pointers that would be instructive for accountants and those who deal with them.

"Even in these lean times, organisations are struggling to maximise their return on investment in their people," said ACCA head of professional development Tony Osude in a statement. "Though coaching and mentoring practices continue to evolve and good practices exist at some of the larger global organisations, there is a lack of understanding of good practice more generally across the profession."

Jamie Lyon, ACCA senior professional development manager and co-author of the report, said: "We see very clearly that the establishment of coaching and mentoring practices across the profession is an aspiration rather than a reality for most organisations. Coaching and mentoring are incredibly powerful but unfortunately in many cases these benefits are not materialising because the practices are not being utilised as widely as they could be."

One thing is sure. In these harsh economic times, one can expect some corporations to trim their budget. At the very least, even the more ambitious players may err towards the side of prudence.

"Everyone wants the biggest bang for their buck and coaching gives you that. We think there are a number of actions organisations can take to improve the coaching process — wider adoption and training of more finance professionals as accredited coaches would be beneficial, at middle and senior management level. Having a good mentor is often key to successful career development," said Osude.

Importance of Coaching, Mentoring

Why the fuss with coaching and mentoring? One obvious reason is that it works.

In ACCA's Professional Insight Report: *Talent Management in the Finance Profession,* coaching and mentoring interventions are rated as the most effective development tool for the finance professional aspiring to be a finance leader.

"It is, therefore, time for global organisations to reassess these valuable tools. The finance professional evolving into a finance leader is, and will become even more so, an essential element of the successful business entity. The business will need to develop and harness this talent and nearly 92 per cent of respondents to our research confirmed that they see coaching and mentoring as a key development process," the latest report adds.

To be fair, the report notes, most organisations have embraced coaching and mentoring to some extent but a key conclusion from this research is that there is a wide variation in the sophistication and effectiveness of coaching and mentoring processes adopted, and measures of success continue to be elusive.

The evidence suggests the following inferences.

- Coaching is provided to senior management as a development tool where they

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Jamie Lyon, ACCA senior professional development manager

deem it helpful. Coaching as an explicit development tool is not provided below that level.

- While every employer aspires to it, tripartite monitoring of the coaching programme (learner, coach, line management/HR) is still not fully undertaken. Coaching is often organised by the learner, who controls the selection/objective setting and measurement of success.
- The larger the entity the more likely that both internal and external coaches will be available. The internal coaching resource is often stretched owing to lack of trained personnel. In certain cases, the external or internal coach was not vetted for suitability or experience.
- The 'manager as a coach' is a developing theme. It appears that many employers will include coaching as a style of leadership in their management training programmes. It is not always seen as a compulsory requirement of management.
- Mentoring is provided but often on an informal basis. The relationship is often not defined and so frequently leads to no definable benefit.
- Only a small number of organisations are explicitly stating that embedding a coaching culture as a philosophy is a key element of management strategy. To gain the full benefits of coaching and mentoring as learning and development tools, research supports the following recommendations.

- All finance professionals should practise coaching as a facilitative method of learning and communication from the moment they first interact with colleagues, stakeholders and clients.
- The coaching culture should feature prominently in the organisation's values and strategies and be evident in everything it does and says.
- The coaching culture needs the commitment and support of the board/partners, who must champion the philosophy and processes.
- The 'manager as a coach' should be an integral part of the organisation's leadership training.
- To develop finance professionals at all levels, 'coaching' should be in the 'toolkit' of the manager, who uses it for both technical and behavioural training/managing of others. • Accredited and experienced internal and external coaches should be made available to the finance professional who would benefit from this more focused development.
- Coaching and mentoring are about enhanced performance. They must therefore be planned and monitored and tested for effectiveness.
- The mentor is a key resource for the finance professional who wants to learn from the best. Mentoring should be an established and accessible service.

Common Belief

The report states that there is a common belief that both the coaching and mentoring processes would be greatly beneficial for organisations and the finance professionals they employ.

It adds that research has demonstrated a positive correlation between corporate profit and the implementation of successful coaching and mentoring programmes.

"Consequently, we may infer that by not implementing such programmes effectively, many organisations are not maximising their return on human capital employed. In other words, the finance function is under effective, talent is under utilised, and financial performance is compromised," it concludes. AT

Recommendation 1: The finance professional as a coach

Finance professionals should be trained in coaching communication techniques as part of their induction into the organisation The finance professional's communication skills with colleagues and clients will be enhanced.

In providing on-the-job training, the organisation will adopt a style which leads to deeper learning in both technical and behavioural areas. More advanced coaching techniques should feature strongly in management and relationship training.

In managing the team, motivation, delegation and supervision will be more transformational in style (working closely with values, emotions and higher needs) and, therefore, be suited to the current changing environment. In communication with clients, the relationship will be based on identifying problems and suggesting solutions rather than selling.

Recommendation 2: The mentoring system

There should be a team of identified mentors at each level of the organisation. There can be more informal relationships at the lower level. Finance professionals will receive technical, behavioural and career guidance from the earliest opportunity and, therefore, have more direction from the start. Mentors should be selected for their technical/behavioural skills appropriate to each level. The use of mentors ensures that acknowledged experts in their field 'grandfather' their knowledge to the next level. A mentoring relationship should have defined goals and regular meetings to reflect on its effectiveness and give feedback. In mentoring, the mentor directs the learner, but the need for help should be defined and measured to give satisfaction to both parties.

Recommendation 3: External and/or internal coach faculty

Accredited and experienced coaches should be identified as appropriate to the organisation. Accredited coaches will have a full toolkit to adapt to each circumstance and their work is supervised. Coaches' relative experience can be matched to the level of finance professionals and their needs. The cost of having individual coaches can be managed by using 'lower level' coaches for less senior finance professionals. Where volumes are large, having an internal coaching faculty can be an advantage. The coaching contract should include objectives, methodology, progress milestones, and measurable outcomes. Coaching is about raising performance. The ROI can be more easily measured if benchmarks are set and monitored.

Take Control

Douglas Kent, CEO of supply chain consultancy eKNOWtion and member of the European leadership team at the Supply Chain Council, says that those pulling the strings of financial and physical supply chains need to coordinate their efforts.

When Apple's iPhone 3G went on sale last year, many buyers were forced to wait a little longer than anticipated before they could part with their money, as the popular gadget was in short supply in many stores. During the company's third quarter financial results conference call, Chief Operating Officer, Tim Cook, noted that there were a number of cases where inventory had run out due to overwhelming demand. Cook said that he was thrilled.

Quite what the finance team made of the situation is not on record. But as Kevin O'Marah at supply chain analysts AMR Research noted in *Macworld*, "excess demand is wonderful, as long as it's not too excess".

Supply chain glitches are, unfortunately, all too frequent. One problem is that in many organisations those that deal with the physical supply chain and those that deal with the financial supply chain fail to cooperate adequately. This often destroys the value in the process, says Douglas Kent, CEO of supply chain consultancy eKNOWtion and member of the European leadership team at the Supply Chain Council. Instead, companies should be leveraging more value from the financial supply chain.

Room for improvement

Supply chains have received more than their fair share of attention in recent years. As Kent points out, there has already been a lot of innovation in the physical or operational supply chain and, with new software tools available, a lot of attention on the information supply chain, where there have been some significant advances.

The one area where there is significant scope for innovation and value creation, however, is the financial supply chain. One reason for the lack of progress in this area, suggests Kent, is the lack of clarity over ownership of the process.

"The people who own the supply chain have traditionally owned the physical part of that within the organisation and, as the supply chain grew and management became dependent on enterprise resource planning and software capabilities, they became responsible for that also," says Kent.

"However, we have seen a very different mindset for the physical supply chain and operations community and the financial community. Finance people have a different language which, from a supply chain perspective, sometimes we understand and sometimes we don't, and the same is true in the other direction. This barrier has been a big problem and one of the reasons that I think there has been less innovation in the financial supply chain is that the communities really don't understand each other."

There is plenty of scope for innovation and improvement of the financial supply chain, says Kent. And there is plenty of need for it too.

"Because of the challenges facing the global supply chain today, the need for innovation on the financial side is becoming ever greater. Because we are outsourcing at an ever-increasing pace there are new players like contract manufacturers and original equipment manufacturers and this means greater complexity in the supply chain," says Kent.

"We need to look at ways in which we can be more innovative on the financing side — the way we deal with inventory, how we manage tax. Companies that typically operated a single country operating model are now manufacturing products in China, sourcing raw materials from India, and delivering goods to Eastern Europe. They have to figure out not only the operational side of the supply chain, but also the financial side — all those exports, taxes and tariffs."

As Kent points out, people on the physical supply chain side will now be grappling with decisions like where to put the next factory, with all the consequent financial impacts. There are different tax incentives depending on location, plus import and export tariffs to consider. It might make sense for manufacturing costs to make products in China, but from a supply chain perspective, inventory levels go with stock sitting on a boat for 30 or more days.

> "excess demand is wonderful, as long as it's not too excess".
>
> **Kevin O'Marah, supply chain analysts AMR Research.**

Add to that the complications of getting all the export documentation, shrinkage, and the other factors involved in getting the product from one country to another, and suddenly a higher cost option, but with greater certainty, seems more attractive.

Suddenly the traditional supply chain manager has to think about the financial perspective and the finance manager realises that decisions being taken by the supply chain manager can have a serious impact on top-line performance and bottom-line improvement. There is a strong driver for the two communities to try and understand each other for their common benefit, and not to act as islands in isolation, taking decisions that are going to impact the other function without a full understanding of what the impacts of those decisions are.

Part of developing a collective appreciation of the impacts of decisions made by both communities, in relation to the supply chain, is understanding the linkages between financial metrics and operational metrics. To aid this understanding, the Supply Chain Council has introduced a new measure, Value at Risk (VaR), which measures the probability of an event occurring and the financial impacts of that event.

"A good example would be where a company chooses a product supplier that it has not worked with before," says Kent. "Using VaR the company could calculate the probability that something could go wrong with the product and the company has to do a product recall as a result, and the consequent impact on financial performance. So it can actually put a financial value on the riskiness of that supply chain decision". Read the pages of the financial press and the need for such a metric soon becomes apparent. There are plenty of stories of firms unable to meet demand for products, or experiencing contract delays because of supply chain problems. The stock price of both Airbus and Boeing, for example, has been badly affected at various times recently by supply chain glitches."

When the supply chain impacts on stock price, the subsequent fall in market capitalisation can lead to a credit downgrading, then the money needed to run the business costs more, such as borrowing capital to make investments, whether short-term inventory, or long term plant and equipment.

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>
> **Douglas Kent, CEO, eKNOWtion and member of the European leadership team, Supply Chain Council**

Take ownership

If there are ownership issues then these must be addressed. "Often there is the question of who owns the financial supply chain," says Kent. "Typically the financial community has been the owner of reporting and recording of the performance, but not necessarily the processes that affect that performance."

"There must be a common language, so that there is no disparity between the finance and supply chain, so that we can understand the same processes, we can use the same metrics and understand the hierarchy of those metrics, and how everything fits together."

Douglas Kent, CEO, eKNOWtion and member of the European leadership team, Supply Chain Council

As Kent points out, if you get all the different directors of the different disciplines in an organisation together and ask them who is accountable for inventory, usually either everybody raises a hand or no one does. If everyone raises a hand then there are going to be inherent conflicts in terms of how you manage inventory, which will cause a lot of disruption. If no one raises a hand, then the issue is going unattended.

"What needs to be done is to take all individual processes involved and their associated metrics and using tools like RACI (responsible, accountable, consulted, informed) analysis, where we assign the responsibilities, the accountability, consultative positions for each process and each metric across the organisation, ownership becomes absolutely clear,' says Kent.

Understanding where the finance function can make a difference is about understanding the intersections between the financial supply chain and the physical supply chain. Organisations need to take a good look at the whole supply chain and the various processes involved and identify where the crucial crossover points are — the intersections.

"Take pre-shipment financing, for example," says Kent. "This can be a company buying from a supplier or a customer buying from the company. The more companies in corporate global sourcing, the more often prepayment becomes a requirement in order to receive goods. This is an area where the finance function has started to get more innovative on managing that process, avoiding the typical lengthy letters of credit situation where the company goes to the bank, the bank secures the money and letters of credit are sent, or where the company is forced to give up its cash by making cash payments in advance."

Another area of innovation in the financial supply chain is inventory financing — whether a manufacturer needs to carry everything on its books or whether it can merge the processes of sourcing, producing and delivering to make the inventory valuation throughout the whole process as low as possible.

"It used to be that we had traditional buy-sell relationships. If I am going to make something, I go to a supplier, buy the raw materials, take ownership of those and then those become my inventory. Then I put those materials through the manufacturing process, when it will be work in progress inventory and eventually finished goods inventory," says Kent.

"The question is: are there better ways to manage and finance the inventory so that it can be held as long as possible in its lowest cost position, because that allows me to have better margins? So as we move away from the traditional buy-sell relationships, we can look at innovative ways to manage and finance the inventory. Maybe I want suppliers to do things like vendor managed inventory, so I only pay for the inventory at the time I use it.'

Three-pronged attack

Most organisations still have some way to go with regard to maximising the value of the financial supply chain, says Kent. In a recent presentation that he gave on the subject, he outlined three main recommendations. One recommendation was to innovate. While that may sound trite, what it means in reality is everybody, on both sides, should understand what is required from the supply chain, from a physical and a financial perspective. Only then is the organisation in a good position to innovate, purposefully investing in research and development on how to make its overall supply chain performance better.

Another of Kent's recommendations is to measure, monitor and mitigate risk. This requires strong consultation between the finance and supply chain professionals and the use of appropriate tools such as VaR, in order to arrive at a common view that helps the finance and supply chain make decisions together over whether to do or not do something.

Perhaps the most important message, though, is communication. "There must be a common language, so that there is no disparity between the finance and supply chain, so that we can understand the same processes, we can use the same metrics and understand the hierarchy of those metrics, and how everything fits together," says Kent. "Before you do anything else, you have to speak the same language." AT

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Accounting in and for the Subprime Crisis

The subprime crisis now upon the corporations, large and small, has brought into sharp focus a number of lessons. One of them is that financial statement preparers need additional guidance on how to calculate fair value in illiquid markets. This was one of the conclusions drawn by Stephen G Ryan, a professor of accounting at New York University (NYU) Stern School of Business.

In an analysis, Ryan suggests that users of financial reports need better disclosure about the critical three inputs and how sensitive fair value measurements are to those inputs.

"Accounting standard-setters need to consider what guidance and disclosures to require. Preparers need to provide these disclosures in an informative fashion, and users must analyse them carefully and dispassionately," he says in an article published in the November 2008 issue of *The Accounting Review Journal.*

Ryan, author of *Financial Instruments and Institutions: Accounting and Disclosure Rules*, notes that like all of the severe crises that have periodically beset the economy, the subprime crisis is not and could not be the fault of any one set of parties.

"The entire economic ecosystem failed to appreciate the risks of the rapid growth in

risk-layered subprime mortgages, the inevitable reversal of home price appreciation, and unprecedented global market liquidity.

"These factors combined to enable all-too-human undisciplined behaviour in lenders, borrowers, and investors, almost all of whom were unquestioningly optimistic for as long as the sun shined upon home equity.

"Economic policy, bank regulation, corporate governance, financial reporting, common sense, fear of debt and bankruptcy, and all of our other protective mechanisms were insufficient to curb these behaviours," he writes.

"The entire economic ecosystem failed to appreciate the risks of the rapid growth in risk-layered subprime mortgages, the inevitable reversal of home price appreciation, and unprecedented global market liquidity. These factors combined to enable all-too-human undisciplined behaviour in lenders, borrowers, and investors, almost all of whom were unquestioningly optimistic for as long as the sun shined upon home equity."

Stephen G Ryan, Professor of Accounting, New York University (NYU) Stern School of Business

What is it All About?

Let us back track. What is subprime all about? The subprime mortgage crisis is an ongoing financial crisis triggered by a dramatic rise in mortgage delinquencies and foreclosures in the US, with major adverse consequences for banks and financial markets around the globe. That is the current entry at Wikipedia, an online free encyclopedia. It adds: The crisis, which has its roots in the closing years of the 20th century, became apparent in 2007 and has exposed pervasive weaknesses in financial industry regulation and the global financial system.

Many US mortgages issued in recent years were made to subprime borrowers, defined as those with lesser ability to repay the loan based on various criteria. When US house prices began to decline in 2006-07, mortgage delinquencies soared, and securities backed with subprime mortgages, widely held by financial firms, lost most of their value. The result has been a large decline in the capital of many banks and US government sponsored enterprises, tightening credit around the world, adds Wikipedia.

Now, a take from an expert. Wharton professor, Todd Sinai, defines subprime mortgage as generally understood to be a mortgage offered to borrowers with low credit ratings or some other characteristic that increases the risk they will default, or fail to make their monthly loan payments. To offset this risk, subprime loans charge higher interest rates than ordinary "prime" loans. Most subprime loans start with a low "teaser" rate charged for the first one to three years. After that, the rate is reset by adding a set number of percentage points to a base rate, such as market driven rates on certain bonds. Starting in 2005, resets caused monthly payments for many subprime borrowers to increase by 50 per cent or more, leading to a rising rate of delinquent payments and home foreclosures.

The Players

In the aftermath, Malaysia included, you have investors who have burnt their fingers investing in exotic financial instruments, mostly abroad.

Here is one 42-year old finance man who was in the thick of the action. Subprime mortgage lender, Richard Bitner, the co-founder and president of Kellner Mortgage Investments. The UK firm specialised in providing high-risk loans, the sort that triggered America's mortgage meltdown and credit crunch, reports *The Guardian*. The report said that now out of the game, Bitner compares himself to a drug dealer, acknowledging that his trade has achieved pariah status in the public eye.

