

ACCOUNTANTS

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today

Brain Drain *or* Global Mobility?

- Economic Crime — A Major Global Challenge
- Becoming a Choice Listing Destination

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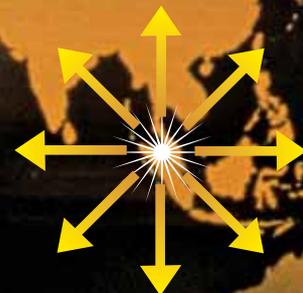
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A Monthly Publication of the Malaysian Institute of Accountants



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Cover

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Brain Drain or Global Mobility?

According to an article in The Star on 18 December 2007, the Deputy Minister of Human Resources, YB Datuk Abdul Rahman Bakar, indicated that close to 70,000 Malaysian professionals are presently working abroad. Like almost all other professions, the accountancy profession is feeling the pinch, with some companies beginning to blame the lack of accounting expertise for their shortcomings in trying to comply with market regulations.



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As essential participants in the financial reporting supply chain, accountants and auditors around the



world often have intimate knowledge of prospects for economic growth and development in their countries or regions. In addition, worldwide leaders of professional accountancy organisations can offer important perspectives on economic infrastructures in their jurisdictions. The International Federation of Accountants (IFAC) sought to tap into this insight with its first Global Leadership Survey, which was conducted in conjunction with its 30th anniversary celebrations.

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Highly rewarding though it may be, in Malaysia, getting into sales is generally not considered a first choice for many. Often, it only comes into the picture after other options have been exhausted. In short, unlike many established professional groups such as accountants, lawyers, doctors, engineers and architects, salesmen in the country still do not command high stature and respect. Yet selling itself has evolved into a dynamic discipline.



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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*:

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

Vision and Mission

MIA'S VISION

- To be a globally recognised and respected business partner committed to nation-building.

MIA'S MISSION

- To develop, support and monitor quality and expertise consistent with global best practice in the accountancy profession for the interest of stakeholders.

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EXECUTIVE DIRECTOR

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editorial

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Zahrah Abdul Wahab Fenner

EDITOR

Iszudin Mohd Amin

SENIOR COMMUNICATIONS EXECUTIVES

Anuja Ravendran and Aznita Zakaria

COMMUNICATIONS EXECUTIVE

Roslani Shafie

publisher

Malaysian Institute of Accountants

Dewan Akauntan

2, Jalan Tun Sambanthan 3, Brickfields, 50470 Kuala Lumpur

Tel: +603-2279 9200 Fax: +603-2274 1783, 2273 1016

e-mail: mia@mia.org.my url: www.mia.org.my

publishing consultant

Executive Mode Sdn Bhd (317453-P)

Tel: +603-7118 3200, 3205, 3230 Fax: +603-7118 3220

e-mail: executivemode@executivemode.com.my

url: www.executivemode.com.my

printer

BHS Book Printing Sdn Bhd (95134-K)

Lot 17-22 & 17-23, Jalan Satu, Bersatu Industrial Park

Cheras Jaya, 43200 Cheras, Selangor

Tel: +603-9076 0816, 9076 0825, 9074 7558

Fax: +603-9076 0785, 9074 7573

e-mail: bhsprint@tm.net.my

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CHAIRMAN

Choong Shin Cheong, Roland

Tel: 07-227 0369 Fax: 07-222 0391

Chan Boon Jiunn

Tel: 04-442 2350 Fax: 04-442 2351

Leong Cheok Hoo

Tel: 09-744 4027 Fax: 09-744 2840

Mohd Hisham Tambi Ahmad

Tel: 06-336 1996 Fax: 06-336 1995

Tan Teng Chai

Tel: 06-454 1664 Fax: 06-454 5527

Foo Tui Lee, Joseph

Tel: 09-516 3788 Fax: 09-516 1635

Adelena Lestari Chong

Tel: 04-229 4203 Fax: 04-229 5546

Soo Yuit Weng

Tel: 05-253 7722 Fax: 05-255 2618

Alexandra Thien

Tel: 088-261 291 Fax: 088-261 290

Yeo Ah Tee

Tel: 082-418 427 Fax: 082-417 427

Tuan Haji Mohd. Ali Abbas

Tel: 09-622 3359 Fax: 09-622 6040

Accountants Today is the official publication of the Malaysian Institute of Accountants (MIA) and is distributed to all members of the Institute. The views expressed in this magazine are not necessarily those of the MIA or its Council. Contributions including letters to the Editor and comments on articles appearing in the magazine are welcomed and should be sent to the Editor as addressed below. All materials without prejudice appearing in the *Accountants Today* are copyright and cannot be reproduced in whole or in part without written permission from the Editor.

Editor, *Accountants Today*, Dewan Akauntan, 2 Jalan Tun Sambanthan 3, Brickfields, 50470 Kuala Lumpur, Malaysia
Tel: +603-2279 9200, Fax: +603-2274 1783, e-mail: accountantstoday@mia.org.my url: www.mia.org.my

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Talking About the Brain Drain . . .