"I almost look at the mortgage industry kind of like the drug trade. Wall Street and the investment banks are the Bolivian drug lords. You look at this and you go: What were we doing? Who doesn't want the feeling of euphoria? Who doesn't like to get money?"

"Wall Street, the drug lords, were creating this product. Lenders and brokers were the street dealers who were largely making it available based on a consumer desire; a want for it," he told the newspaper in an article published in September 2008.

The report noted that his company was in effect a middle man, taking applications from independent brokers and providing them with loans funded by big finance houses, then selling the finished articles on to Wall Street for securitisation.

"The industry lost its mind. It went from borderline stupid to downright insane," he said, adding that the notion of "acceptable risk" simply went out of the window: "I watched the margins compress in the industry and I realised no one was providing for the risks."

In his book, *The Guardian* report says Bitner recounts a seemingly endless list of tricks used by brokers to push dubious loans. Many simply withheld information, such as the fact that a homebuyer was getting an additional loan to pay for a deposit or that a couple, buying on the basis of joint income, were actually planning to divorce. Others would manipulate figures by knocking up payslips using desktop publishing programmes.

The Aftermath

The aftermath, thus far, has been devastating. Numerous banks have folded, and the end does not seem to be in sight. Nations are reeling. The ruling coalition of Iceland was sent packing towards end-January 2009, a direct result of the subprime crisis.

In his paper, NYU's Ryan would have dissected the action of the likes of Bitner. Can accounting weed out such actions?

Accounting, fair value or otherwise, will never eliminate such behaviour, he argues. Here, he adds, accounting can primarily play two roles. It can provide enough financial data to "mitigate the adverse effect of this behaviour". It can also provide "common information set upon which market participants can recalibrate their valuations and risk assesments when the economic cycle turns". AT

Internet Financial Reporting in Malaysia
Factors, Pros and Cons

Mohd Noor Azli Ali Khan and Assoc. Prof. Dr. Noor Azizi Ismail

This research paper examines the factors that influence companies in Malaysia to engage in Internet Financial Reporting (IFR). Perceptions of the advantages and problems faced in using this new technology are also examined.

The perceptions of preparers of financial information were solicited via mailed questionnaire. Preliminary findings suggest three factors that responding firms perceive as important:

1. enhance corporate image,.
2. company teller with the technology development; and
3. competitors in the industry.

The findings also reveal three factors that inhibit firms from engaging in Internet Financial Reporting:

1. need to keep information updated to be of use,
2. required expertise from the company, and
3. concern over security of information.

The findings also suggest that 'global reach and mass communication' and 'timeliness and up-date ability' are the most important advantages of using Internet Financial Reporting. On the other hand, 'security problems' and 'cost and expertise' are disadvantages. Finally, plausible implications of the findings of the study are then presented and areas for future research are also proposed.

The development of the Internet as a distribution channel of information creates a new communication medium and reporting environment in the corporate world (Ashbaugh *et al.,* 1999; Chan & Wickramasinghe, 2006). The practice of disseminating business information in a digital format is spreading around the world (Bonson *et al.,* 2006) and becoming a very important part of business information services (Liu, 2000). The Internet is a technology with the power to revolutionise external reporting and is becoming increasingly important for financial reporting (Jones & Xiao, 2004). It is a unique information disclosure tool that encourages flexible forms of presentation and allows immediate, broad, and inexpensive communication to investors (Kelton & Yang, 2008). The Internet also provides a unique form of corporate voluntary disclosure that enables companies to provide information instantaneously to global audiences (Abdelsalam *et al.,* 2007).

A comprehensive review of existing literature on Internet Financial Reporting (hereinafter referred to as IFR) indicates a significant evolution in IFR research. The evolution of IFR research can be categorised into four research themes; classification of IFR, descriptive studies, association studies and dimensions of IFR (Ali Khan & Ismail, 2008a). While researchers have given considerable attention to IFR research over the last decade, only a limited number of studies have offered some explanation with regard to the relationship between corporate behaviour and the attitudes and preferences of preparers of IFR, especially in the context of Malaysia. Therefore, this study attempts to fill the gap by investigating the perceptions of preparers of financial information and to solicit their views about the factors, advantages and disadvantages of IFR.

In the next section, this paper discusses the research methodology used and this is followed by a review of the research findings. The paper concludes with suggestions for future research.

Research Methodology

The main objective of this study is to investigate the perception of preparers toward the factors, advantages and disadvantages of IFR. For this purpose, data was collected by means of survey questionnaire. In designing the questionnaire, comments and feedback from postgraduate students and academics were elicited in an endeavour to ensure that questions were clear and precise. The early draft of the questionnaire was pre-tested by two PhD accounting students, three accounting lecturers at the Faculty of Management and Human Resource Management, Universiti Teknologi Malaysia, and three accounting lecturers at the College of Business, Universiti Utara Malaysia. Based on their feedback, several modifications were made to the wording of some questions and some less important questions were deleted to reduce the length of the questionnaire.

The target audience were chief financial officers (CFOs), finance managers and accountants of public companies listed on the Main Board. CFOs were chosen because they are the senior executives who are responsible for both accounting and financial operations (Jiambalvo, 2004). The CFO is a member of the management team that would typically be associated with the development of the corporate annual report and be in a position to comment on the factors that influence the decision to disclose (Wilmshurst & Frost, 2000). These individuals also have the necessary knowledge and competency regarding IFR matters (Ho & Wong, 2003; Mohd Isa, 2006). The respondents were asked to indicate their opinions on a five-point scale ranging from strongly disagree to strongly agree.

An intial exploratory study was conducted to determine the respondents' perceptions. The sample for this study consists of 450 respondents (preparers of financial information for public-listed companies in Bursa Malaysia). The sample size satisfies the rule of thumb proposed by Roscoe (1975) and noted by Sekaran (2003). Roscoe suggests that, among others, a sample size larger than 30 and fewer than 500 is appropriate for most research, with a minimum number of sub-sample sizes of 30 for each category being necessary.

The data was collected between July and October 2008. Each respondent received a marked questionnaire (for tracking purposes) together with a letter outlining the objective of the research, respondent confidentiality, and availability of the survey result upon request, as well as a stamped addressed enveloped. The questionnaire consisted of two parts. Part one relates to the general aspects, which are the background of the respondent. Part two consists of respondent perceptions toward factors, advantages and disadvantages of IFR. We posted the questionnaire to elicit their opinion on factors, advantages and disadvantages of reporting financial information on the Internet. A total of 68 questionnaires were returned, representing a 15.11% response rate. CFOs and accountants are busy people and are generally unwilling to participate in survey studies (Ho & Wong, 2001), and the low response rates (between 10% to 20%) were in line with the expectation of this study. PricewaterhouseCoopers (2002) reported that the average response rate for postal surveys in Malaysia is around 16%.

Results

Table 1 shows the profile of the respondents. The results show that about 53 per cent of the respondents were CFOs while the remaining were finance managers and accountants. Two thirds of the respondents were male, 87 per cent were 40 years old or below and almost every respondent has at

least a degree or a professional qualification.

The following sections report the results of the preparers' perceptions toward the factors that influenced them to adopt IFR. The results in **Table 2** and **Table 3** show 'enhance corporate image', 'company teller with the technology development' and 'competitors in the industry' as the three main factors that most influence companies to adopt IFR, while 'need to keep information updated to be of use', 'required expertise from the company' and 'concern over security of information' are the three main factors that most inhibit companies from adopting IFR. The respondent perceptions show that all the items are factors that influence a company to engage or not to engage with IFR (mean > 3.00).

A further analysis was carried out to investigate the perceptions of preparers and users toward the advantages and disadvantages of IFR. These items were extracted from the literature (Wallman, 1995; Green & Spaul, 1997; Lymer & Tallberg, 1997; Joshi & Al-Modhahki, 2003; Ali Khan & Ismail, 2008b). The perceptions were elicited using a Likert scale ranging from 1 (Strongly disagreed) to 5 (Strongly agreed). The results in **Table 4** show that respondents perceived 'global reach and mass communication', 'timeliness and updateability' and 'increased information' as the three most important advantages of IFR (mean > 4.00).

On the other hand, the results in **Table 5** show that respondents perceived 'security problems', 'cost and expertise' and 'poor website design and advertising' as the three most important disadvantages of IFR (mean > 3.50).

Conclusion

In this paper, we examined the factors that influence preparers to adopt IFR as well as the advantages and disadvantages of IFR. There are two important findings that have emerged from this study that can be used as a basis for future research. First, the respondents ranked 'enhance corporate image', 'company teller with the technology development' and 'competitors in the industry' as the most important factors that influence companies to adopt IFR. On the other hand, the 'need to keep information updated', 'required expertise from the company' and 'concern over security of information' are the three main factors that most inhibit companies from adopting IFR. Second, respondents perceived 'global reach and mass communication' as the most important advantage of IFR, and 'security problems' as the most important disadvantage.

In a nutshell, this paper provides important insights into the factors, advantages and disadvantages of IFR from the perspectives of preparers and users which are neglected by prior research. However, there are several limitations of our study, and future research can refine and broaden our analyses in several aspects. The first is the small sample size. As the Internet continues to evolve, we expect more

Table 1 Profile of Respondent

Demographic	Item	Frequency	Percentage (%)
Gender	Male	46	67.6
	Female	22	32.4
Age	< 30 years	6	8.8
	31 to 40 years	27	39.7
	41 to 50 years	26	38.2
	> 51 years	9	13.2
Academic certification	Diploma	3	4.4
	Degree / Professional	49	72.1
	Masters/Ph.D	16	23.5
Occupation	CFO	36	52.9
	Finance manager	21	30.9
	Accountants	11	16.2

Table 2 Factors influencing company to engage in IFR

Item	Mean	Standard deviation	Rank
Enhance corporate image	4.18	0.690	1
Company teller with the technology development	3.88	0.838	2
Competitors in the industry	3.66	0.924	3
Directors' desire to engage in IFR	3.62	0.811	4
Obligations to community	3.60	0.866	5
Obtain funds from wider sources	3.54	0.921	6
Media attention	3.40	0.849	7
Receive government support	3.26	0.908	8
Stability and improvement in share prices	3.24	0.900	9
Pressure from stakeholders	3.16	1.016	10
Win awards	3.15	0.950	11

Table 3 Factors influencing company not to engage in IFR

Item	Mean	Standard deviation	Rank
Need to keep information updated	3.90	0.866	1
Required expertise from the company	3.74	0.785	2
Concern over security of information	3.72	0.990	3
Concern over disclosure of proprietary information	3.63	0.913	4
Cost incurred outweigh benefits to company	3.50	0.985	5
Potential legal liability	3.47	0.954	6
Alternative forms of obtaining information	3.43	0.834	7
High cost of setup and maintainance	3.43	0.935	7
Do not want to be too transparent	3.40	1.067	9
No legal requirement	3.37	1.021	10
Fear of losing competitive advantage	3.06	0.976	11

companies to create websites and adopt IFR within the next few years. Therefore, it would be interesting for researchers to further investigate this issue with a larger sample size. Second, the subject being surveyed can be described as a top management issue and there is a possibility that not all respondents were able to reveal confidential information. Third, admistering a questionnaire may not be the best way of collecting data about IFR. Further research could try other approaches, such as interviewing companies, preparers and users. Fourth, this study only focuses on Malaysia. Future research may investigate this issue in other countries and compare the findings, especially between developed and developing countries. Finally, the Malaysian environment may be unique and, therefore, our findings may not be generalised in other capital markets. Replications of IFR practice in other national settings warrant potential research extensions of this paper.

Table 4 Advantages of IFR

Item	Mean	Standard deviation	Rank
Global reach and mass communication	4.26	0.683	1
Timeliness and up-date ability	4.10	0.694	2
Increased information (downloadable) and analysis	4.01	0.723	3
Navigational ease	3.94	0.689	4
Interaction and feedback	3.87	0.751	5
Cost beneficial	3.72	0.789	6
Presentation flexibility and visibility	3.65	0.768	7

Table 5 Disadvantages of IFR

Item	Mean	Standard deviation	Rank
Security problems	3.94	0.896	1
Cost and expertise	3.84	0.874	2
Poor website design and advertising	3.53	0.954	3
Authentication, attestation and legal impediments	3.50	0.889	4
Information overload	3.44	0.920	5
Developed and developing country digital divide	3.34	0.874	6

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Zakat and Tax

In this article, we shall discuss Zakat and Tax being the third component of Islamic financial planning. The major theme in this component is the wealth purification aspects of Zakat that is obligatory upon the Muslims, and the favourable treatment of Zakat paid to the State Zakat Authorities by the Inland Revenue Board of Malaysia. We start first with the charitable aspects of Zakat.

Zakat is obligatory charity enjoined and structured by Allah

In Malaysia, there are many societies or non-governmental organisations (NGOs) established for charitable purposes. Yayasan Lim and Yayasan Al-Bukhari are two of the prominent ones. The one thing similar between all these charitable bodies is that they do not have any framework of rules. The amount of funds set aside for charity, the actual amount given out, the frequency of payment and the intended recipients are largely based on the wish of the founder.

Now, let us look at the Islamic paradigm of charity. In contrast to the *laissez-faire* nature of charitable NGOs, Islam does not leave acts of charity wholly to one's wishes and whims. Islam has a complete code of charity. A full discussion here is not appropriate but there are different ranks of charitable acts, specified groups of recipients, types of wealth that are liable for charity and the kind of wealth that cannot be given as charity.

Foremost for the Muslim to understand is that Zakat is the obligatory spending on charity. It is the third of the pillars of Islam. It is of utmost importance for the Muslims to fulfill their duties of zakat before spending on other types of charity.

Zakat is not arbitrary charity but has its own rules and mathematics. Zakat is based on specific types of wealth, specific rates of payment, specific terms and for the benefit of specific groups of recipients. Therefore, Muslims need to adhere to the rules of Zakat and should not pay their zakat obligations randomly.

Protecting wealth via charity: a peek into the metaphysics of Zakat

Mankind, irrespective of faith, is subject to the laws of the Creator. In this regard, their future is never certain and none can be sure of what will happen tomorrow, no matter how comprehensive his plans. Basically, we are all subject to Pure risk and Pure risk is from Allah, as discussed previously. And, we know that Islam encourages risk management and the use of takaful contracts in mitigating possible losses.

Interestingly, some 14 centuries ago, the Prophet, peace be upon him, had told of a promise of a metaphysical nature, regarding risk management. He said "Protect your wealth through Zakat, treat your sick patients through Sadaqah and face the turmoil of difficulties through supplications and heartfelt pleas to Allah" (reported by Abu Dawud) and "Wealth is not diminished by giving in charity" (reported by Muslim).

What does "Protect your wealth through Zakat" mean and what are the requirements when giving in charity?

Firstly, Muslims are enjoined to seek lawful income and wealth. Unlawfully gained wealth will never receive Allah's blessing. In fact, it will be the cause of severe punishment in the Hereafter. The Muslim's means of living must be lawful at all times.

Secondly, charity must be from income and wealth that have been gained lawfully. Allah says in the Quran: *"O Believers, spend from the good things that you have earned, and from what We have brought forth from the earth. And do not choose the rotten out of it to give, while you would not take it yourselves unless you close your eyes regarding it. And know that God is Rich, Praiseworthy (2:267)"*, *"Take sadaqah from their wealth in order to purify them and sanctify them with it (9:103)"* and *"And whatsoever you spend of anything (in Allah's Cause), He will replace it (34:39)"*.

Charity, whether large or small, will be rewarded by Allah and will never be lost. The Prophet said "Protect yourself from Hell-fire even by giving a piece of date as charity" (reported by Muslim). This is the essence of charity in Islam: to purify one's wealth and to rescue one's self from Hell.

Seeking lawful income and wealth is only the starting point. Subsequently, one must give in charity to cleanse the wealth. Perhaps an analogy is appropriate. In the health industry, detoxification or internal cleansing supplements are sold to cleanse the body from harmful toxins and wastes in the body that have been accumulated over time. And these cleansing measures actually improve one's general health.

In similar fashion not only our bodies need to be cleansed from harmful elements. Our wealth also needs to be cleansed because the possibilities of earning from doubtful sources unintentionally or through compromised circumstances are always there.

The act of paying zakat being obligatory charity is the cleansing or purification highlighted in the Quranic verse 9:103 above. It is interesting to note that this notion of wealth cleansing and purification in the Quran has now included the process of eliminating unlawful income acquired unintentionally in portfolio investment.

Types of Zakat and wealth subjected to Zakat

There are two types of Zakat:

1. Zakat Fitrah; and
2. Zakat on wealth.

Zakat Fitrah is also known as the zakat on the self; and the time to pay is during Ramadhan or by the morning of Hari Raya Puasa before the Eid prayers. In Malaysia, the rate of Zakat Fitrah is 2.7 kg of rice and the actual Ringgit equivalent depends on the quality of rice determined by the State Islamic Religious Councils respectively.

Zakat on wealth is divided into two types of assets: monetary and non-monetary. Monetary assets include gold, silver, financial assets such as savings, stocks, unit trusts, etc and the working capital assets of a business. Non-monetary assets are grouped into agricultural, livestock and mining produce.

Zakat on monetary assets simplified

Most Muslims in Malaysia have monetary assets and we shall discuss this first. The important thing to remember when computing zakat on monetary assets is that the zakat payable is based on a flat rate of 2.5 per cent multiplied by the total value of your monetary assets when the ownership of the assets completes a year (i.e. the hawl) and the total value exceeds the threshold level (i.e. the nisab) of 85 gram of gold. (Current price for Kijang Emas gold coin is about RM100 per gram).

However, the computations on non-monetary assets is on a different basis but due to space constraints we are unable to go into them.

Tax treatment of Zakat

Zakat paid to the State Zakat Authorities is treated favourably by the Inland Revenue Board (IRB). The net effect is that the total tax payable is reduced when there is zakat paid during the year of assessment.

When zakat is paid by individuals and sole proprietors, the amount paid is treated as a tax rebate; and when paid by companies, the amount paid as zakat is treated as tax deduction, subject to a maximum of 2.5 per cent of aggregate income.

For individuals, if zakat paid is more than tax payable then the difference cannot be claimed from the IRB. If zakat paid is less than tax payable then the balance must be paid to the IRB.

Zakat and Tax are obligations

Zakat is obligatory on Muslims while Tax is a civil obligation as a Malaysian citizen. Zakat is obligation to Allah while Tax is obligation to the Federal Government. When planning for Zakat and Tax, Muslims must know their zakat liabilities and pay their zakat obligations when they become due and should take steps to minimise their taxes. Failure to pay zakat will be held as debt to Allah, and this debt is due forever until fully paid. And, failure to comply with tax laws will cause difficulties to the defaulter, of which the deterrent factors include monetary penalties and jail terms. AT

FPAM

The Financial Planning Association of Malaysia manages the CFP and is introducing the Islamic Financial Planner (IFP) certification programme. FPAM promotes professionalism in financial planning. For enquiries, email to *zahidi@fpam.org.my* or visit IFP microsite at *www.fpam.org.my*.

Dubai Forging Ahead

Financial and services players with an eye on the Middle East should keep a close watch at what is happening at a number of financial jurisdictions there. The Dubai International Financial Centre (DIFC) is one of them.

DIFC, fast becoming magnet to corporations eager to tap the Middle East market, enacted new regulations that enable companies within the financial district to quickly form Special Purpose Company (SPC) structures.

The new regulations allow companies to create SPCs for facilitating both Islamic and conventional transactions as well as vessel registrations. Transactions that can be facilitated by the new law include acquisitions and financings, it said in a statement released in November.

It also has the DIFC Courts led by Sir Anthony Evans as its Chief Justice. In late November, it held a seminar for legal eagles to look at the roles and functions of the DIFC Courts, a unique independent judicial system created to adjudicate civil and commercial disputes relating to the DIFC.

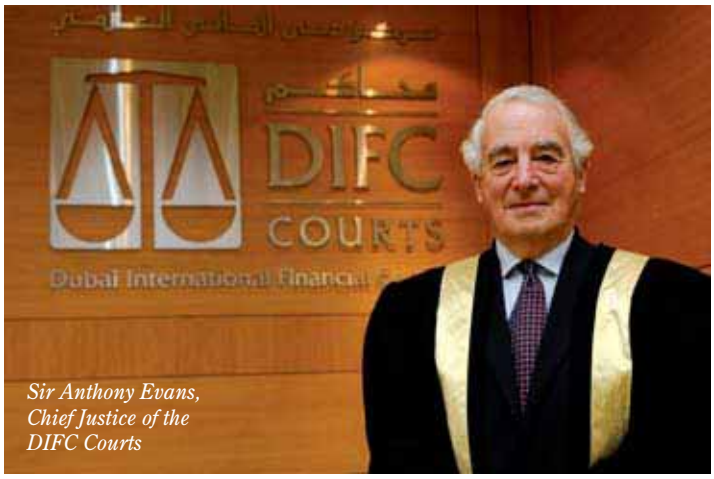
Established in 2004, the DIFC Courts are the only English language, common law justice system in the Middle East region, says DIFC. The DIFC Courts were created to deal with all cases falling within its jurisdiction, particularly those involving sophisticated international financial transactions.

These are just some of the developments that people in finance and business should take note of. DIFC is ambitious. It lays claim to being the world's fastest growing international financial centre, aiming to be like the ones in New York, London and Hong Kong. It primarily serves the vast region between Western Europe and East Asia.

Since it opened in September 2004, DIFC says it has attracted high calibre firms from around the globe as well as its region. A world-class stock exchange, the Dubai International Financial Exchange (DIFX), opened in the DIFC in September 2005.

Back to SPC. Under the law, Special Purpose Companies (SPCs) can be easily structured and incorporated, while enjoying exemptions from some filing and disclosure rules relating to conventional companies in DIFC. For example, they are not required to hold annual shareholder meetings, can be administered by a Corporate Service Provider and are not required to file annual returns.

DIFC Governor Dr. Omar Sulaiman



Sir Anthony Evans, Chief Justice of the DIFC Courts

Dr. Omar Sulaiman, Governor of the Dubai International Financial Centre (DIFC) said, the SPC Regulations form part of DIFC's constantly evolving legal framework that aims to provide a supportive environment for financial services companies.

"DIFC is committed to providing a world class regulatory framework that offers companies the flexibility necessary to structure a range of financing transactions. At the same time, our regulations ensure that we retain our strong focus on integrity, transparency and efficiency. The enactment of the SPC Regulations will provide a great boost for conventional and Islamic acquisitions and financings in the region," he said in a statement.

The SPC Regulations intends to enhance the position of DIFC as a jurisdiction having a wide breadth of laws where all facets of commercial transactions can be conducted. They also put DIFC on par with key offshore jurisdictions that offer the ability to establish Special Purpose Companies.

The procedures for setting up an SPC under the DIFC Registrar of Companies are quick and straightforward. The process involves inexpensive fees and minimal annual reporting requirements.

The SPC Regulations have been reviewed and approved by an industry focus group composed of the DIFC Authority Legislative Committee, Dubai Financial Services Authority (DFSA) representatives, and prominent legal and financial advisors, including bankers and accountants. AT

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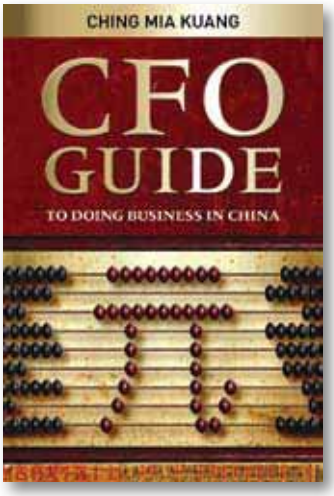

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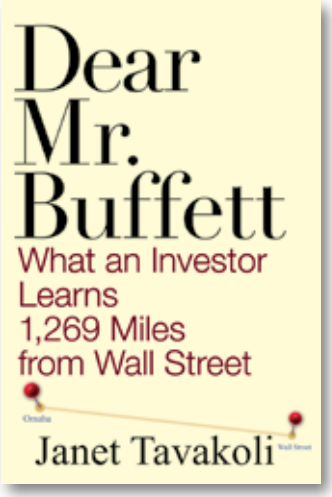

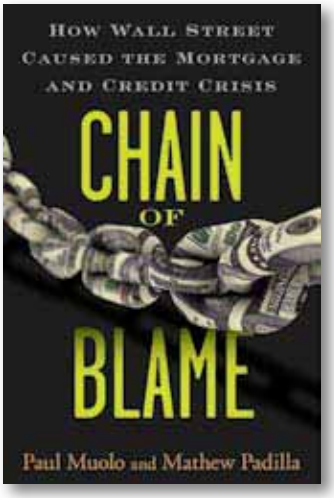

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NEWS FROM THE COMPANIES COMMISSION of MALAYSIA (SSM)

Issues discussed at the 2nd Corporate Practice Consultative Forum (CPCF 2/2008) organised by the SSM

The Institute had attended the 2nd Corporate Practice Consultative Forum (CPCF) organised by the Companies Commission of Malaysia (SSM) for this year on 19 November 2008. The Institute has compiled the main issues raised at the CPCF by the professional bodies as Appendix A for members' reference. Please visit the Institute's website at *www.mia.org.my* under Circulars (65/2008) or Technical/Areas/Corporate Law/Circulars to download Appendix A.

The above information was sent to members via Circular No. 65/2008 on 26 November 2008. AT

The Legitimacy of the Printed Business and Company Information through the e-Info System of the SSM

Members are hereby informed that the Companies Commission of Malaysia (SSM) will be closing the information counters at their offices nationwide with the aim of encouraging users to use their e-Info services instead of visiting their service counters at SSM offices. Members nationwide will be required to use their e-Info services with effect from 1 March 2009. This information was sent by the Institute to members via Circular No. 56/2008 on 26 September 2008.

The SSM, through their correspondence to the Institute received on 24 November 2008, has stressed that the information printed via the e-Info services is official and legitimate similar to the information obtained over the counter at the SSM. The printed copy will be in black and white and will carry the e-Info logo as well as the date the information was printed. The copy obtained over the counter would be given in the letterhead with the SSM's logo in blue and yellow. The difference between the two copies is to be ignored as both the copies are valid.

The correspondence from the SSM can be downloaded from the Institute's website at *www.mia.org.my* under Circulars (67/2008) or Technical/Areas/Corporate Law/Circulars in the event there are agencies both government and private which are still doubtful about the legitimacy of the documents printed through the e-Info services.

The above information was sent to members via Circular No. 67/2008 on 3 December 2008. AT

Practice Note No. 2/2008 issued by the SSM on Change of Financial Year

Members are hereby informed that the Companies Commission of Malaysia (SSM) has issued Practice Note No. 2/2008 on the relevant actions to be taken following a change in the financial year of a company by providing illustrations and examples on the various situations that may occur.

Following are the areas highlighted in the Practice Note No. 2/2008:

- The reasons a company may change its financial year
- The consequences of a change in financial year
- Appropriate actions following a change in financial year
- Application for extension of time to hold an AGM beyond the calendar year

This Practice Note also serves to reiterate SSM's stance that although a company has the prerogative to decide its financial year, a company intending to change its financial year must strictly adhere to the provisions of Sections 143 and 169 of the Companies Act 1965.

Kindly take note that the complete set of Practice Note No. 2/2008 and the Frequently Asked Questions (FAQs) pertaining to the said practice note are available at MIA's website at *www.mia.org.my* under Technical/Areas/Corporate Law & Insolvency/Company Law.

The above information was sent to members via Circular No. 2/2009 on 7 January 2009. AT

NEWS FROM BURSA MALAYSIA

Amendments to the Listing Requirements of Bursa Malaysia Securities Berhad for the Main and Second Boards (LR) — Listing of Sukuk and Debt Securities under an Exempt Regime

Members are hereby informed that pursuant to Section 9 of the Capital Markets and Services Act 2007 ("CMSA"), amendments have been made to the Listing Requirements ("LR") to introduce listing of sukuk and debt securities under an "Exempt Regime".

A. Background

In order to promote the investment options in the Malaysian market, Bursa Malaysia Securities Berhad ("Exchange") has offered a platform for the listing of Islamic bonds or sukuk and debt securities. Currently, only issuers which are listed on the Official List of the Exchange may apply to list its debt securities on the Exchange. Therefore, the LR is now amended to introduce a framework for the listing of sukuk and debt securities on the Exchange under an Exempt Regime by both listed and non-listed issuers. Exempt Regime means that the sukuk or debt securities that are listed on the Exchange will not be quoted or traded on the Exchange.

This framework will be applicable to sukuk or debt securities that are issued, offered or subscribed in accordance with Section 229(1) and Section 230(1) of the CMSA. This regime is specifically catered for issuers who intend to list its sukuk or debt securities on the Exchange for the listing status and profiling purpose.

B. Key amendments to the LR

A new Chapter 4B is introduced to cater for the listing of sukuk or debt securities under the Exempt Regime. Some of the key amendments are as follows:

(a) The listing application must be made through a corporate finance adviser who may act as a principal adviser under the Securities Commission's "Guidelines on Principal Advisers for Corporate Proposals";

(b) Short term sukuk or debt securities with the original maturity date of less than one year cannot be listed:

(c) The sukuk or debt securities to be listed may be in foreign currency (except those restricted by the Contoller of Foreign Exchange);

(d) An Information Memorandum / Offering Circular must be issued except for certain issuers;

(e) The issuers must comply with certain disclosure obligations, including announcing annual audited financial statements; and

(f) A fixed fee of RM3,000 (for each issuance or programme, as the case may be) is payable as initial listing fees whilst a fixed fee of RM2,000 (for each issuance or programme, as the case may be) is payable as annual listing fees.

Please take note that the above are just some key amendments highlighted. Members are encouraged to refer to the Institute's website at *www.mia.org.my* under Technical/Areas/Other Areas/Circulars

for complete Amendments (Appendix 1) and Questions and Answers (Appendix 2) or visit Bursa Malaysia's website at *www.bursamalaysia.com* to download these documents.

All the above Amendments take effect immediately. Listing fees for sukuk or debt securities listed under the Exempt Regime before 2010 will be waived.

For further information or any enquiries on the said Amendments, kindly contact the following individuals at Bursa Malaysia, 03-2034 7000/2732 4999:

Inderjit Singh (ext. 7192)
Tan Yew Eng (ext. 7500)
Chong Fui Tzy (ext. 7305)
Suzalina Harun (ext. 7353)
Khoo Kay Kwan (ext. 7460)

The above information was sent to members via Circular No. 70/2008 on 3 December 2008. AT

NEWS FROM BNM

Furtherance to the public statement issued by the Financial Action Task Force on Money Laundering (FATF)

The Financial Action Task Force on Money Laundering (FATF) has once again issued a public statement on "Countries with Deficiencies in the Anti-Money Laundering /Combating the Financing of Terrorism (AML/CFT) Regime" on 16 October 2008. This public statement is issued in furtherance to the FATF statement issued in February 2008 on countries which has been highlighted as having deficiencies in their AML/CFT regime. In this regard, reporting institutions are required to take into consideration the risk of money laundering and terrorism financing and to conduct appropriate enhanced due diligence, including ongoing monitoring of transactions when dealing with the countries that have been identified by the FATF. For more information on the FATF statement, please visit the Institute's website at *www.mia.org.my* under Circulars (68/2008) or Technical/Areas/Anti-Money Laundering/Circulars or refer to the BNM website at *www.fatf-gafi.org/dataoecd/25/17/41508956.pdf.*

You may also contact Zuraiha Dzulkifly or Lim Boon Beow of BNM at 03-2698 8044 extension 8618 or 8615 respectively if you require additional information or clarification on the above.

The above information was sent to members via Circular No. 68/2008 on 3 December 2008. AT

MIA PROFESSIONAL DEVELOPMENT CENTRE (MPDC)

THE NEXT EVOLUTION IN CONTINUING PROFESSIONAL EDUCATION

The capital market can be described in three words- dynamic, unpredictable and volatile. In an environment as challenging as this, accountants are at the forefront of the economic gamut. Therefore the levels of dynamism and versatility of the profession are constantly evolving. Every experience is an element of a learning curve.

True to the Malaysian Institute of Accountants' (MIA) objective "to develop and enhance competency through continuous education and training to meet the challenges of the global economy," MIA's Professional Development Centre (MPDC) was incepted in October 2008. Previously recognised as the Department of Continuing Professional Education (CPE), the main focus had been providing training programmes for the members of MIA.

To align MIA's corporate vision "to be a globally recognised and respected business partner committed to nation building," the repositioning of CPE to MPDC was undertaken. This is to cater to not only the members but also the non-members with an array of advanced course materials for life long learning on par with the International Federation of Accountants (IFAC) developments. To do so, the target audience of MIA has now been expanded to the entire accountancy community in the country.

Continuing professional education is a mandatory prerequisite for an advocate of the profession. The standard CPE credit hours to be fulfilled is 120 credit hours within a period of 3 years. As stated in MIA's By- Laws on Professional Conduct and Practice, under Section 410.4:

"All professional accountants are required

to complete at least 120 CPE credit hours of relevant CPE learning for every rolling 3 calendar year period, of which 60 CPE credit hours should be structured and verifiable, and at least twenty (20) CPE credit hours of such structured and verifiable CPE learning should be obtained each calendar year."

The CPE requirements are on par with global standards and IFAC's International Education Standard (IES) 7. MIA offers courses through MPDC which caters to the demands of Malaysia, Asia and the world. The focus itineraries of MPDC consist of:

- CPE Training Programmes;
- Conferences;
- Special Events;

CPE training programmes focus on educating the members of the accountancy community by means of professional topics of Financial Reporting Statements, General Accounting, Auditing, Taxation, Management Accounting and Corporate Law and Governance and so forth. These topics are traditional requirements to the continuing professional education of accountants at all levels.

The second area of interest for CPE is conferences. The National Accountants Conference (NAC) is a flagship event for MIA and has been so since it was established 24 years ago. Upon attending the Conference, participants are awarded automatically with 16 credit hours for their CPE requirements.

NAC draws accountants and other finance professionals including business leaders from locally and internationally. The NAC 2008 attracted about 2,000 participants and it is expected that the attendance in the future may surpass this record. Speakers of the conference are individuals who are recognized and globally renowned in their fields of expertise. It is a true interactive experience as the event is a platform for learning, sharing knowledge and exchanging of perspectives.

MIA also organises conferences at regional levels within Malaysia. The Regional Conference (RC) mainly focuses on matters indigenous to the region. However, other more relevant and wholly encompassing subjects are also discussed at this platform. Again, it is also a venue for the dissemination of knowledge for participants and is open to both members and non-members of the accountancy and business community.

Special Events focuses on collaboration efforts between MIA and reputable like-minded organisations such as the International Federation of Accountants (IFAC), Certified Public Accountants (CPA) Australia, Chartered Institute of Management Accountants (CIMA), Association of Certified Chartered Accountants (ACCA) and several other bodies dedicated to the advancement of the accountancy profession. These proceedings see to the organisation of forums by inviting renowned speakers who are globally recognized in the corporate field, for the benefit of the members .

The target audiences of MIA are mainly members of the accountancy community involved in commerce and, industries, public practice, the public sector and academia. The CPE programmes are basically divided into 3 categories to cater for the corporate hierarchy as follows:

- Entry Level Professionals / Junior Staff Accountants;
- Middle Management Accountants; and
- Senior Management Accountants

For the entry level category, the content of the programmes are specifically designed to meet the expectation at operational functions. As for the middle management, the focus would be on resources management, decision support, standards, best practices and so forth whilst strategic oriented focus is applied for the senior management. The senior accountants are the likes of company CEOs, CFO's, Financial Advisors, etc.