Goodbye 2007! Hello 2008! At *Accountants Today* the start of the year always seems like a great time. Spirits are high, enthusiasm is renewed and resolutions are made to improve the magazine so that readers will find it even more valuable.

We kick off 2008 with a cover story that came out of a roundtable discussion organised by *Accountants Today* where members of various segments of the accountancy profession talked about some of its most pressing human resources issues, which many attribute to the brain drain that has lately been making the headlines.

We believe that it is not only the accountancy profession that is facing this challenge. Some other professional services are also seen to be feeling the effects of this phenomenon, with professionals leaving or exploring other frontiers for various reasons.

Better salaries, an enhanced quality of life, better career development opportunities, an interest to experience new cultures and travel to different places and many other factors are often cited.

This is a global phenomenon, but for a growing nation like Malaysia, it is seen as important to retain local talent and professionals because their contributions are critical to business and economic development.

Is the brain drain really the fault of employers who fail to meet employee expectations? Or is it a necessary progression of globalisation?

I keep wondering if the brain drain really is all that undesirable? Successful Malaysians abroad will only place the country in a more global spotlight, indirectly promoting Malaysia as a destination for all sorts of activities, including business and tourism. This leads to another question: do we need to look for other sustainable solutions rather than look at ways to plug the brain drain?

Perhaps there is a need to holistically examine this issue in order to understand the dynamics of human capital movement in the 21st century, and see how we can capitalise on this global movement of professionals for Malaysia's own benefit.

The roundtable discussion that is featured in this issue zooms in on the concerns of the accountancy profession and how those who participated feel the issue should be addressed. We hope that you enjoy the article as much as we enjoyed putting it together for you.

As usual, we have lined up plenty of other articles for your reading pleasure.

Happy reading! **AT**

"I keep wondering if the brain drain really is all that undesirable? Successful Malaysians abroad will only place the country in a more global spotlight, indirectly promoting Malaysia as a destination for all sorts of activities, including business and tourism. This leads to another question: do we need to look for other sustainable solutions rather than look at ways to plug the brain drain?"

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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WORLD news

Malaysia Signs FTA with Pakistan

Malaysia and Pakistan have signed a trade pact, Malaysia's first bilateral free trade agreement (FTA) with a member of the Organisation of Islamic Conference (OIC). The Malaysia-Pakistan Closer Economic Partnership (MPCEPA) was signed by International Trade and Industry Minister Datuk Seri Rafidah Aziz and High Commissioner of Pakistan Tahir Mahmood Qazi.

The agreement will come into force on 1 January 2008, a statement from the Ministry of International Trade and Industry (MITI) said.

It will further strengthen trade and investment and bilateral economic and industrial cooperation on a long-term basis between Malaysia and Pakistan.

The two countries concluded talks in October 2005 and began implementing in January last year an Early Harvest Programme (EHP) for trade in goods comprising Malaysia's offer of tariff cuts on 140 tariff lines and Pakistan's offer of tariff cuts on 124 tariff lines. This was to accelerate trade benefits ahead of the MPCEPA. Malaysia's export of EHP products in 2006 to Pakistan totalled RM44.87 million.

The FTA agreement encompasses liberalisation in trade in goods and services, investment, and bilateral technical cooperation and capacity building in areas such as sanitary and phytosanitary measures, intellectual property protection, construction, tourism, healthcare and telecommunications.

The MPCEPA will also facilitate trade through closer collaboration and greater information exchange in the areas of standards, including the establishment of mutual recognition arrangements (MRAs) on testing and conformity assessment procedures.

MRAs will help reduce cost and improve market access for goods and services subjected to standards and technical regulations; and also those affected by issues relating to the implementation of sanitary and phytosanitary (SPS) measures imposed on agricultural products of trade interest to both sides.

With regard to services, Malaysia's offer to Pakistan includes more favourable commitments than those made under the World Trade Organisation (WTO) such as in engineering, tourism, construction, telecommunications, health services, architectural services, accountancy and professional and business services.

Malaysia also pledged new commitments in selected sectors such as maritime transport, franchise and energy and gas services as well as commitments in financial services.

These involve new licenses on Islamic Banking and Takaful to qualified Pakistan financial institutions which undertake businesses in international currencies in Malaysia and for insurance companies to establish representative offices in Malaysia and employ Pakistan expatriates in these entities.

In turn, Pakistan is offering maximum foreign equity participation of 60 per cent in all sectors; no limitations on the number of Malaysians employed per organisation. Sectors of interest to Malaysia include professional services, construction and related engineering services, education services and telecommunication services.

On investment, the agreement also provides a framework which enhances the predictability and transparency of facilitating cross-border investment between the two countries through commitments on national treatment, most-favoured-nation treatment (MFN) and enhanced protection of investors and investment.

It also recognises each other's sensitivities and development needs and allows for flexibilities in scheduling the commitments.

Cumulative Malaysian investments in Pakistan as of 2006 amounted to RM651 million and these include investments in power generation, property development, construction, telecommunications, palm oil processing, and oil exploration.

Pakistan's cumulative investments in Malaysia in manufacturing projects as of August 2007 totalled RM49.2 million and are mainly in food processing, textiles and textile products, wood and wood products, chemicals and chemical products, transport equipment and rubber products.

Malaysia and Pakistan have also agreed to undertake joint tourism promotion and marketing through trade fairs and sales missions and share experiences in research and development.

Malaysia has also offered to share expertise and technical know-how in skills training and certification, and use of rubber bearings in the construction of buildings in earthquake prone areas.

They also agreed on a comprehensive set of WTO-based dispute settlement procedures, which would enable differences on the interpretation or implementation of the agreement to be resolved quickly.

MITI said the existing bilateral trade agreement, Investment Guarantee Agreement and the Early Harvest Programme will be effectively replaced by the more comprehensive and substantive new pact. Both countries will review the MPCEPA every five years.

The text of the MPCEPA and schedules of goods and services offered are available on MITI's website at www.miti.gov.my. **AT**

BDO Challenges Big 4's Dominance

The newly named Chief Executive of BDO International sees "massive market opportunity" in challenging the dominance of the Big Four, keeping the audit choice debate in the news.

Jeremy Newman, the current head of BDO Stoy Hayward, the fifth-biggest UK audit firm, has recently been named as the new chief executive of BDO International, a role which he will step into in October 2008, when his term as UK head ends.

Following the announcement of his appointment, Newman told the *Financial Times* there was at present "a massive market opportunity to change people's perceptions and attitudes about non-Big Four auditors and make the necessary investments. We can become a credible challenger," he said.

As was highlighted at the recent AIA Founders' Lecture in September, in which BDO Stoy Hayward participated as a panel member, Newman maintains that there are invisible barriers to entry in the market for top-level company audits. Recent UK research by BDO Stoy Hayward showed nearly half of investors would be concerned if a company switched to a non-Big Four auditor and a third would review their investment decisions. But of those with concerns, a quarter were unable to say why and a third could only cite lack of reputation.

"A lot of these perceptions are based on assumptions that have been there a long time," said Newman. "We've managed to displace those in the UK and the US, but not consistently around the world. We have the international capability, but

that message needs to be got out globally." **AT**

Source: International Accountant, *Journal of the Association of International Accountants*. See www.aiaworldwide.com for further details on this professional body — particularly it's welcome for academic membership applications.

Accountancy Candidates Raise Salary Stakes in the UK

UK part-qualified graduate accountants are commanding much higher salaries than they expect, with nearly a third earning £22,000 to £24,000 in their first job. This compares with almost nine in ten who said they expected to be offered less than £22,000, according to a new survey by *justaccountancyjobs.com*.

Many are being paid more even than they think they're worth, with 60 per cent receiving offers of at least £20,000 — the average figure cited as a fair entry-level salary. Starting salaries for part-qualified graduates typically range between £15,000 and £20,000 for candidates in the North, and £18,000-£23,000 in the South, the survey showed.

Part-qualified accountants also have a strong hand on the negotiating table, with 61 per cent of respondents able to raise their original offer, compared with 35 per cent who were not.

Newly qualified accountants proved even better negotiators, with 67 per cent able to hammer out a more lucrative deal, compared with 29 per cent who were not.

Their concept of a fair salary was also much more ambitious, with most newly qualified respondents citing £40,000 as a reasonable starting salary — and 44 per cent of them receiv-

ing final offers of £35,000-£40,000 while 20 per cent achieved £40,000 or above.

More newly qualified candidates — seven and four per cent — were able to achieve offers of £45,000-£50,000 and over £50,000 respectively than the five and two per cent who were expecting these salary bands.

The trend was similar with part-qualified candidates, with 32 per cent able to command salaries of £22,000-£24,000 compared with just 13 per cent who expected this range. Two per cent also ended up with salary offers of more than £24,000 although none predicted this. Only 15 per cent received final offers of less than £18,000 compared with the 33 per cent who expected to.

"The best accountancy candidates are in hot demand and many have more negotiating power than they think," said Richard Perrott, chief consultant for *justaccountancyjobs.com*.

Part and newly qualified accountants with the right skill sets are capable of commanding much better packages than they realise, proving once again that there's no better time to be in the job market.

The survey questionnaire was sent to *justaccountancyjobs.com* members throughout October. A total of 106 part qualified graduate accountants and 73 newly qualified accountants responded.

Justaccountancyjobs.com is an interactive jobs board that helps candidates and agencies or employers find each other. It is free for candidates to upload their CV, which agencies can search through by sector, qualification or salary requirements, putting the right resume at the top of the pile every time. **AT**

For more detailed survey findings, please visit: <http://accountingeducation.com/index.cfm?page=newsdetails&id=145808>

Industry Advocates Unified Global Accounting Rules

A panel of US businesses, auditors and investors agreed recently that there should be one set of high-quality global accounting standards, but differed on how to get there and kick-start the transition, *Reuters* reports.