Topics are strategy oriented in nature and cover Corporate Social Responsibility (CSR), Cost Reduction and Profit Improvement, Transforming the Finance Function for Quality, Efficiency and Growth, and Business and Financial Management at a macro level.

MIA is also a certified professional training provider recognised by Small and Medium Industries Development Corporation (SMIDEC), Human Resource Development Fund (HRDF) and Securities Industry Development Corporation (SIDC). With the partnership of SMIDEC, participants from qualified small and medium industries are eligible for a subsidy. The main objective of these corporations is to promote to the industry players that continuing professional education is a tool that benefits the profession, capital market and nation-building.

Apart from public events, MPDC also provides customised in-house training solutions to business organisations for their internal accounting and finance staff members. These tailor-made solutions are catered to the specific need of the organisation.

In an effort to increase its resource personnel for designing and delivering training solutions MPDC is continuously looking for subject matter specialists.

It is paramount that members of the accountancy profession be equipped with the latest technical and professional standards in order for them to carry out their duties effectively. Continuing professional education not only offers a learning experience but it also allows the development of ethics and standards close to the fiber of the accountancy profession. AT

UNDERSTANDING MIA QE PERFORMANCE

PART 2 Results of On-Line Survey

Nor Aziah Abu Kasim, Hashanah Ismail and Badriyah Minai

This is the second article in a three-part series on understanding the performance of candidates in the Malaysian Institute of Accountants Qualifying Examination. The first part focused on examining the performance of the candidates in four papers over nine examination sittings from March 2004 to September 2007. This second part continues to explain MIA QE performance by presenting the results of the on-line survey on aspects of performance, study mode, facilities and curriculum. In the third and final part, the article will explain the possible factors affecting performance.

In view of the low success rate of completion, understanding MIA QE performance with the intention to improve performance in the future becomes imperative. Thus, this study was conducted to empirically investigate the candidates' performance on MIA QE and examine the possible reasons for their poor performance in the examination.

In the first article last month, the analysis of the candidates' performance in the MIA QE was reported for all the four papers, i.e. *Advanced Financial Accounting and Reporting (AFAR)*, *Auditing and Assurance Services (AUD)*, *Business and Company Law (BCL)* and *Taxation (TAX)* — over the total of nine examination sittings from March 2004 to September 2007. The results of the analysis of performance indicated that there was no predetermined number of passes and failures for each paper in any sitting as claimed by some of the candidates who were interviewed. Overall, the most difficult and the least difficult papers to pass were AFAR and TAX respectively.

This second part will continue with the results of the analysis of performance, but with the focus on the results from the on-line survey. Unlike the analysis done in the first part, this analysis was performed on empirical data collected through 96 completed questionnaires. The on-line survey solicited information regarding the demographic profile, mode of study, exam preparation, resources and suggestions for improvement. Descriptive statistics such as the mean and standard deviation were used to describe and summarise the data collected. Due to the sampling method employed, the results from the on-line survey can be generalised only for those who have not completed MIA QE and whose candidacy has not expired.

Results and Discussion

Profile of On-line Survey Respondents

Table 1 presents the demographic profile of the on-line survey respondents. About two-thirds of the respondents are female, 80 per cent of the respondents are Chinese. Sixty-two per cent of them are between 26 and 35 years of age. About 96 per cent of the respondents pursue the MIA QE on a part-time basis. About 80 per cent have work experience in accounting, 33 per cent in audit and 28 per cent in taxation.

Performance of Respondents

Out of the 47 on-line respondents who took AFAR, only 13 per cent of them passed compared to 28 per cent for AUD, 54 per cent for TAX and 25 per cent for BCL (see **Table 2**). In addition, almost 50 per cent failed AFAR even after repeating the paper. In contrast, only 18 per cent failed the TAX paper after repeating it.

The high percentage of failure in AFAR suggests that AFAR is the most difficult paper to pass. Not only was AFAR a difficult paper to pass for the first time, it was also difficult to pass even after repeating it more than once as indicated by 49 per cent of the respondents who did not pass after repeats. A similar pattern of high percentage of failures after repeating it is observed for BCL. On the contrary, TAX is the least difficult paper to pass as evidenced by the highest percentage of respondents who passed the TAX paper.

Cross-tabulation between performance and ethnicity, gender and age was performed for all the four papers. However, the chi-square test could only be performed for TAX because only data for TAX was amenable for this statistical analysis. The chi-square test shows that there is a significant association between performance in TAX and ethnicity at the 0.05 level of significance. The results suggest that Chinese candidates tend to perform better than non-Chinese candidates. The results of the chi-square test also indicates that there is a significant association between age and performance in TAX at the 0.01 significance level. Those below 35 years of age appear to perform better in TAX than those above 35 years. However, there is no significant association between gender and performance in TAX.

Factors Associated with Performance

Motivation to Sit for MIA QE

Table 3 lists the reasons that the on-line respondents sat for MIA QE. Although there are many reasons that motivate the candidates to sit for the MIA QE, the only reason that was unanimously selected by the respondents was to obtain the MIA Chartered Accountant status.

Cost considerations also seemed to positively influence their decision to sit for MIA QE. To enrol in MIA QE, candidates have to pay RM200 for candidacy fee for two years and if the candidacy is renewed, they have to pay another RM200. The fee charged

for each examination and/or each re-sit is RM200. **Table 3** shows that 42.7 per cent took the MIA QE because the fee is lower and 32 per cent said MIA QE had fewer papers relative to other professional examinations. About 24 per cent sat for MIA QE in order to apply for the licence to practise. None of the respondents cited career enhancement as a motive to take the MIA QE possibly because career enhancement is more of a long-term perspective. Given that all the on-line respondents have yet to graduate, their immediate concern is therefore to successfully complete the MIA QE in order to obtain the Chartered Accountant status.

English Language Proficiency

Lack of English proficiency could adversely affect the candidates' performance in certain papers, especially BCL. Based on the results in **Table 4**, only eight per cent have rated their written English proficiency level as excellent. About 55 per cent and 35 per cent rated their proficiency for written English as average and good respectively. This average level of English proficiency could have put some of the candidates at a disadvantage and deprived them of the opportunity to articulate their answers as expected by the examiners.

Work Experience

Table 5 displays the mean score for relevance of work experience for passing the examinations. Given that 80 per cent of respondents have accounting experience, 33 per cent in audit and 28 per cent in TAX, they rated work experience as most relevant to AFAR but least relevant to LAW. Feedback from the examiners and a graduate of MIA QE endorse the importance of relevant work experience for passing the AUD paper.

Study Mode and Exam Preparation

The percentages of attendance given in **Table 6** suggest that tuition is more popular than workshops for all the four papers.

Various reasons shown in **Table 7** were given for not attending MIA workshops and tuition. More than one-third of the respondents cited lack of time. This is expected as most of them are taking the MIA QE on a part-time basis and are working full-time. Respondents who reside outside the Klang Valley were unable to attend either tuition or workshops or both as there was no institution nearby providing such services. Only 5.2 per cent stated that they did not attend tuition as they were comfortable with self-study and therefore at-

Table 1 Profile of On-line Survey Respondents

Gender	f	%	Status	f	%	Age Category	f	%
Female	63	65.6	Part-time	92	95.8	≤ 25 years	6	6.3
Male	33	34.4	Full-time	3	3.1	26-30 years	34	35.4
			Missing	1	1.0	31-35 years	28	26.2
						36-40 years	17	17.7
						36-40 years	17	17.7
Race	**f**	**%**	**Work Experience**	**f**	**%**	**Age Category**	**f**	**%**
Chinese	77	80.2	Accounting	77	80.2	> 40 years	11	11.5
Malay	14	14.6	Audit	32	33.3			
Others	3	3.1	Taxation	27	28.1			
Indian	2	2.1	Management	24	25.0			
Others	10	10.4						

Table 2 Performance of On-line Respondents

Papers	Pass first time		Pass with repeats		Fail first time		Fail after repeats		Total
	f	%	f	%	f	%	f	%	
AFAR	4	8.5	24.3	18	38.3	23	48.9	47	(100%)
AUD	11.6	7	16.3	18	41.9	13	30.2	43	(100%)
BCL	71	5.9	49.1	15	34.1	18	40.9	44	(100%)
TAX	27.7	17	26.2	18	27.7	12	18.4	65	(100%)

Table 3 Motivation to Sit for MIA QE

No.	Motivation	f	%
1.	Obtain MIA Chartered Accountant status	96	100
2.	Lower fee relative to other professional examinations	41	42.7
3.	Fewer papers than professional examinations	31	32.3
4.	Apply for licence to practise	23	24
5.	MIA QE is easier to pass than professional examinations	2	2.1
6.	Career enhancement	0	0
7.	Others	4	4.2

Table 4 Proficiency in English Language

	Written		Spoken	
	f	%	f	%
Average	52	54.7	53	55.8
Good	33	34.7	32	33.7
Excellent	8	8.4	9	9.5
Below average	2	2.1	1	1.1

Table 5 Relevance of Experience for Passing Exam

Papers	f	Mean
AFAR	82	1.8
TAX	88	1.9
AUD	79	2.3
BCL	75	2.5

1 = Very relevant; 2 = Relevant; 3 = Irrelevant; 4 = Not relevant at all

Table 6 Attendance of MIA Workshop and Tuition

	AFAR		AUD		BCL		TAX	
	f	%	f	%	f	%	f	%
Tuition	31	60.8	27	65.9	26	60.5	33	56.9
Workshop	20	39.2	1	44.1	17	39.5	25	33.1

Table 7 Reasons For Not Attending Workshop and Tuition

Reasons	Workshop		Tuition	
	f	%	f	%
High fees charged	46	47.9	22	22.9
Lack of time	32	33.3	35	36.5
No institution conducting such a course nearby	21	21.9	30	31.3
Not recommended by friends	9	9.4	3	3.1
Comfortable with self-study	5	5.2	5	5.2

Table 8 Usefulness of MIA Workshop and Tuition

Paper	Workshop		Tuition		Significance
	f	Mean	F	Mean	
BCL	29	2.6	29	2.2	.008*
TAX	31	2.4	31	2.1	.110
AUD	24	2.4	24	2.1	.023**
AFAR	31	2.4	31	2.2	.184

1= very useful; 2=useful; 3=slightly useful; 4= not useful at all

*significant at 0.01 level; ** significant at 0.05 level

Table 9 Appropriateness of Syllabus Coverage and Exam Questions

Papers	Appropriateness of Syllabus Coverage		Appropriateness of Exam Questions	
	f	%	f	%
TAX	70	72.9	74	77.1
BCL	62	64.6	62	64.6
AFAR	61	63.5	62	64.6
AUD	60	62.5	56	58.3

Table 10 Adequacy of Examination Duration

Papers	f	%
TAX	44	45.8
BCL	39	40.6
AUD	38	39.6
AFAR	26	27.1

Table 11 Level of Difficulty of Exam Questions

Papers	f	Mean	SD
TAX	82	2.2	0.8
BCL	70	1.7	0.7
AUD	72	1.6	0.6
AFAR	76	1.6	0.6

1 = Very difficult; 2 = Difficult; 3 = Slightly difficult; 4 = Not difficult

tended neither workshops nor tuition. This low percentage confirms that the self-study mode is insufficient for the majority of candidates to prepare for their examination.

The respondents were asked to rate the usefulness of the workshops and tuition that they have attended. The majority rated both workshops and tuition as useful and slightly useful. The usefulness of both the tuition and workshops refutes the assumption of MIA that self-study is sufficient to pass the MIA QE. In addition, a paired sample t-test was conducted to determine whether a significant difference exists in the usefulness of the workshops and tuition. For this purpose, only respondents who attended both the workshops and tuition were included in the analysis. The results of the paired sample t-test indicate that tuition was significantly more useful than workshops for both BCL and AUD at 0.01 and 0.05 levels of significance respectively (see **Table 8**).

Curriculum and Examination

The majority believed that the questions were appropriate to the syllabus but for AUD, the percentage that agreed was significantly lower.

The majority believed that the examination durations for all papers were inadequate. This is more evident in AFAR as only 27.1 per cent agreed that the duration was adequate. If the candidates had to rush, they may not have been able to provide answers that met the expectations of the examiners. An on-line respondent commented that the duration of examination was more for testing the candidates' speed in answering: *I personally feel that the current AFAR exam is more in testing the candidates' speed in answering rather than testing our knowledge. It would be helpful if we are given at least 15 minutes to read through the questions prior to starting the exam. Besides, have elective questions (like in the early years) instead of having all compulsory questions.*

On the difficulty of the examination questions, AFAR and AUD are perceived to be more difficult than BCL and TAX was perceived to be the least difficult amongst all the four papers. These findings were consistent with the performance by paper as was discussed in the earlier section and in the first part of this series of articles.

Since a majority of the candidates are working and have to complete all the four papers within four and a possible extension of another two years, they could spread the papers to increase their chance of successful completion. **Table 12** shows that the majority of them, on the average, sat

for only two papers in each sitting. The flexibility of taking any number of papers from a range of zero to four papers per sitting has probably resulted in the variation of the average number of papers sat for each sitting. Perhaps this flexibility has also resulted in some candidates not attempting any paper at all within the stipulated four-year duration of MIA QE.

Table 12 Average number of Papers taken per Sitting

No. of paper	f	%
1	37	38.5
2	47	49
3	2	2.1
4	2	2.1

Resources

The on-line survey respondents rated the resources listed in **Table 13** as useful for their examination preparation. Respondents were also relying on other non-MIA resources such as the ACCA study guide and manual, examination and suggested answers. About 47% of the respondents had difficulty in accessing the MIA library. Perhaps this is due to its limited opening hours to cater to needs of the working candidates.

Table 13 Usefulness of Resources for Exam Preparation

No.	Resources	f	Mean	SD
1.	Previous MIA QE examination papers	90	1.8	0.7
2.	MIA QE study guide	85	1.9	0.7
3.	MIA QE syllabus	85	2	0.7
4.	Suggested answers	85	2	0.9
5.	Examination question and suggested answers ACCA	75	2	0.7
6.	Recommended texts	81	2.1	0.8
7.	Examiners' report	79	2.1	0.9
8.	Study guides and manual of ACCA	72	2.1	0.7
9.	Legislation, regulations and rulings	70	2.1	0.7

1 = Very useful; 2 = Useful; 3 = Slightly useful; 4 = Not useful at all

Suggestions for Improvements

Many areas of improvements were suggested by on-line respondents as listed in **Table 14**. The two top suggestions indicate that the areas of great concern to the candidates are those relating to the marking scheme and the methods used to inform candidates of their marks. Perhaps they believe that if these concerns were addressed, they would be able to identify their weaknesses to improve their future performance.

Table 14 Suggestions for Improvements

No.	Suggestions	f	Mean	SD
1.	Provide detailed marking scheme in suggested answers	91	1.2	0.4
2.	Inform candidates of their actual marks obtained	89	1.2	0.4
3.	Extend the renewal of registration to 4 instead of 2 years	91	1.2	0.4
4.	Reduce coverage for syllabus of BCL	79	1.3	0.5
5.	Provide candidates with opportunity to appeal	82	1.3	0.6
6.	Reduce coverage for syllabus of AUD	79	1.4	0.7
7.	Reduce coverage for syllabus of TAX	77	1.4	0.7
8.	Reduce coverage for syllabus of AFAR	82	1.4	0.6
9.	Endorsement of tuition providers by MIA	85	1.4	0.5
10.	Include revision in the MIA workshop	79	1.5	0.5
11.	Schedule only one examination paper per day	84	1.5	0.7
12.	Extend the opening hours of MIA library	68	1.6	0.5
13.	Lengthen the duration of MIA workshop	74	1.6	0.6
14.	Shorten the period of admission process	68	1.6	0.6

1 = Strongly agree; 2 = Agree; 3 = Disagree; 4 = Strongly disagree

Conclusion

Based on the responses from the candidates, there are many possible contributory factors that can account for the current state of poor performance in MIA QE. This paper, which focuses on findings from an on-line survey, highlights several inter-related factors that may simultaneously affect the candidates' performance in MIA QE.

Although all the candidates are motivated to attain the MIA Chartered Accountant status through the successful completion of MIA QE, they face the challenge that AFAR is the most difficult paper to pass. On the difficulty of the examination questions, AFAR and AUD are perceived to be more difficult than BCL and TAX was perceived to be the least difficult amongst all the four papers.

Relying on self-study is insufficient for the majority of candidates to prepare for their examination. When usefulness was compared, tuition was significantly more useful than workshops for both BCL and AUD at 0.01 and 0.05 level of significance respectively. To perform better in AUD, relevant work experience was essential. Other curriculum matters perceived to be affecting performance was the wide syllabus of AFAR, the inadequacy of examination time for AFAR, and the need to provide feedback on candidates' performance for all four papers

In the third part, which concludes the three-part series of articles on MIA QE performance, explanations of the possible factors affecting the performance of MIA QE as well as suggestions on how to move forward to improve future performance will be covered.

As we have done in Part 1, we reiterate our deepest appreciation to MIA for giving us the opportunity and the financial support to carry out this research on MIA QE performance. We would like to express our sincere gratitude to all our interviewees, especially to the President of MIA and members of the MIA Examination Committee and MIA Examination Body, examiners, facilitators, tuition providers and candidates of MIA QE for their co-operation. Our thanks is extended to the candidates who participated in the on-line survey. AT

Reaching out to GAZA VICTIMS

Dear Accountants,

MIA is coordinating a response by the Malaysian accountancy profession to help these victims of war through the establishment of a relief fund which will be forwarded to the Malaysian Red Crescent Society (MRCS) via the "MRCS International Relief Fund".

We are currently accepting monetary contributions only. The donations are entitled for tax exemption (only if the donations are accompanied by details of the donor including the name, amount and address).