The newswire quoted Neri Bukspan, Standard & Poor's global chief accountant, as saying that they believe there are immense benefits from having a single reporting system.

In a continuing quest for the "nirvana" of accounting standards, the agency reported that the SEC is pondering whether to let domestic companies use international standards, instead of US standards, when filing financial data with the agency. The SEC recently said US-listed foreign companies could file financial results with the agency using international financial reporting standards, or IFRS.

The report added that allowing US companies to do the same would bring the US closer to parity with other major financial centres that have already embraced IFRS. Advocates for IFRS say the US could be left behind by the rest of the world if it fails to make the leap. European Union members, Hong Kong and Singapore are some of the countries that have mandated the international standards.

It quoted David Kaplan, a partner with accounting firm PricewaterhouseCoopers LLP, as saying: "We believe in a robust single set of standards and believe the commission should set a mandatory date to switch to IFRS because the rest of the world will not switch to US Generally Accepted Accounting Principles (GAAP)." **AT**

Investigation and Disciplinary Framework of the Malaysian Institute of Accountants

Establishment of the Malaysian Institute of Accountants

The accountancy profession in Malaysia is primarily governed by the Accountants Act 1967 ('the Act'). The Act established the Malaysian Institute of Accountants as a statutory body to regulate and develop the accountancy profession in Malaysia. The statutory functions of the Institute are carried out through the Council of the Institute.

The Council of the Institute is empowered by the Act to make By-Laws for the inculcation of sound practice of the profession of accountancy, the prevention of illegal and dishonourable practices of the profession and the promotion of the interests of the profession. A breach of the By-Laws can result in a complaint being made against the member concerned and the member may even be subject to disciplinary proceedings.

Statutory Committees — Enforcement Mechanism of the Institute

Section 19 of the Act provides for the establishment of three statutory committees; namely the Investigation Committee, the Disciplinary Committee and the Disciplinary Appeal Board to investigate unprofessional or unethical conduct of members, to take disciplinary action against those members found guilty of unprofessional conduct, and to determine any appeal arising from there respectively.

Pursuant to the provisions of the Act, the Malaysian Institute of Accountants (Disciplinary) (No.2) Rules 2002 [P.U. (A) 229/2002] (formerly the relevant rules in the Accountants Rules 1972) were enacted to regulate the proceedings of these statutory committees so as to ensure that the investigation, disciplinary and appeal proceedings are properly conducted.

Investigations

Investigations into complaints are conducted by the Investigation Committee of the Institute which in turn will refer any matter to

the Disciplinary Committee upon finding that there is a case for the member to answer.

Under the Act, any person may make a complaint against a member of the Institute. Every complaint against a member of the Institute must be made in writing and be addressed to the Registrar of the Institute and shall contain the detailed particulars of the complainant, the facts of the complaint, the allegations against the member and the name of firm/employer of the member. All complaints are to be made in the Institute's complaint form, to be supported by a statutory declaration, which is to be deposed by the complainant or an authorised representative/officer of the complainant (if the complainant is a company or organisation or body) with knowledge of the subject matter that forms the basis of the complaint.

It is important to note that the Institute will not take cognizance of complaints which are forwarded indirectly to the Institute by way of letters addressed to other parties which are carbon copied to the Institute or complaints which are forwarded to the Institute anonymously or where the identity/particulars of the complainant is not clearly ascertainable.

Upon receipt of a complaint, the Institute's Investigation Committee will take all necessary steps to verify that the complaint is in respect of an existing member of the Institute and make, or cause to be made, all such preliminary inquiries as may be necessary for the purpose of obtaining all requisite information and/or books, documents or papers pertaining to the subject matter of the complaint, from the Complainant.

Upon carrying out preliminary inquiries, a notice setting out the reason for the investigation as well as the possible breaches that may have been committed will be delivered to the member together with a copy of the written complaint; copies of all the statutory declaration(s) in support of the written complaint; and other relevant documents and inviting the member to provide

any written explanation he or she may wish to offer and to state if he or she wishes to be heard by the Investigation Committee in respect of the complaint, within such period not being less than 14 days from the date of receipt of the said notice. Upon expiry of the 14 days and all relevant information and documents having been obtained, the Investigation Committee will then commence its investigation into the complaint.

The Investigation Committee is empowered under Rule 7(b) of the Disciplinary Rules to require the member or any other member to produce any such relevant books, documents or papers which may be reasonably required by the Investigation Committee. In default of complying with Rule 7(b), the member or other member will be guilty of an offence under Rule 8 of the Disciplinary Rules. The Investigation Committee may authorise one of its members to lodge a police report in respect thereof against the member or other member.

Investigation hearings

Rule 6(2) of the Disciplinary Rules requires that the member be given reasonable opportunity to be heard, if he or she so desires. The member is entitled to attend the investigation hearing and to provide his or her verbal explanation and respond to the allegations levelled against him. Written notice of the investigation hearing will be sent to the member not less than fourteen (14) days from the hearing date to ensure that he or she has sufficient notice of the investigation hearing.

At the investigation hearing, the Investigation Committee shall accept further or additional information and/or explanation given verbally by the member and give due consideration to any and all explanations as well as any written explanation forwarded to the Investigation Committee.

If the member is unable to attend the investigation hearing as scheduled, any request for an adjournment of the investigation hearing shall be in writing and must be communicated to the Investigation Committee not less than seven (7) days before the hearing date. The Investigation Committee may at its sole discretion grant such request for an adjournment. In the event that the member fails to attend or be present at the hearing or at the adjourned or continued hearing, the Investigation Committee may proceed with the investigation hearing in his or her absence.

During the course of its investigations, the Investigation Committee may, if it deems necessary, require the complainant to attend an investigation hearing for an interview in respect of any issue pertaining to the complaint and to ascertain the veracity of the complainant's allegations in the complaint.

Decision of the Investigation Committee

Upon the conclusion of the investigation hearing, the Investigation Committee shall deliberate on the complaint and the explanations of the member and/or the complainant and shall make a determination as to whether or not to refer the complaint to the Disciplinary Committee. If upon investigation it is found that there is no case for the member to answer, the Investigation Committee will dismiss the complaint.

Disciplinary

Once the Investigation Committee has determined that there is a prima facie case to answer by the member, the matter will be referred to the Disciplinary Committee, which has a duty to convene an inquiry in accordance with the Disciplinary Rules. In certain circumstances, the Disciplinary Committee shall commence an inquiry after receiving a fact that has been brought directly to its knowledge, i.e. without a referral from the Investigation Committee.

The rules of natural justice provide for certain rights to be afforded to members at disciplinary proceedings such as the right to be heard by an unbiased tribunal; the right to have notice of charges of misconduct; the right to be heard in answer to the charges; and the right to be legally represented. As such, in procedural matters, the requirements of fairness and natural justice are always observed.

In cases referred by the Investigation Committee of the Institute, the burden of proof is on the Investigation Committee. However, in proceedings under Rule 18(2) of the Disciplinary Rules, the burden of proof lies with the member concerned to refute or verify his status, whether as a bankrupt, a convicted person or one that has entered into a scheme of arrangement with his creditors.

The standard of proof required in disciplinary proceedings before the Disciplinary Committee is higher than on a balance of probabilities but lower than beyond reasonable doubt. To put it another way, the evidence must carry a reasonable degree of

probability (i.e. more probable than not) but not so high as is required in a criminal case.

The Disciplinary Hearing

A notice of the disciplinary hearing informing the member of the date, time and place where the disciplinary hearing will be conducted and informing the member that he will be given an opportunity to be heard and to examine or cross examine witnesses and be permitted to be represented by an advocate and solicitor or by a member of the Institute will be sent to the member, together with a copy of the Investigation Committee Report and other documents deemed relevant by the Disciplinary Committee.

In accordance with Rule 14(1) of the Disciplinary Rules, the member must, at least seven days before the disciplinary hearing, inform the Disciplinary Committee in writing whether or not he intends to be represented by an advocate and solicitor at the disciplinary hearing. If he will be so represented, the member should also inform the Disciplinary Committee in writing by whom he will be represented.

Rule 16 of the Disciplinary Rules provides that evidence before the Disciplinary Committee shall be given orally or if necessary for the better consideration of the matter, by sworn affidavits.

Where it is found that a member is guilty of unprofessional conduct there is a range of punishment that can be imposed on the member including removal of the member's name from the register, in which case he shall cease to be a member of the Institute; suspension of the member for a period not exceeding three years; cancellation of the practising certificate of the member; imposition of a fine not exceeding five thousand ringgit; admonish, censure or reprimand the member; payment of such sum that is fit and reasonable in respect of costs and expenses of and incidental to any disciplinary hearing before the Disciplinary Committee and any investigation conducted by the Investigation Committee; or order the member to attend a course of instruction approved by the Disciplinary Committee for a period of time to be determined by the Disciplinary Committee.

Appeal to the Disciplinary Appeal Board

Section 21(1) of the Act provides that any member aggrieved by the decision of the Disciplinary Committee may, within a period

of 21 days after the decision has been communicated to him, appeal to the Disciplinary Appeal Board. There is no longer a right of appeal to the High Court against a decision of the Disciplinary Committee. The decision of the Disciplinary Appeal Board is final.

If an appeal is lodged by the member in accordance with the provisions above, the decision of the Disciplinary Committee against him is stayed until after the conclusion of the appeal, unless the Disciplinary Appeal Board orders otherwise. The Disciplinary Appeal Board may confirm, reverse or vary the decision of the Disciplinary Committee.