Our collection will end on 20 February 2009.

Thank you.

HOW TO DONATE?

1) Donate by mail

To donate by mail, please print out the "Relief Fund Form" and send it with your cheque or credit card information to:
Malaysian Institute of Accountants
Dewan Akauntan, 2, Jalan Tun Sambanthan 3,
Brickfields 50470, Kuala Lumpur
(attn: Finance Department)

Your cheque should be made payable to the **"Malaysian Institute of Accountants"**. Please indicate behind the cheque **"MRCS International Relief Fund"**. Kindly include name, address and telephone number, as a receipt will be sent to you.

2) Donors may come personally or drop off their cash/cheque at our collection box at the above address.
Donations must be accompanied by the **"Relief Fund Form"** which is available at the MIA reception.
Please note that we only accept cheques for donations of RM100 and above.

MIA Office Hours:
8.45 a.m. to 6p.m. (weekdays)
Closed on Saturday/Sunday and Public Holidays
For inquiries, call Shaida at 03-2279 9200 ext 354.

Relief Fund For Gaza Form

Enclosed please find my cheque or credit card information in the amount of: (Please tick)

☐ RM _____.00 ☐ Cheque Enclosed ☐ Credit Card

Name:

Address: _____

_____

_____

Email: _____ Contact Number: _____ Mobile: _____

Comments: _____

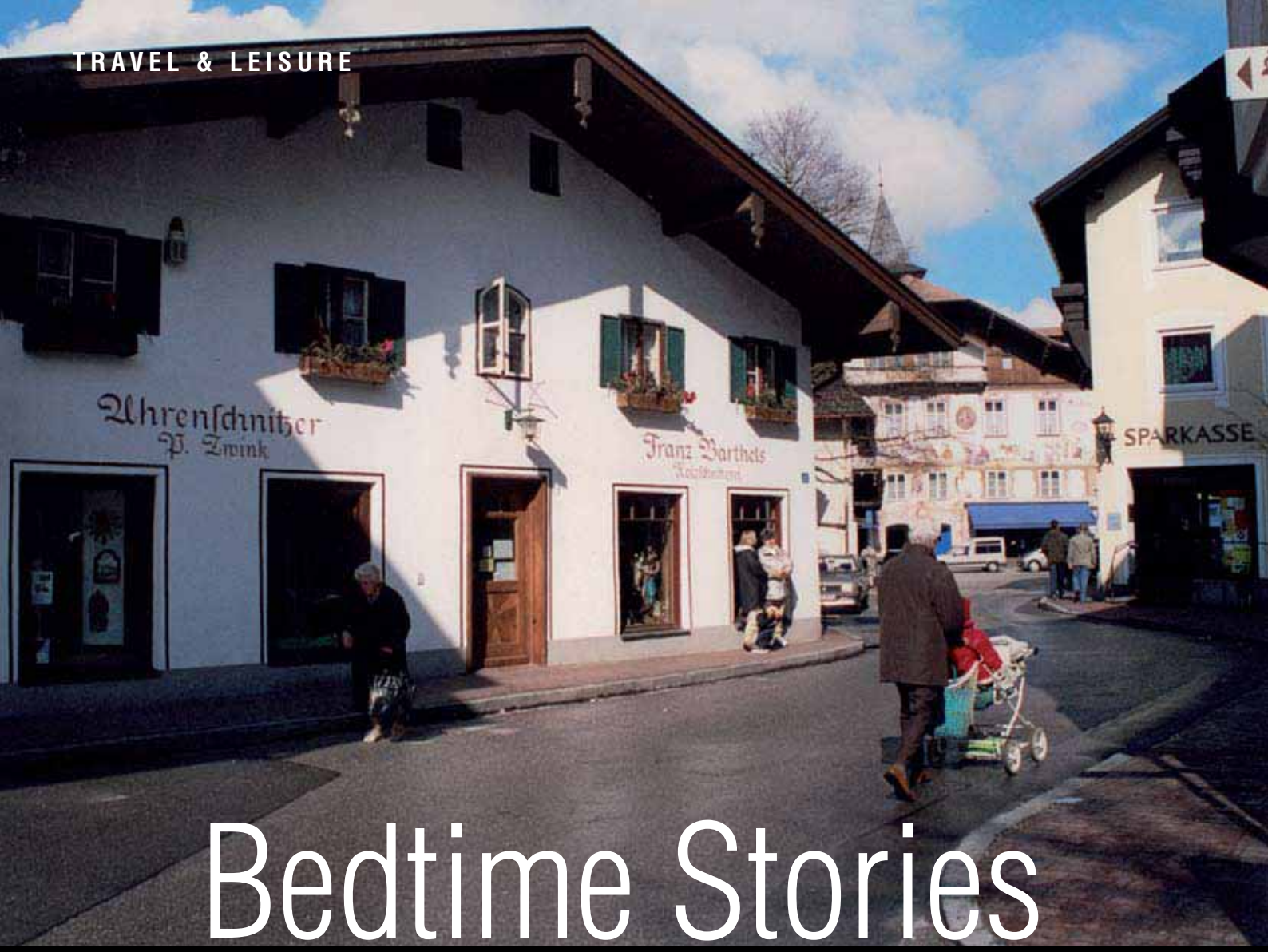
Credit Card Information

Card Type: (Tick one) ☐ Visa ☐ Master Card ☐ Amex

Credit Card # : _____

Expiry Date : ____ / ____

Name on Card : _____ Signature: _____



Bedtime Stories

Anyone arriving in the picturesque town of Oberammergau in Bavaria will find themselves thick in fairytale romance and folklore

Anis Ramli

There are forests, green meadows and mountains. But what makes Oberammergau a favourite stopover for tourists, despite its 95km distance southwest of Munich, is the homes painted in classic fairytale images.

Turn any corner and a childhood fable character jumps out from the building walls to greet you – Hansel and Gretel, Little Red Riding Hood; even the big, bad wolf makes an appearance, but kids always find that a delight. Visitors find them quaint, others find them quirky. Still, there is no denying the allure of this storybook town, one of the few remaining in Western Europe that preserves this special art of mural painting.

The colourful mural painting, known as Lüftlmalerei, was first applied on baroque facades of buildings in Italy and Southern Germany. The art was at its zenith during the 18th century among those living in the foothill regions of the Alps. Franz S. Zwinck (1748–1792) was Oberammergau's famous Lüftlmalerei son, whose works can be seen in many of the town's structures today.

The art of Lüftlmalerei encompasses paintings of religious motifs or fairytale characters, many of which can be seen adorning the buildings in Oberammergau. They were often commissioned by individuals or businesses for various reasons. Business owners chose murals that depict their profession, hence creating a unique way of advertising. Individuals usually chose religious motifs – painted on exterior walls, as they were thought to procure good fortune. Alfresco paintings were also a sign of wealth, where traders, peasants and craftsmen displayed their status in the community.

Another effect these paintings had on the buildings was that they created the image of a larger building façade. The Pilatushaus which still stands in the middle of town looks more imposing with its grand images of trompe-l'œil pillars, balustrades and stonework.

Unfortunately, Lüftlmalerei's popularity as a status symbol also brought its early demise. When the town council began levying a tax on mural paintings in the 19th century, many were forced to paint over their wall decorations. What remained are the handful of colourfully painted houses seen today, some of which were just recently rediscovered during routine renovation work and are now being meticulously restored.

The art of Lüftlmalerei begins with a stencil with a perforated outline. The artist would then blow charcoal dust over it, or paint over the perforations, to transfer the image onto the wall's surface. Using mineral water colours mixed in lime water, the artist had to work quickly and apply the colours onto a damp surface or risk having his designs washed away. Fortunately, the colours from the compound were highly water-proof and weather-resistant, allowing many of the murals to retain its design till today.

Oberammergau is a picture-postcard little village that is typical of many Alpine towns in southern Germany. There are cosy pubs, rustic farms, alpine pastures, quiet gardens, nooks for daydreaming. The painted houses are tucked in between this bucolic setting, creating an almost surreal atmosphere that lingers at the fringes of the adult psyche.

Apart from the town's picture book houses, Oberammergau is a lovely place to explore. Its 5,300 inhabitants enjoy cool summers and traditional winters and make the most of their proximity to the Kofel Mountain. Kofel's valley stretches 100 km long and offers visitors leisurely walks and adventurous hikes at any season with endless opportunities to enjoy Bavaria's unspoilt scenery. Alternatively, guests can take the chairlifts to reach the peak of Kolben Mountain (1,270 metres) or go up Laber mountain (1,684 metres) for a spectacular view of surrounding townships and villages dotted with imposing castles and baroque and rococo architecture.

In town, visitors usually take a leisurely stroll to view frescoed homes and admire the typical Upper Bavarian architecture. Buildings use ample natural wood and often have balconies that come alive in summer with blooming geraniums. Shuttered windows and encircling balconies only add to the charm. Residents are used to having visitors snap away at their homes, and sometimes go out of their way to tell you the building's history. A bubbling river nearby creates the idyllic spot for picnics whatever the weather. As far as the Bavarian lifestyle is concerned, Oberammergau certainly lives up to the romance of the Alps and all that you love about it . AT

Understanding Workplace Influences

Trevor Gordon

Sometimes it's not what you know but who you know that matters

The difference between 'getting by' at work and being successful is not solely dependent on technical skills or knowledge. We all know colleagues who have strong 'people skills' and not the strongest technical abilities but who nonetheless possess a distinct position of leverage or influence at work. These individuals focus on their strengths and use the power of interpersonal skills and networking to their advantage. You can too!

One should never underestimate the power of influence gained through networking. The expansiveness and quality of one's social and professional networks can significantly enhance career potential. How can one go about building a supportive network? This article will explore two practical and simple ways that, when used strategically, will yield the results you want to achieve.

The first things to do are collect and organise the business cards from the people you meet so that you have their contact information. Obviously, collecting cards is just the first step. Find a reason to send contacts an e-mail, call for advice or to give some information related to their interests. Don't do so incessantly, but regularly - once a week or biweekly is appropriate. It generally depends on the significance of your reason to contact them and their past receptiveness. Take the time to research their company website so you can make relevant connections that are based on 'inside track' information of what's important to them.

Keep in mind that just as it is sometimes awkward to reconnect with old friends or acquaintances after a period of not seeing one another, the same is true in regards to building a network. The longer you are out of touch with business associates the more difficult it is to reconnect and get 'back in the loop'. To help you make this a consistent priority, be strategic about your contacts - jot down regular reminders in a planner or electronic organiser so that you don't leave your connections to chance.

Another way to expand and strengthen your network is to invite contacts to an informal gathering or information session that you organise about topics of general or mutual interest. You may facilitate the discussion yourself or bring in a speaker. You could arrange such meetings at a local coffee shop or restaurant - many will set aside a meeting room upon request. On the invitation - whether it be by e-mail, fax or regular mail - outline the proposed agenda and indicate that 'coffee or tea is provided - other menu items are at the cost of participants" - unless of course you are able and willing to cover the entire bill! This can be a relatively low-cost way of meeting with contacts and sharing ideas.

This intentional way of meeting your contacts on a regular basis strengthens not only the relationship you have with each of them, but also allows for your contacts to meet one another - an opportunity for which they will be grateful. Such efforts are similar to making an investment that you hope will grow at the opportune time.

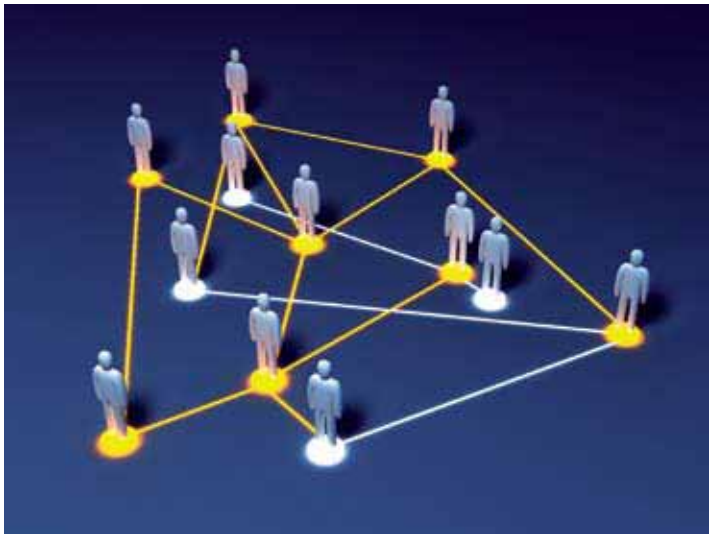
These two ways of building your network - regularly connecting with contacts and organising meetings or discussion forums are simple yet effective career-enhancers. Give them a try and get noticed at work! AT

Understanding Networking in Network Marketing

Allan Turnbull

Networking is obviously an essential part of network marketing. Every successful network marketeer knows this to be true. Although networking is such an intricate part of network marketing, the two terms are not synonymous. However there are many similarities. Both rely heavily on people skills. Both require people to confront their fear of talking to other people. Both carry with them the risk of rejection. Both also carry with them enormous opportunity. And to some people, both are considered dirty words.

Of course people that consider networking as something that is 'not done' don't understand what networking is really about. The same can be said of people that think network marketing is something that is beneath them. Many people think of networking as a way to get connected solely for their own advancement in life. In that respect a person might feel that it is unethical or not noble to network. This line of thinking stems from the idea that advancement will always come at the expense of someone else, that success in life is a zero-sum game. These people often look at network marketing from the same perspective. They think of profiting from other people's efforts as something that is negative and not fair to them. In reality, successful networkers will tell you that it doesn't work that way at all. Networking doesn't have to be at anybody's expense and the business of network marketing doesn't reward anyone for taking advantage of others. It actually rewards people for helping other people to succeed. In that respect it may very well be the most ethical business model in the world today.



A lot of the negativity around networking can be explained by the different types of networkers. Some can be considered 'hunters', moving in for a quick kill, after which they move out again. They often operate without regard of the other person's interest and because of this they will enjoy the fruits of success for only a limited period of time. Often it will not take long before people find out what's really driving the hunter. Once they see that he or she is only looking after his or her own interests, their willingness to interact with this person will quickly evaporate. By contrast, truly successful networkers are often 'farmers' who spend a lot of time sowing and nourishing their relationships, instead of just focusing on reaping. They invest in their network, they energise their network. They use their network, but they never ever abuse their network! And their network knows this. A true networker will always keep the interests of others in mind. That's why working with a true networker is so enjoyable. Networkers are often very likeable and as such people like to interact with them.

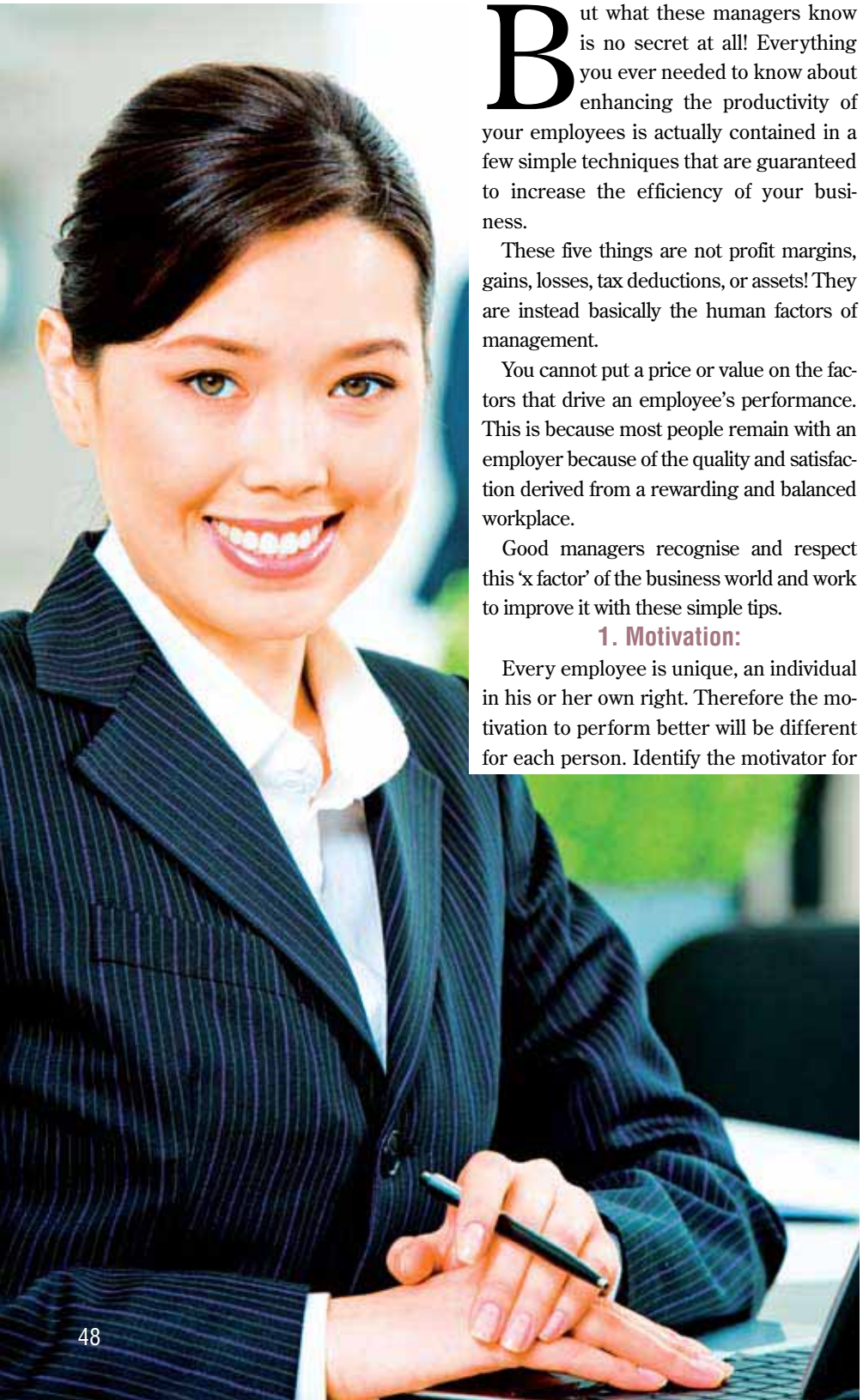
Networking is a skill that is essential to all businesses not just network marketing. Although network marketing differs in many ways from the more traditional forms of doing business, the importance of networking is just as prevalent. If not more so. A network marketeer who doesn't know how to network will be out of business in no time. Network marketing is first and foremost a people's business and this implies that the ability to effectively work with people is absolutely critical. This is why successful network marketeers are extremely adept at networking. Many have found out over time that developing this skill can pay off in many areas outside their network marketing business as well. Business owners who have started a home based business on the side often apply their enhanced networking and people's skills in their traditional business with great success. For some network marketeers this spin-off has earned them more money than the income from their network marketing business itself.