Commencement and Publication of Decision of Disciplinary Committee

If no appeal is lodged by the member, the decision of the Disciplinary Committee will take effect upon the expiry of the 21 days after communication of the decision to the member. The Disciplinary Committee will inform the member concerned that the decision has taken effect and order the member to comply with the orders of the Disciplinary Committee.

Pursuant to Rule 30 of the Disciplinary Rules, once the decision of the Disciplinary Committee has taken effect, the Council of the Institute shall cause the name of the member who committed the offence and the decision of the Disciplinary Committee to be published in the Gazette, an official publication of the Institute (currently *Accountants Today*); the daily newspapers to be determined by the Council; and any other publications to be determined by the Council. In addition, the Council shall also inform all relevant government licensing authorities; any other association of accountants to which the member is associated with; and any other body, corporate or unincorporated, of the decision of the Disciplinary Committee and the disciplinary punishment imposed upon the member concerned.

Concluding Remarks

The Malaysian framework is currently one of self-regulation, where members of the accountancy profession themselves contribute to the development and enhancement of the profession. In line with the prominence of the regulatory role of the Institute, the enforcement mechanism of the Institute ensures that its processes and proceedings are fair and proper and in line with the current state of the law of the country. **AT**

IFAC 2007 Global Leadership Survey

As essential participants in the financial reporting supply chain, accountants and auditors around the world often have intimate knowledge of prospects for economic growth and development in their countries or regions. In addition, worldwide leaders of professional accountancy organisations can offer important perspectives on economic infrastructures in their jurisdictions. The International Federation of Accountants (IFAC) sought to tap into this insight with its first Global Leadership Survey, which was conducted in conjunction with its 30th anniversary celebrations.

The following information highlights findings from IFAC's 2007 *Global Leadership Survey* and notes any commonalities or differences by region.

Economic Growth and Development

Despite the current sub-prime loan cri-

sis, a majority of respondents expressed optimism about the prospects for economic growth and development in their countries in 2008. In large part, respondents said the availability of human capital — that is, ample labour supply — would make an important contribution to economic growth and development in their countries over the next 12

months. According to those surveyed, the two other key factors in economic expansion in the next year are likely to be the growth of small and medium entities (SMEs) and access to financial capital.

Almost unanimously, respondents said that a strong accountancy profession plays a key role in their countries' growth and



development. Many respondents commented that accountants and auditors add credibility to the financial information provided to lenders, investors and other stakeholders. They also felt that professional accountants are necessary for the optimal functioning of capital markets.

Regional Findings

Taxation policy, followed by education and training, were seen by Latin American and Caribbean respondents as adding most to growth and development in their countries in 2008, while corruption was the issue identified as having the most potential to inhibit economic expansion. European

viewed convergence to a single set of IFRSs for SMEs as important but less important than convergence to IFRSs or ISAs. Approximately 50 per cent of respondents said convergence to a single set of international standards for SMEs is important to economic growth in their countries.

Regional Findings

A majority of respondents in Latin America and the Caribbean and the Middle East/North Africa felt that convergence to a single set of internationally recognised accounting standards for SMEs was important to their countries' growth and development in 2008.

“... the availability of human capital — that is, ample labour supply — would make an important contribution to economic growth and development in their countries over the next 12 months ... the two other key factors in economic expansion in the next year are likely to be the growth of small and medium entities (SMEs) and access to financial capital.”

survey respondents also viewed education and training, as well as the growth of SMEs, as potentially strong economic contributors. However, European respondents indicated that for their individual countries a lack of investor confidence in capital markets carried the biggest threat of disrupting the economy. In North America, the cost and availability of energy was seen as posing the greatest threat to growth, while international trade policies and the growth of SMEs were seen as contributing to growth. Respondents in the Asia-Pacific region cited the availability of human capital as the issue that could tip the scales either in favour of or against economic growth and development in the coming year.

International Standards

Convergence to a single set of international standards is very important to economic growth and development in their countries, according to survey respondents. They ranked convergence to International Standards on Auditing (ISAs) at the same high level of importance as convergence to International Financial Reporting Standards (IFRSs). Respondents

Public Sector Financial Reporting and Financial Management

Approximately one-third of survey respondents indicated that their countries are applying International Public Sector Accounting Standards (IPSASs). Leaders of professional accountancy organisations in countries that do not apply IPSASs resoundingly believe that if their governments did adopt these standards, the result would be increased in-country economic growth and development. They also indicated that applying IPSASs would enhance public sector accountability in their jurisdictions.

Regional Findings

Unanimously, survey respondents from African and the Middle Eastern countries where IPSASs are not applied said that doing so would significantly stimulate economic growth and development in their countries.

Issues Impacting the Profession

National Issues

Looking ahead to 2008, the reputation of the profession was seen as the most important national issue to be addressed by accountancy organisations, followed by attracting new entrants to the profession.