So whether you are in network marketing or in a more traditional type of business, don't underestimate the importance of becoming an effective networker. And if you really want to master this skill you may find there is a lot to learn from good network marketeev rs. So if you happen to know anybody that fits that description, try and benefit from their knowledge on the topic. It will surely help you network your way to success. AT

Five Human Factors
Managers Need to Apply

Shiv Prasad

Yes, there are five things every great manager knows! It may appear that all great managers know the secret to improving an employee's performance.



But what these managers know is no secret at all! Everything you ever needed to know about enhancing the productivity of your employees is actually contained in a few simple techniques that are guaranteed to increase the efficiency of your business.

These five things are not profit margins, gains, losses, tax deductions, or assets! They are instead basically the human factors of management.

You cannot put a price or value on the factors that drive an employee's performance. This is because most people remain with an employer because of the quality and satisfaction derived from a rewarding and balanced workplace.

Good managers recognise and respect this 'x factor' of the business world and work to improve it with these simple tips.

1. Motivation:

Every employee is unique, an individual in his or her own right. Therefore the motivation to perform better will be different for each person. Identify the motivator for each employee and provide opportunities that encourage his or her interest and performance.

2. Setting Goals:

Make sure you have a vision for how you want your business to operate now and in the future. Communicate your vision to your employees so that they are always directing their energies toward a common goal. They will feel like they are a part of the business and this will enhance performance.

3. Praise:

Take advantage of big and small opportunities to praise your employees for work well done. Where possible make it an occasion they will remember. Your recognition of their performance means a lot and it is important that you acknowledge their efforts in public.

4. Feedback:

Be lavish with praise but selfish with criticism - but do offer kind words of constructive feedback that make your employees feel respected and valued.

5. Management:

Be available as a resource to your employees. Be approachable! They should feel comfortable to approach you with questions and concerns and not feel as if they are imposing on your time. They should be able to depend upon you for guidance and as a model of what excellent performance is all about.

A Last Word...

As you can see, there is no one secret to improving the performance level of employees. You can start today with these simple tips that are easy to implement into the everyday workings of your business.

After all, your employees and business deserve anything and everything that will help them flourish and continue to grow. AT

ASSOCIATE PROFESSOR POSITIONS

MONASH UNIVERSITY SUNWAY CAMPUS
SCHOOL OF BUSINESS

MONASH UNIVERSITY SUNWAY campus, was established in 1998 at the invitation of the Malaysian government as an offshore campus of Monash University. The campus has grown rapidly over the past ten years and currently has over 4,000 students and over 200 full-time academic staff.

The Bachelor of Business and Commerce is the largest course offered on the campus, with over 1,700 students presently enrolled. Students are able to choose from nine majors: Accounting, Banking and Finance, e-Commerce, Economics, Econometrics and Business Statistics, Business Law and Taxation, Management, Marketing and International Business. Most students choose to complete two majors.

Honours programmes, Masters of International Business and higher degrees by research are now offered on the Sunway campus.

Several strong research directions have been developed at the school's Research Units with excellent industry, professional and government links established in Banking and Finance, Malaysian Business and Economic and Business Modelling.

The appointees are expected to have established research and teaching records in one or more of the areas listed below, supported by doctoral or equivalent qualifications in an appropriate discipline. They will be expected to provide academic leadership in their discipline and the school, including the supervision of research students.

ACCOUNTING

Attractive salary and benefits package will be offered for each of these positions based on local Monash University Sunway Campus terms and conditions. A copy of the position description and information about the school and campus can be found in our website at:
www.monash.edu.my/hr/vacancies/academic.htm

Inquiries regarding the positions may be directed to Professor Ron Edwards, Head of the School of Business, telephone +**603 5514 6277** or e-mail: **ron.edwards@buseco.monash.edu.my**

Applications should include a covering letter specifically addressing each of the selection criteria listed in the position description, detailed curriculum vitae, a list of publications and the contact details of three referees.

Professor and Associate Professors at Sunway campus may be required to serve for a period as Head of School or in another designated position of leadership.

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Applications should be sent to:
The Human Resources Department, Monash University Sunway Campus
Jalan Lagoon Selatan, 46150 Bandar Sunway, Selangor Darul Ehsan, Malaysia
or to our e-mail address ***recruit@monash.edu.my***

APPLICATIONS CLOSE ON **20 FEBRUARY 2009**.

The University reserves the right to delay or not to proceed with an appointment for the above positions. Only short-listed candidates will be notified.

Creating Dynamics, Driving Sustainability

The Malaysian Institute of Accountants (MIA) joined hands with Bursa Malaysia Bhd in organising the MIA-Bursa Malaysia Business Conference 2008 on Malaysia's `Silicon Island' – Penang – on 23 October 2008, in a bid to share drivers for business sustainability.

Themed `Creating Dynamics, Driving Sustainability', the conference zoomed in on helping those present to better understand the current economic landscape, and the vital role played by businesses in influencing the dynamics of a market.

The Chief Minister of Penang Lim Guan Eng visiting an exibition booth during the Conference. With him are Ooi (second from left), Adelena (fourth from left), and Nik (fifth from left).

The day-long event, which saw captains of industry from the northern region packing the Matahari Ballroom of Hotel Equatorial Penang, forms part of MIA's commitment in protecting public interest through education and development.

Bursa Malaysia meanwhile, was set to continue its role to align its business efforts with the country's economic policies in striving to make Malaysia the preferred investment and listing destination.

Present to address participants on Penang's dynamic business opportunities was its Chief Minister Lim Guan Eng.

Also present were MIA President Nik Mohd. Hasyudeen Yusoff and MIA's Professional Development Centre Chairman Sam Soh Siong Hoon.

In his keynote address themed `Business Opportunities For A Dynamic Penang', Lim said the series of events which had led to major economic turmoil in all parts of the world, including the decline in the major stock indices, are of obvious concern to governments around the globe, including Penang.

The state's future competitiveness, Lim noted, will hinge on its ability to transform Penang into an International City by providing balanced growth, which is pertinent to spur more business activities and economic growth.

"We have identified three broad initiatives which are vital for the future of Penang," he said.

They are making Penang the location of choice for investors, the preferred destination for tourists, and the habitat of choice for those in search of sustainable living.

"Before there can be any successes in these three key initiatives," Lim added, "major improvements are needed in the governance of the state and this requires effective action on many fronts, such as putting in place competence, accountability and transparency."

Bursa Malaysia Berhad Chief Executive Officer Datuk Yusli Mohamed Yusoff in his opening address noted that the extraordinarily challenging economic environment has caused policy makers and central banks to formulate strategically planned solutions to reduce the impact and backlash of the current economic downturn.

"The effectiveness of these measures," he said, "is still uncertain but suffice to say that the global economy, Malaysia included, is headed towards slower growth for the medium-term."

Malaysian companies, he advised, should boost their competitiveness and seek out strategic investments to emerge stronger post-crisis.

MIA Penang branch Chairperson Adelena Chong said that the embedding of ethical codes and impeccable integrity must back the acquisition and enhancement of business skills.

"This," she noted, "will help thwart future crises of governance and risk management – the likes which are currently squeezing credit lines and causing volatility in global markets."

The conference's Organising Chairman Ooi Kok Seng in his speech noted that large corporations will have to be well equipped to ensure that they perform in the wake of global and economic crises."

The conference saw some leading business figures from both the private and public sectors giving their insights on how businesses could survive the ongoing global and economic financial turmoil.

Other highlights included topics on how to better raise financing via equity markets, as this could serve as a critical strategy for businesses during the time of a credit crunch.

Also touched upon was the convergence to global accounting standards, which is a key initiative for economies and companies that are seeking to benchmark themselves internationally in order to attract global investment funds.

Speakers included the Malaysian Accounting Standards Board Chairman Datuk Zainal Abidin Putih, AmInvestment Bank Group Director/Head of Corporate Finance Anuar Omar, Bursa Malaysia Berhad Enforcement Head Yew Yee Tee and Knowledge Group Consulting Chief Executive Officer James Crown.

Their messages to conference delegates included engaging in business remodelling, thinking out of the box, to plan strategically, while enhancing ethics and corporate governance. AT

SABAH BRANCH NEWS

SMIDEC & HRDF Briefing

On 10 November 2008, the Sabah Branch office conducted a special briefing for MIA members on SMIDEC & HRDF subsidy funding at the MIA MPDC seminar by inviting speakers from Small and Medium Industries Development Corporation(SMIDEC) and Human Resources Development Berhad (PSMB). The speakers were Mohamad Helmi Zahari, SMIDEC Sabah Director, Rony Ambrose Gobilee, PSMB Sabah Manager and MIA management staff Catherine Linggian.

A total of 45 members attended the briefing and were able to get a better understanding and awareness on the various types of subsidies given to SMEs/SMIs. The briefing included the SMIDEC Financial Assistance Scheme for SME's, PSMB schemes & Training grant application procedures and the application procedures for MPDC courses. AT

Members at the briefing.

SABAH BRANCH NEWS

Special Members' Briefing on 2012 Convergence with IFRS

The MIA Sabah Branch in collaboration with the Malaysian Accounting Standards Board (MASB) jointly organised a special Members' Briefing on 17 November 2008. The event was held at the Pacific Sutera, Kota Kinabalu and was attended by 106 participants including accountants, auditors, directors and representatives from local authorities.

MIA was honoured to have the Chairman of MASB Datuk Zainal Abidin Putih and Dr. Nordin Mohd Zain, Executive Director of MASB to brief members on the "2012 CONVERGENCE WITH IFRS". Datuk Zainal shared the rationale for the convergence decision and what it means to the board of directors, CFOs and auditors as well as how companies should prepare themselves for the changeover. Dr. Nordin spoke on the action plans companies could take as they move towards 2012.

Participants including Sabah Branch Chairperson Alexandra Thien.

Datuk Zainal Abidin Putih.

SABAH BRANCH NEWS

Annual Chapter Members' Dialogue

Sabah Branch Chairperson Alexandra Thien visited the Sandakan and Tawau Chapters for the Members' Dialogue on 3 & 4 December 2008. 41 members from Tawau and 51 members from Sandakan attended the dialogue.

Alexandra Thien updated everyone on practice issues while MIA management staff Catherine Linggian gave a presentation on SMIDEC & HRDF subsidy funding for the MPDC course. AT

Sandakan Members' Dialogue

Tawau Members' Dialogue

JOHOR BRANCH NEWS

New Branch Committee for Johor

Steven Choong Shiau Yoon was appointed MIA Johor Branch Chairman with effect from 1 Jan 2009. There are currently nine Committee Members who serve the members in Johor.

The new Branch Committee would like to thank Roland Choong and past Committee Members for their contributions to the MIA Johor Branch during their tenure. AT

Front Row (L-R): Dylan, Tuan Mastura, Kumarasamy, Wang. Back Row (L-R): Murali, Gregory, Ang, Steven Choong

ACCA staff proudly presenting the ACCA MaSRA 2009 Applicants' Information brochures

Association of Chartered Certified Accountants ▼

ACCA launches a new name for its sustainability awards

ACCA launched *ACCA Malaysia Sustainability Reporting Awards (MaSRA)*, previously known as *ACCA Malaysia Environmental and Social Reporting Awards (MESRA)* at the Le Meridien Hotel, Kuala Lumpur, on 13 January 2009.

The name change is meant to inspire a paradigm shift in the understanding of sustainability reporting and the wider context of corporate responsibility development among Malaysian organisations, instead of focusing only on environmental and social variables. ACCA MaSRA 2009, in its seventh cycle, was first introduced in Malaysia in 2002, with the aim to recognise and reward organisations which report and disclose environmental, social or full sustainability information.

Datuk Khalid Ahmad, ACCA Malaysia Advisory Council President said, "When ACCA first introduced the Awards in 2002, we already knew that the Awards would ultimately progress towards sustainability reporting. By enlarging the Awards to embrace sustainability, ACCA hopes to encourage organisations to examine and account for their holistic consequences on society, economy and the environment."

The ACCA Reporting Awards around the world reward companies for excellence in environmental, social and sustainability reporting. The aim of the Awards is to identify and reward innovative attempts to communicate corporate sustainability performance.

At the launch, ACCA also announced the Panel of Judges for ACCA MaSRA 2009.

- Goh Ching Yin, *Executive Director Strategy & Development, Securities Commission*
- Datuk Kok Wee Kiat, *Chairman, EQC Malaysia*
- Datuk Hajah Rosnani Ibarahim, *Director-General of DOE*
- Datuk Saw Choo Boon, *Chairman, Shell Malaysia*
- Selvarany Rasiah, *Chief Regulatory Officer, Bursa Malaysia*
- Prof. Salleh Hassan, *Director, University of Nottingham Business School, Malaysia*
- Dorothy Teoh, *Deputy Editor-in-Chief, the Edge Communications Sdn Bhd*

The Awards is supported by the Securities Commission (SC), endorsed by AccountAbility, Bursa Malaysia Berhad, Business Council of Sustainable Development in Malaysia (BCSDM), CorporateRegister.com and the Department of Environment (DOE). AT

Chartered Institute of Management Accountants ▼

CIMA signs mutual agreement with Indian accountancy body

CIMA students wishing to gain membership of the ICWAI will have a 'fast track' route to ICWAI membership as well.

CIMA and ICWAI (The Institute of Cost and Works Accountants of India) have signed a historic agreement to allow mutual advanced entry for students into both of the accountancy bodies' professional examinations.

Shri Prem Chand Gupta, the Indian Honorable Union Minister for Corporate Affairs, announced the signing of the agreement on 9 January 2009 in New Delhi, India. The Memorandum of Understanding (MoU) was signed by Kunal Banerjee, President of ICWAI, Sanjay Bhargave, Chairman, Training Education Facilities & IT Committee, ICWAI, CIMA's President Glynn Lowth, CIMA's Chief Executive Charles Tilley and Robert Jelly, CIMA's Director of Education.

The MoU introduces a new CIMA Professional Gateway examination (available from May 2009) for ICWAI students who have successfully completed the whole of the ICWAI professional examination, enabling a 'fast track' route into CIMA's Strategic level examinations, final tests of professional competence and ultimately CIMA membership. CIMA students wishing to gain membership of the ICWAI will have a 'fast track' route to ICWAI membership as well. AT

CIMA's Islamic Finance Certificate to be offered in Arabic

CIMA has signed a contract with the Jordan-based organisation TAGITraining to translate and deliver the CIMA Certificate in Islamic Finance in Arabic throughout the Arab speaking world. The contract was signed in Amman by CIMA's Director of Education, Robert Jelly and Mustafa Nasereddin, Executive Director of TAGITraining. TAGITraining is part of the Talal Abu-Ghazaleh Organisation (TAGO), the Arab Organisation for Global Professional Services, and will provide tuition and examinations in its centres throughout the Arab region. The contract also includes the translation and delivery of CIMA's Certificate in Business Accounting in Arabic. AT

CPA Australia ▼

CPA Australia signs with UK-based CIMA

CPA Australia has entered into a historic agreement with one of the world's leading accounting bodies, the Chartered Institute of Management Accountants (CIMA), based in the UK.

CPA Australia President Alex Malley said CPA Australia's mutual recognition agreement with CIMA further strengthened each organisation's standing in the global accounting profession. "Growing the accounting profession and attracting high-quality members is a major focus of CPA Australia and particularly relevant in the global financial crisis," he said

"High-quality accounting professionals with a thorough understanding of ethics, governance, regulation and strategic management have a key role to play in the current financial climate.

"Proper controls, measurements, analysis and reporting are crucial to sustainable economic growth. Accountants who hold the CPA Australia and CIMA designation are well-equipped to assist with the ongoing development of established and emerging economies."

Malley said the increasing convergence towards global standards in accounting and auditing meant the opportunity for professional bodies to collaborate and share their expertise had never been greater. "The mutual recognition agreement with CIMA identifies areas for joint initiatives — including research and advocacy— and gives our members exceptional access to international job markets.

CIMA's President, Glynn Lowth, said the strategic alliance with CPA Australia strengthened CIMA's position by offering increased knowledge-sharing and collaboration, particularly in the areas of strategic accounting skills and performance measurement.

"The nature of the international economy dictates that management accountants must be globally-minded," Lowth said. "Our partnerships with influential accounting bodies, such as CPA Australia, are extremely beneficial for our members and have afforded them opportunities to increase their competitiveness in the international arena as well as enhance their strategic management skills."

The agreement, which takes effect immediately, is for an initial four-year term and details how members can gain reciprocal membership with each organisation. AT

"Growing the accounting profession and attracting high-quality members is a major focus of CPA Australia and particularly relevant in the global financial crisis."