According to respondents, most countries face the challenge of a shortage of professional accountants. They also indicated that this limited supply of qualified accounting professionals is having a negative effect on some national economies. Two other issues perceived by respondents to be significant in their countries in the coming year were implementing new accounting and/or auditing standards and auditor liability.

Global Issues

Survey respondents pointed to three issues as most affecting the global accountancy profession: perception of the profession's integrity by the public and regulators, staying current with professional practices, and supporting SMEs. Answering the new demands of the market and auditor liability were also seen as very important or important global issues by the vast majority of respondents.

When asked about issues facing professional accountants in business, survey respondents said applying new accounting standards ranked highest on the list of 19 possible issues, followed by adopting good practice in internal control and risk management, and perceptions of accountants' integrity by the public and regulators. Two other issues that respondents agreed would impact professional accountants in business in their countries were the increasing complexity of financial reporting and adopting good practice in corporate governance.

Regional Findings

Most geographies reported challenges with staffing shortages to varying degrees. Survey respondents in Africa, the Middle East/North Africa, and Latin America/Caribbean said their financial communities face the most pressing challenges in meeting the need for accountancy professionals. Both North American and Asia-Pacific survey respondents reported significant challenges filling accountancy jobs, while Europe's shortages were reported to be less extreme.

Among geographies, North America ranked retaining and attracting members to the profession as its most important issues in 2008. In keeping with this regional finding, North American respondents also identified a shortage of accounting professionals as a challenge to economic growth and development in their countries over the next year. Middle East/North African

respondents said that the reputation of the profession was its most pressing issue, followed by attracting new entrants to the profession. Survey respondents in Latin American and Caribbean countries unanimously stated that reputation is the most important issue for the profession in their countries in 2008.

With respect to issues that affected the global accountancy profession, there were some slight differences in regional perspectives. More than three quarters of North American respondents said that regulatory overload ranked first among ten possible global issues. In Latin America/Caribbean, respondents said that staying current with professional standards was the most important followed by keeping up with new technology. In sub-Saharan Africa and Asia Pacific, three quarters of respondents said that answering the new demands of the market was the global profession's top issue, followed by staying current with professional standards.

Though most regions consistently identified the same issues as most affecting professional accountants in business, two geographies differed from the majority. Sub-Saharan African respondents saw adopting good practice in corporate governance as the top issue for accountants in business in their region. North Americans indicated that ensuring robust strategic management and the increasing complexity of financial reporting were equally important for their professional accountants in business.

Public Confidence in the Profession

Survey respondents were asked to rate public confidence in professional accountants in their countries as excellent, good, fair or poor. Some 70 per cent said public confidence was good while 15 per cent said public confidence was excellent and 15 per cent said fair. Only one respondent rated public confidence as poor.

Regional Findings

Europeans, followed by sub-Saharan Africans, indicated the strongest level of public confidence in the accountancy profession in their countries.

The Value of IFAC Membership

A large majority of member bodies and associates said that IFAC membership en-

ables them to stay current with global developments, provides a forum for international interaction, facilitates the exchange of resources, and helps to enhance their reputation and credibility. In addition, members and associates indicated that membership in IFAC provides them with ready access to standards, principles, and best practices that can guide the development of the profession in their countries. Several member bodies listed the ability to participate on IFAC boards and committees as a significant benefit, because it enables them to demonstrate, and be seen as working in, the public interest. Membership also allows them to debate and participate in the development and promotion of international standards.

Additional Regional Perspectives

Recognised regional accountancy organisations and acknowledged regional groupings differed from IFAC member bodies in their responses to several parts of the survey. Regarding economic growth and development, the regional organisations unanimously rated two issues – the growth of SMEs and information technology – as the most important contributors to economic growth in the coming year in their respective regions. All regional respondents also agreed that corruption was the factor most likely to inhibit growth, followed by energy costs and availability.

Respondents from regional organisations and regional groupings agreed with member body respondents that convergence to IFRSs and to ISAs is a key to economic growth and development in their regions. In addition, a solid majority of regional organisations said that convergence to a single set of IFRSs for SMEs is important for economic growth.

With respect to professional issues, three quarters of regional organisations viewed the changing regulatory landscape and the reputation of the profession as most important to the profession in their region over the next year. At the global level, regional organisations felt the two most important issues were staying current with professional standards and supporting SMEs and SMPs.

Finally, nearly 90 per cent of regional organisations and regional groupings said

that public confidence in the accountancy profession in their regions was excellent or good.

Conclusion

The results of this survey have been provided to IFAC's Planning and Finance Committee, IFAC boards and committees, member bodies and associates, regional accountancy organisations and groupings, and the Public Interest Oversight Board for their consideration in the development of their strategies and various initiatives.

IFAC, which conducted the survey as part of its 30th anniversary activities, invited the Presidents and Chief Executives of its member bodies and associates, as well as regional accountancy organisations and regional groupings, to respond to the online *Global Leadership Survey* between 1 October 2007 and 20 November 2007.