Alex Malley, President, CPA Australia

New Board of Directors elected

The representative council of CPA Australia has elected the following people to the board of directors for a term of two years commencing on 1 April 2009:

Malaysia — Christina Foo
New South Wales — Simon Bird
South Australia — Bruce Trebilcock
Tasmania — Penny Egan
Victoria — Graeme Wade
External — Kerry Ryan

The following persons will remain on the board: Low Weng Keong, Richard Petty, Steve Chapman, Mark Grey, Paul Cooper, and John Cahill until they are due for re-election on 31 March 2010, when they have the option of nomination for one further term of two years. AT

Two year board stint for Christina Foo

Appointment of New Approved Training Organisation

MICPA is pleased to announce that Syarikat Bekalan Air Selangor Sdn Bhd (Syabas) has been appointed as an Approved Training Organisation of the Institute under Stream II. SYABAS was incorporated on 8 July 1996 under the Malaysian Companies Act, 1965 to undertake the privatisation of water supply services in the State of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

Practical training is an integral part of the Institute's CPA programme. Under the Stream II training, candidates may undertake the CPA examinations prior to the start of practical training or during the training period and are not required to enter into a training contract but must maintain a training log book as a record of their practical experience, which must be obtained in an approved training organisation (ATO) under the supervision of a member of MICPA or approved professional body. AT

Collaboration with Universities

As part of the Institute's efforts to foster closer collaboration with the academic staff of universities, the Institute has scheduled meetings with the Deans of the Faculty of Accountancy of various public universities. The aim is to create greater awareness of CPA Malaysia to university students and the CFiA qualification to lecturers.

On 6 January 2009, the Institute made a visit to the Universiti Tenaga Nasional (UNITEN) Campus Muadzam Shah, Pahang. Datin Fadzilah, Council Member of the Institute gave a briefing to accounting lecturers and students on the CFiA and CPA Malaysia qualifications. AT

Under the Stream II training, candidates may undertake the CPA examinations prior to the start of practical training or during the training period and are not required to enter into a training contract...

WORLD news

INDIA: No fronts for global accounting firms

The Institute of Chartered Accountants of India (ICAI), the regulatory body for CAs in the country, has asked the Government to destroy the nexus between global accounting firms such as PricewaterhouseCoopers, KPMG, Deloitte Touche and Tohmatsu and Ernst &Young and local auditors, who as the former's member firms provide them a front to undertake audit work, reports *The Indian Express.*

"What cannot be done directly, should not be done indirectly, Ved Jain, President, ICAI, told the newspaper.

Foreign firms were not allowed to carry out auditing and assurance services in India, he pointed out, but admitted that besides Price Waterhouse and Deloitte Haskins and Sells, no foreign firm had been granted permission to audit by the ICAI in India.

The issue has come in for scrutiny again after Price Waterhouse, an audit firm registered with the ICAI, and also a member firm of the Big Four constituent PwC, failed to detect the Rs 8,000 crore accounting fraud in Satyam Computer Services Ltd, the fourth largest software company till the fraud was admitted to by its promoter B. Ramalinga Raju himself, the report noted.

"The Satyam case will help us raise this issue and impress upon the facts to the government," Jain was quoted by the newspaper.

It said claiming that in any such arrangements, "the local firm relies heavily for resources on the international firm", Jain said the matter had gained more relevance now. To drive home the point, ICAI has asked the new board of Satyam to review its decision to appoint KPMG for the restatement of Satyam's financials since it is not registered with the ICAI. It is hence not authorised to provide accounting and assurance services in India.

Jain said that management consultancy is a "loosely defined term" and includes a lot of functions, but cannot be used as a façade for carrying out accounting and auditing services in India through affiliations with local auditing firms.

"Our commitments at the WTO do not require us to open up the sector to foreign firms," he told the newspaper.

The report, originating from New Delhi, noted that as per a resolution under the World Trade Organisation, foreign firms are barred from carrying out auditing and assurance services in India on the basis of which ICAI had opposed the move of Satyam's new board to appoint KPMG as the company's new auditor.

At present, multinational management consultants, including the Big Four, have multiple Indian affiliates to help them carry out accounting and auditing business in the country. Deloitte, apart from its own auditing arm Deloitte Haskins & Sells has CC Choksi & Co, AF Ferguson & Co, Fraser & Ross, MCA & Co and PC Hansotia as its local affiliates.

Ernst & Young has SR Batliboi & Co as its affiliate. BSR & Co carries out the accounting and auditing business for KPMG while Lovelock & Lewes, RSM & Co and Dalal & Shah serve as affiliates for PwC, apart from its own auditing division Price Waterhouse & Co. Grant Thornton too has a local firm Walker Chandiok & Co as its India associate, it added. AT

SINGAPORE: KPMG to cut salaries of middle to top management staff

Accounting firm KPMG LLP (Singapore) will cut salaries of middle to top management staff from February 2009. The salary reductions will range between 5 and 7.5%, reports *CNA*.

KPMG said staff wages form the biggest component of costs outside of office rentals. However, it does not expect any retrenchments after the implementation of a series of measures to counter the impact of the recession, the report said.

It added that efforts to control business costs for non-essential operations have already been in place since the fourth quarter of 2008.

CNA was made to understand that KPMG is the first of the "Big Four" accounting firms here to cut wages in the current economic downturn. The other top accounting firms are Ernst & Young, PricewaterhouseCoopers (PwC) and Deloitte & Touche.

Responding to CNA, PwC said it would use its flexible wage system to help manage costs. Similarly, Ernst & Young said it prefers options like flexing its overall pay package, particularly bonus payouts.

Ernst & Young added that it expects to hire about 250 staff in Singapore in FY2008/2009. In the past six months, the firm has recruited over 20 partners in the region, including some from Singapore. AT

CHINA: Chinese Accounting Lagging But Improving

Twenty years ago, China was essentially a closed, command, communist economy. International accounting practices, internal audits or controls were non-existent. There were no lawyers and no protection for whistleblowers. Indeed, these things were actively discouraged, *Forbes* reported.

The report added that the perception still lingers that Chinese accounting practices fester in the dark and are good enough only to work to the disadvantage of multinationals and others who conduct business within and with China. The reality is that a new dawn is shedding light on and changing China's formerly antiquated accounting practices, and as at the beginning of any new day, there's a lot of work yet to be done.

"Many companies in China, including ours, Wolters Kluwer/CCH, struggle with the stresses and strains that come with rapid organic growth and the massive scaling up of operations. We've had our own challenges with back office and compliance issues in China as a result of rapid growth; many CCH clients have communicated the same frustrations.

"For instance, Cosmo Zhang, Finance Director of Asian American Gas in Beijing, understands the difficulties faced by foreign companies in China. Zhang, a Chinese national, went to college in China but completed his MBA in the US, where he worked as a CPA," the report said.

Upon his return to China, the report noted that he experienced significant frustration with the lack of sophisticated accounting software available

to him and with the challenges presented by a convoluted compliance framework.

"It seems to me," Zhang told the report, "that Chinese accounting professionals are in a way asked to do a lot more with a lot less clarity and resources, at least compared to the typical US CPA."

In the article by David A. Lampert who is President and CEO for Wolters Kluwer Asia Pacific and Matthew Sullivan who is Managing Director of CCH Asia, they further noted:

"Now, multinational corporate CFOs are requesting that CCH provide more basic accounting training to their staff, to meet the increasing volume of work while they struggle with complicated compliance issues and a shortage of accounting staff. The staff, hungry for development and career advancement, is eager to attend training seminars on evenings and weekends as long as the company pays and the programmes are certified."

The programmes — aimed at multinational corporate clients, foreign law firms, and the Big Four and local accounting firms – address sophisticated topics such as international financial reporting standards, taxation, corporate governance and transfer pricing.

"From just a handful in 2006, CCH's seminars and training programmes have grown to more than 30 in 2007 and are growing significantly again in 2008. For us in China, the training business is leading the publishing business, which is the reverse of what happens in more developed markets like the US.

"According to a recent study, conducted by CCH in China, companies in Beijing and Shanghai are spending $30 million to $50 million per year on training and skills development for their accounting staff and this spending is growing at double-digit percentages."

It noted that the Chinese government recognises the problem of not enough accountants, and certainly not enough good ones. AT

INDIA: Company founders must disclose shares pledged for loans

India's regulator said founders of companies must disclose shares pledged in return for loans, as authorities tighten disclosure rules in the wake of the alleged accounting fraud at Satyam Computer Services Ltd, reported *Bloomberg*.

Corporate owners must report how much of their stake was held by lenders at the end of 31 December, C.B. Bhave, Chairman of the Securities and Exchange Board of India said at a press briefing after its board met in Mumbai, it added. In future, disclosure will be "event-based and periodic," he said.

In a report, the newswire noted that pressure to make more information available to investors has increased since Satyam's former Chairman Ramalinga Raju said he had falsified the software maker's accounts for several years.

"It is market-sensitive information if promoters have borrowed money against their holdings. Investors would be wary of promoters pledging shares as it generates a leveraged risk in holding the stock," the report quoted Adrian Mowat, JPMorgan Chase & Co.'s chief Asian and emerging market equity strategist.

Lenders must also disclose sales of the pledged shares, Bhave said, according to the report, which added that companies will be given time to comply with the new rules.

In a report in Business Standard, Bhave clarified that promoters do not need to disclose whether they have pledged shares of the holding company of a listed entity.

Promoters will, however, need to make adequate disclosures if the lenders sell the pledged shares in the open market. The changes will also apply to offshore transactions.

"A pledge is a pledge. We are not making a distinction between offshore and onshore lenders. If the shares are pledged, the information must be disclosed," Bhave said.

It added that the extent of disclosure was also an issue, corporate lawyers had said. For instance, if a promoter raises his shareholding to 5 or 10 per cent, he currently has to disclose his aggregate shareholding under the takeover code.

Bhave has, however, clarified that for event-based disclosures, there will be limits on how much the promoter has to disclose. For periodic disclosures, there will be no limits. The disclosure will clearly have to say how many shares are encumbered. AT

PAKISTAN: SECP approves shares buy-back draft regulations

Pursuant to the amendments in Section 95A of the Companies Ordinance, 1984, the Securities and Exchange Commission of Pakistan (SECP) has approved the draft of *The Companies (Buy-Back of Shares) Regulations, 2009*.

Pakistan's *Daily Times* reports that Section 95A of the ordinance, recently notified by the Federal Government allows listed companies to buy-back/repurchase their own shares and hold such shares as Treasury Shares, whereas under the old Section 95A, the repurchased shares were required to be cancelled.

The buy-back/repurchase may be used as a tool to bring stability in market prices of the shares that are undervalued on the stock market. Buy-back/repurchase of shares by listed companies may consequently improve earnings per share.

The draft regulations provide detailed modus operandi for buy-back/repurchase of shares including eligibility of the purchasing companies, purchase procedures, roles and responsibilities of the purchasing companies, the manager to the purchase and purchase agents, contents of the public announcement and procedures for its publication, maximum holding of treasury shares and the manner in which treasury shares can be disposed off.

The draft Regulations require the board of directors of a purchasing company to make a declaration that the purchasing company is solvent and is capable of meeting its liabilities on time, for a period of at least 12 months from the date of such declaration.

The shares may be purchased either by way of tender offer through a manager to the purchase or from the stock market through a purchase agent. AT

US: An ugly truth about bank accounting

Wall Street set out to look at whether financial reporting at a number of companies,

particularly banks is 'reliable'. This process took into account the chances that a firm might have to restate earnings, face litigation over mis-statements, and even exposure to charges of fraud, according to a report by *24/7*.

The website said it turned to Audit Integrity, which conducts forensic measurements of the transparency and statistical reliability of corporate financial reporting.

The firm uses its own "Audit Integrity Accounting and Governance Risk Rating" to determine accounting risk:

1. a forensic assessment of the risk that financial results are misrepresented in public disclosures, and
2. governance risks, a forensic measurement a company's governance practices helps users identify statistically high-risk behaviour.

A review of the country's largest banks shows that the most aggressive accounting practices and those most subject to reliability problems are the accounting practices at Bank of America, Wells Fargo, Citigroup, Fifth Third Bank, PNC Financial, and KeyCorp, it added. AT

US: Six important emerging technologies for accounting

As the new year begins, six technologies are emerging that hold great promise for accounting and tax preparation professionals, Richard Oppenheim writes for *The CPA Technology Advisor*.

This article details his list: cloud computing, mobile access, streamlined sales tax calculation, tax document automation, portals and virtualisation.

One year ago, he wrote about emerging technologies with the following introduction: There are four types of technology — technology we use now, technology we have discarded, technology that is about to emerge, and technology far away.

As the years go by, these four groupings still classify the never-ending changes that technology delivers to us in new and improved ways. A key question is this: Why should we be interested in what's next when we are so busy dealing with what needs to be done today?

The answer for tax and accounting professionals is to explore the world of opportunity flowing in every direction, which includes innovative technology. As this fire hose is never turned off, we must set an arbitrary limit on what will be discussed here. More information can always be located doing simple searches, asking friends, and by reading this publication in all of its emerging formats.

His selected areas for this year: Virtualisation, tax document automation, streamlined sales tax, mobile access — smart phones, Gobi, 3G; cloud computing — mesh, etc... and portals.

How each of these areas will impact you is to be determined. Some questions are easy; others take more time. The emerging reality is that accountants have to know about technologies — ones they use along with planning for ones they are about to use. "Let us know how these technologies impact you during the coming year," he added. AT

EU: Most EU banks not using looser accounting rules

Most European banks and blue chip companies are not using looser accounting rules allowing them to revise upward the value of complex investments which depreciated during the financial crisis, writes EU market supervisors.

In a report by *AP*, it said rules which required assets to be valued at market prices — called fair-value or mark-to-market — were eased in October 2008 to allow European companies to use higher prices for derivatives when they reported earnings from the third quarter of 2008.

The report added dropping mark-to-market accounting could have helped many financial groups avoid reporting an immediate loss, but most of them declined to do so. The EU market supervisors did not give a reason why.

US regulators have resisted a banking industry push to suspend mark-to-market rules, saying accounting standards shouldn't be bent to help the troubled economy.

But CESR, the committee of European securities regulators, said that more than half of 100 banks and financial groups it looked at and almost two-thirds of companies listed on the FTSE Eurotop 100 index did not reclassify any assets in the third quarter, the report added.

The article, originating from Brussels, added that only a fifth of banks and 18 per cent of major financial groups shifted investments from one category to another, most opting to reclassify fair-value investments through profit and loss — which are depressed at current market prices — as loans and receivables.

No company chose to reclassify assets in the longer-term by relabelling them as held-for-maturity, which would have allowed them to increase the value of those assets on their balance sheets.

CESR warned that its figures were based on interim financial statements and it would watch out for any updates companies may publish this spring.

The financial crisis saw EU regulators soften the accounting rules under pressure from some businesses that claimed they needed the same flexibility as US companies to avoid recording ballooning losses on their balance sheets as market prices for derivatives slid, the report added. AT

IAASB Practice Alert Helps Auditors and Management Assess Impact of Credit Crisis on Going Concern Assumptions

The unexpected severity, speed and consequences of the credit crisis presents unique challenges for management and auditors in meeting their responsibilities in assessing an entity's ability to continue as a going concern. To help auditors and management, as well as those charged with governance, the staff of the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board under the auspices of the International Federation of Accountants (IFAC), has released a new practice alert entitled Audit Considerations in Respect of Going Concern in the Current Economic Environment. The alert was developed following consultation with the IAASB and a review of similar guidance issued by national standard setters.

Management, those charged with governance and auditors alike must consider the effect of the credit crisis and economic downturn on an entity's ability to continue as a going concern and whether these effects ought to be described in the financial statements. The alert highlights areas within International Standard on Auditing (ISA) 570, Going Concern, as well as other ISAs, that are particularly relevant in the current economic environment and provides additional guidance for auditors in evaluating management's use of the going concern assumption. It also raises awareness of issues surrounding liquidity and credit risk that may create new uncertainties for entities or exacerbate those already existing.

James Sylph, Executive Director, Professional Standards, emphasises, "While the alert notes that auditors are always required to evaluate management's use of the going concern assumption, given the current economic conditions, the evaluation will take on even more importance and is likely to be more complex. This is particularly the case with regard to the availability of credit and the impact of the current economic environment on budgets and forecasts, factors which are likely to result in additional disclosures in the current period's financial statements. As such, we believe this alert will be useful for auditors as well as management of entities of all sizes in the current audit season."

This new alert is the second alert issued by staff of the IAASB. The first, Challenges in Auditing Fair Value Accounting Estimates in the Current Market Environment, was issued in October 2008 to assist auditors in addressing the challenges of auditing fair value accounting estimates, and highlights areas within the ISAs that are particularly relevant in the audit of fair value accounting estimates in times of market uncertainty. Both alerts may be downloaded free of charge from the IFAC website (www.ifac.org). For more information on IFAC initiatives with regard to the global financial crisis, visit *www.ifac.org/financial-crisis* AT

Non-Audit Firms New Registration

NON-AUDIT FIRM	NF NO.
SARAWAK	
Bong Corporate Services No. 33 Level 2, Jalan Tun Ahmad Zaidi Adruce 93150 Kuching Tel: 082-414 115 Fax: 082-414 115 email: bong71@gmail.com	**0969**
WILAYAH PERSEKUTUAN	
F H Tham & Co. 31B, Jalan Pandan Indah 1/23 Pandan Indah, 55100 Cheras Tel: 03-9274 4512 Fax: 03-9274 5512 email: fhtham88@yahoo.com	**0964**
SELANGOR DARUL EHSAN	
Kamarudin Azhar & Partners No. 16, Jalan Spektrum U16/22A Taman Bukit Subang 40160 Shah Alam Tel: 012-606 0136 email: kabu5469@gmail.com	**0968**
Steven Chuah & Co. 37-10A, The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel: 03-2282 8863 Fax: 03-2282 9963 email: steven-chuah@hotmail.com	**0967**
Kok & Co. 24, Jalan SS14/5F, 47500 Subang Jaya Tel 03-56333857 email: sherriecheong@gmail.com	**0966**
Winnie Then & Co 20M Jalan SS 21/35. Damansara Utama 47400 Petaling Jaya Tel: 012-689 1251 Fax: 03-7726 9358 email: winniethen88@gmail.com	**0965**

Ceased Operation

SELANGOR DARUL EHSAN	
CG Lim Management Services No. 10-2, Jalan Puteri 5/2 47100 Puchong	**0818**
K. L. Yong & Associates Unit 1233, 12th Floor, Block A3 Pusat Dagang Setia Jaya No. 9, Jalan PJS 8/9	**0302**
SP Associates 40-2 (Suite 1), Jalan Puteri 2/2 Bandar Puteri, 47100 Puchong	**0895**
TML & Associates 39C, Jalan SS21/60, Damansara Utama 47400 Petaling Jaya	**0689**
Wee & Associates 40, Lorong Batu Nilam 14A Bandar Bukit Tinggi 41200 Klang	**0528**
WL & Partners 41C, Jalan SS 21/60 Damansara Utama 47400 Petaling Jaya	**0610**
WILAYAH PERSEKUTUAN	
Jay & Company Tingkat 5, Wisma Pahlawan Jalan Sultan Sulaiman 50000 Kuala Lumpur	**0949**
ST Wong & Associates 21 Jalan Wira 2, Taman Maluri 55100 Kuala Lumpur	**0820**

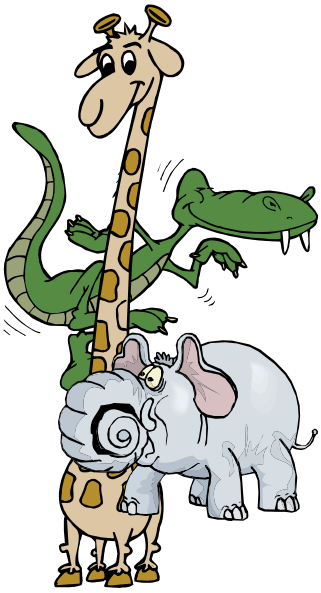
Audit Firms New Registration

AUDIT FIRM	AF NO.
PULAU PINANG	
Norhashimah & Partners A10, No. 5 Bangunan Mara Lebuh Buckingham, 10200 Penang Tel: 04-261 2025 Fax: 04-261 2025 email: zashim@yahoo.com	**001961**

Ceased Operation

WILAYAH PERSEKUTUAN	
Christopher 568-8-13, Kompleks Mutiara, Level 8 3 1/2 Mile Jalan Ipoh 51200 Kuala Lumpur	**1572**

… Counting on Humour



A Manager?

The following short quiz consists of four questions and tells whether you are qualified to be a 'manager.' The questions are not that difficult.

1. *How do you put a giraffe into a refrigerator?*

The correct answer is: Open the refrigerator, put in the giraffe and close the door. **This question tests whether you tend to do simple things in an overly complicated way.**

2. *How do you put an elephant into a refrigerator?*

Wrong Answer: Open the refrigerator, put in the elephant and close the refrigerator.

Correct Answer: Open the refrigerator, take out the giraffe, put in the elephant and close the door.

This tests your ability to think through the repercussions of your actions.

3. *The Lion King is hosting an animal conference, all the animals attend except one. Which animal does not attend?*

Correct Answer: The Elephant. The Elephant is in the refrigerator. **This tests your memory.**

OK, even if you did not answer the first three questions correctly, you still have one more chance to show your abilities.

4. *There is a river you must cross. But it is inhabited by crocodiles. How do you manage it?*

Correct Answer: You swim across. All the Crocodiles are attending the Animal Meeting! **This tests whether you learn quickly from your mistakes.**

According to Andersen Consulting Worldwide, around 90 per cent of the professionals they tested got all questions wrong. But many pre-schoolers got several correct answers. Andersen Consulting says this conclusively disproves the theory that most management consultants have the brains of a four-year old.

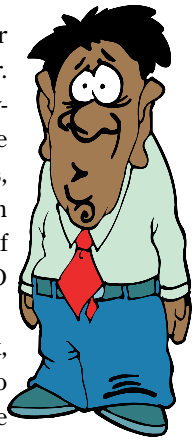
Lampner's Law of Employment
When leaving work late, you will go unnoticed. When you leave work early, you will meet the boss in the parking lot.

Extra Mile

Driving down the highway one day, I saw this slogan on the back of a well-known trucking company's vehicle: *We Always Go the Extra Mile.*

Then I noticed another phrase scrawled in the dirt just below it: *That's Because We Missed the Last Exit.*

Stress Relief



Last week I went to a seminar called Stress and Disease by Dr. Nickolas Hall, an expert in psychobiology. He gave an example of a coping skill for job stress, which I would like to share with you. When you have had one of those "TAKE THIS JOB AND SHOVE IT" days, try this.

On your way home after work, stop at your pharmacy and go to the section where they have thermometers. You will need to purchase a rectal thermometer made by *Q-TIP. Be very sure that you get this brand.

When you get home, lock your doors, draw the drapes, and disconnect the phone so you will not be disturbed during your therapy. Change to very comfortable clothing, such as a sweat suit and lie down on your bed.

Open the package containing the thermometer and remove the thermometer and carefully place it on the bedside table so that it will not become chipped or broken.

Take the written material that accompanies the thermometer and as you read it you will notice in small print the statement that *"every rectal thermometer made by Q-Tip is PERSONALLY tested."*

Now close your eyes and say out loud five times, *"I am so glad that I do not work in quality control at the Q-Tip Company."* AT

Climb the ladder

The other night I dreamt that I had died and gone to Heaven. At the Pearly Gates I was met by Saint Peter who told me if I wanted to enter the gates of Heaven I must climb that ladder one rung at a time. On each rung I must write a sin that I committed during my life while on earth.

He then gave me a piece of chalk. I started, writing, climbing, writing, climbing …. hanging on with one hand and writing with the other - a difficult task for someone who does not like heights.

All of a sudden, something was crushing the fingers of my holding hand. I looked up, and there, much to my amazement was my boss coming down the ladder for more chalk.

2009 Calendar of MIA Professional Development Centre (MPDC)

Location	Date	Event Title	Speaker	Venue	Fee (RM)	CPE Hrs	Claimable
February 2009							
Klang Valley	5 & 6 Feb	Understanding Private Entities Reporting Standards	Danny Tan Boon Wooi	Hilton PJ	700	16	HRDF & SMIDEC
	9 & 10 Feb	Capital Allowances Maximisation	Harvindar Singh	Hilton PJ	800	16	HRDF & SMIDEC
	12 & 13 Feb	Financial Essentials for Non-Financial Professionals	Yoga Thevan	Concorde Hotel KL	800	16	HRDF & SMIDEC
	12 & 13 Feb	Preparation of Group Accounts	Woon Chin Chan & Tan Liong Tong	Concorde Hotel KL	950	16	HRDF
	14 - 16 Feb	MIA QE Programme — Auditing and Assurance Services	Tong Suek Ying	MIA Resource Centre	750	0	
	16 Feb	Understanding, Preparing and Presenting Cash Flow Statement (FRS 107)	Woon Chin Chan & Tan Liong Tong	Hilton PJ	500	8	HRDF
	16 & 17 Feb	Public Practice Programme	various	Hotel Istana KL	850	16	HRDF
	16 & 17 Feb	Corporate Social Responsibility	Michael Chiam	Best Western Premier Sri Pacific Hotel KL	800	16	HRDF
	16 & 17 Feb	Optimising Corporate Tax Planning Strategies	Sivaram Nagappan	Hilton PJ	850	16	HRDF
	17 & 18 Feb	Practical Approach to Tax Incentives in Malaysia	Chow Chee Yen	Hilton PJ	800	16	HRDF & SMIDEC
	18 & 19 Feb	Company Secretarial Practice and Annual Return	Tan Teng Chai	Concorde Hotel KL	800	16	HRDF, SMIDEC & SIDC Accredited
	19 Feb	Impairment of Assets	Woon Chin Chan & Tan Liong Tong	Hilton PJ	500	8	HRDF
	19 & 20 Feb	The Essentials of Budgeting	Dr. Steven Liew	Hotel Istana KL	700	16	HRDF
	21 - 23 Feb	MIA QE Programme — Business and Company Law	Tengku Nauful Tengku Mohd Mansor	MIA Resource Centre	750	0	
	23 Feb	Advanced Consolidation Practices and Business Combinations	Danny Tan Boon Wooi	Concorde Hotel KL	800	8	HRDF
	23 & 24 Feb	Financing Your Business	Peter Fong	Hotel Istana KL	800	16	HRDF
	23 & 24 Feb	Maximising Performance with Technology During Financial Tsunami	Bryan Ng	Training Choice KL	1100	16	HRDF
	23 & 24 Feb	Financial Instruments: Recognition, Measurement, Disclosure and Presentation	Woon Chin Chan & Tan Liong Tong	Concorde Hotel KL	950	16	HRDF
	24 & 25 Feb	Essential of Corporate Management in Malaysia	Jessica Liew	Best Western Premier Sri Pacific Hotel KL	850	16	HRDF
	24 & 25 Feb	Transforming the Finance Function for Quality, Efficiency and Growth	Suchitra Mahendraraj	Melia Hotel KL	750	16	HRDF
	25 & 26 Feb	Two-Day Workshop — Understanding Fair Value Accounting Practice	Danny Tan Boon Wooi	Concorde Hotel KL	800	16	
	25 & 26 Feb	Construction Contracts (FRS 111), Property Development Activites(FRS 201) and Borrowing Costs (FRS 123)	Lim Geok Heng	Hilton PJ	700	16	HRDF & SMIDEC
	25 & 26 Feb	Effective Data Mining for Decision-Making	Bryan Ng	Training Choice KL	1100	16	HRDF
	27 Feb	Introduction to Accounting for Agricultural Activities	Danny Tan Boon Wooi	Concorde Hotel KL	400	8	HRDF
Northern Region	16 & 17 Feb	Cost Reduction and Profit Improvement Strategies	Dr. Steven Liew	Traders Hotel Penang	700	16	HRDF
	18 & 19 Feb	Financial Essentials for Non-Financial Professionals	Yoga Thevan	Impiana Casuarina Ipoh	800	16	HRDF & SMIDEC
	24 & 25 Feb	Company Secretarial Practice and Annual Return	Tan Teng Chai	Traders Hotel Penang	800	16	HRDF, SMIDEC & SIDC Accredited
Southern Region	11 & 12 Feb	Company Secretarial Practice and Annual Return	Tan Teng Chai	Equatorial Melaka	800	16	HRDF, SMIDEC & SIDC Accredited
	16 & 17 Feb	Financing Your Business	Peter Fong	Puteri Pacific JB	800	16	HRDF
	23 & 24 Feb	Cost Reduction and Profit Improvement Strategies	Dr. Steven Liew	Puteri Pacific JB	700	16	HRDF
	25 & 26 Feb	Financial Essentials for Non-Financial Professionals	Yoga Thevan	Puteri Pacific JB	800	16	HRDF & SMIDEC
East Coast	23 & 24 Feb	Financial Essentials for Non-Financial Professionals	Yoga Thevan	Terengganu Equestrian Resort	800	16	HRDF & SMIDEC

FOR FURTHER INFORMATION PLEASE MAIL, FAX OR E-MAIL TO:
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2009 Calendar of MIA Professional Development Centre (MPDC)

Location	Date	Event Title	Speaker	Venue	Fee (RM)	CPE Hrs	Claimable
March 2009							
Klang Valley	2 & 3 Mar	High Impact PowerPoint for the Professional — From Good to Awesome	Bryan Ng	Training Choice KL	1100	16	HRDF
	4 & 5 Mar	An Entrepreneurial Approach to Credit Management and Debt Recovery	Dr. Steven Liew	Concorde Hotel KL	700	16	HRDF
	10 & 11 Mar	Financial Modelling for Corporate Reporting	Bryan Ng	Training Choice KL	1100	16	HRDF
	11 Mar	Licensing, Facilitation and Control Plus an Update on the Latest Tax Free Facilities	Goh Kin Siang	Hotel Istana KL	450	8	HRDF
	12 Mar	Advanced Consolidation Principles	Woon Chin Chan & Tan Liong Tong	Hotel Istana KL	500	8	HRDF
	12 & 13 Mar	Consolidated Financial Statements — A Practical Approach (Under both PERS & FRS)	Lim Geok Heng	Concorde Hotel KL	800	16	
	17 & 18 Mar	Coaching Skills for Accountants	Coach Abd Aziz Kassim	Hilton PJ	1200	16	HRDF
	17,18, 19 Mar	Practical Accounting	Mok Kam Seng	Melia KL	950	0	HRDF
	18 & 19 Mar	Building Financial Models for Decision-Making	Bryan Ng	Training Choice KL	1100	16	HRDF
	25 Mar	FRS 139 Financial Instruments	William Mah	Hotel Istana KL	400	8	HRDF
	26 Mar	Accounting for Agriculture: Biological Assets Covering Plantation Crops and Animals	Woon Chin Chan & Tan Liong Tong	Hotel Istana KL	500	8	HRDF
Northern Region	5 Mar	Financial Due Diligence Audit	Ramesh Ruben Louis	Traders Hotel Penang	400	8	HRDF
	24 & 25 Mar	Financial Essentials for Non-Financial Professionals	Yoga Thevan	Traders Hotel Penang	800	16	HRDF & SMIDEC
Southern Region	16 Mar	Audit Documentation	Tong Seuk Ying	Grand Paragon JB	350	8	
	19 Mar	Financial Due Diligence Audit	Ramesh Ruben Louis	Grand Paragon JB	400	8	HRDF
	30 & 31 Mar	Two-Day Fair Value Accounting	Danny Tan Boon Wooi	Johor Bahru	800	16	HRDF
East Malaysia	3 & 4 Mar	Financial Essentials for Non-Financial Professionals	Yoga Thevan	Pacific Sutera KK	800	16	HRDF & SMIDEC
	5 & 6 Mar	Financial Essentials for Non-Financial Professionals	Yoga Thevan	Margherita Kuching	800	16	HRDF & SMIDEC
	11 Mar	Financial Due Diligence Audit	Ramesh Ruben Louis	Shangri-La KK	400	8	HRDF
	12 Mar	Financial Due Diligence Audit	Ramesh Ruben Louis	Riverside Majestic Hotel Kuching	400	8	HRDF
	16 & 17 Mar	Cost Reduction and Profit Improvement Strategies	Dr. Steven Liew	Hyatt Regency KK	700	16	HRDF
	19 & 20 Mar	Cost Reduction and Profit Improvement Strategies	Dr. Steven Liew	Holiday Inn Kuching	700	16	HRDF
Information Technology							
Klang Valley	26 & 27 Feb	Microsoft Word 2003 (Advanced)	tba	PentaWise Sdn Bhd	270	16	
	3 Feb	Microsoft PowerPoint 2003 (Fundamental & Intermediate)	tba	PentaWise Sdn Bhd	150	8	
	16 Feb	Microsoft PowerPoint 2003 (Advanced)	tba	PentaWise Sdn Bhd	170	8	
	17 & 18 Feb	Microsoft Access 2003 (Fundamental & Intermediate)	tba	PentaWise Sdn Bhd	250	16	
	24 & 25 Feb	Microsoft Access 2003 (Advanced)	tba	PentaWise Sdn Bhd	410	16	
	17 & 18 Feb	Microsoft Outlook 2003 (Fundamental & Intermediate)	tba	PentaWise Sdn Bhd	320	16	
	26 & 27 Feb	Microsoft Frontpage 2003 (Fundamental & Intermediate)	tba	PentaWise Sdn Bhd	450	16	
	5 & 6 Feb	Microsoft Excel 2003 (Fundamental & Intermediate)	tba	PentaWise Sdn Bhd	250	16	
	12 & 13 Feb	Microsoft Excel 2003 (Advanced)	tba	PentaWise Sdn Bhd	300	16	
	4 Feb	Analysing Financial Data with MS Excel	Chan Phooi Lai	PentaWise Sdn Bhd	500	8	
	19 & 20 Feb	Tasks Automation using MS Excel Macro/VBA	Chan Phooi Lai	PentaWise Sdn Bhd	800	16	
	10 & 11 Feb	Microsoft Excel Functions and Formulas	Chan Phooi Lai	PentaWise Sdn Bhd	800	16	
	16 Feb	Financial Data Management with PivotTables	Chan Phooi Lai	PentaWise Sdn Bhd	400	8	
	2 Mar	Microsoft PowerPoint 2003 (Fundamental & Intermediate)	tba	PentaWise Sdn Bhd	150	8	
	16 Mar	Microsoft PowerPoint 2003 (Advanced)	tba	PentaWise Sdn Bhd	170	8	
	3 & 4 Mar	Microsoft Excel 2003 (Fundamental & Intermediate)	tba	PentaWise Sdn Bhd	250	16	
	17 & 18 Mar	Microsoft Excel 2003 (Advanced)	tba	PentaWise Sdn Bhd	300	16	
	10 Mar	Get Started with Internet	tba	PentaWise Sdn Bhd	150	8	
	10 Mar	Analysing Financial Data with MS Excel	Chan Phooi Lai	PentaWise Sdn Bhd	500	8	
	12 & 13 Mar	Tasks Automation using MS Excel Macro/VBA	Chan Phooi Lai	PentaWise Sdn Bhd	800	16	
	11 Mar	Expanding Microsoft Excel Charts	Chan Phooi Lai	PentaWise Sdn Bhd	350	8	
	19 & 20 Mar	Microsoft Excel Functions and Formulas	Chan Phooi Lai	PentaWise Sdn Bhd	800	16	
	23 March	Financial Data Management with PivotTables	Chan Phooi Lai	PentaWise Sdn Bhd	400	8	

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