IFAC received a total of 143 responses from member body Presidents and Chief Executives, representing 115 IFAC member bodies and associates in 91 countries. In addition, eight leaders representing three regional accountancy organisations and three acknowledged regional groupings completed a regional version of the survey. The majority of respondents were Chief Executives of their respective organisations.

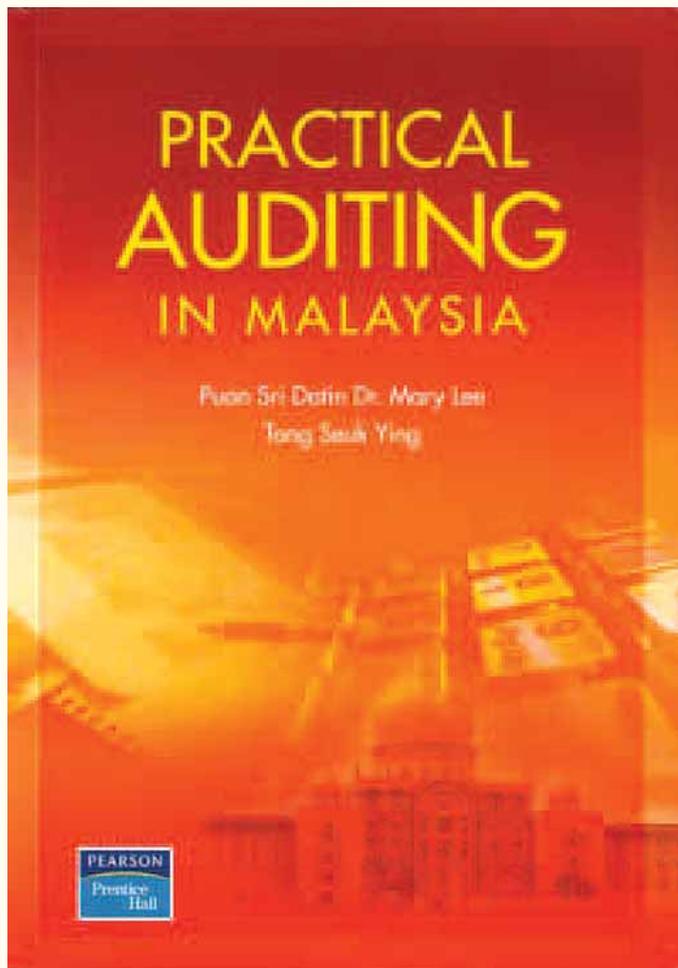
The Global Leadership Survey posed 15 single and multi-part questions in six categories:

- Economic growth and development;
- International standards;
- Public sector financial reporting and financial management;
- Issues impacting the profession;
- Public confidence in the profession; and
- Benefits of membership in IFAC.

The survey results were sorted geographically and included the following regions: Asia Pacific, Europe, Latin America and the Caribbean, the Middle East and North Africa, North America, and sub-Saharan Africa. [AT](#)

A complete list of organisations that responded to the survey appears on http://web.ifac.org/download/Global_Survey-Summary.pdf

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The 15th ASEAN Federation of Accountants (AFA) Conference

The 15th AFA Conference was held at Hotel Mulia Senayan, Jakarta from 11 to 12 December 2007 and was hosted by the Indonesian Institute of Accountants (IAI). The conference is a biennial event organised by The ASEAN Federation of Accountants (AFA) with its members taking turns to host the conference in their respective countries.



The delegates at the 92nd AFA Council Meeting

From its humble beginnings, AFA has grown into an organisation with members from all ASEAN countries as well as Australia and Mongolia. It was established in March 1977 to serve as the umbrella organisation for the national associations of accounting professionals of the member countries of the Association of South East Asian Nations (ASEAN). AFA originally had only five member-bodies. These were the national accountancy bodies of Indonesia, Malaysia, Philippines, Singapore and Thailand. It achieved a milestone in 2004 with the inclusion of the national accountancy bodies of all 10 ASEAN member countries.

There are two kinds of AFA members. Primary Members are the national organisations of accounting professionals representing ASEAN member countries.

Associate Members are internationally recognised accounting organisations of countries outside South East Asia which are friendly to ASEAN. In 1999, the first was admitted into the Federation — CPA Australia. There are now three more associate members, namely ACCA and ICA Australia and the Mongolian Institute of CPA.

Primary membership in the Federation is by country — that is, one member per country. The AFA Primary Member must have been created under a specific statute or regulation. In the absence thereof, it must be the recognised national organisation of accounting professionals in its country.

The Conference

With the theme *The Dynamic Role of Accounting in Corporate Governance and*

Sustainability: Challenges, Accountability, Motivation, Best Practices, and Learning Opportunities, the Conference's main goal was to provide a forum for discussing some of the most pressing challenges and opportunities facing the profession today and exploring how, in a regional context, professional accountants can most effectively serve the public interest.

In line with tradition, the conference's plenary and concurrent sessions were chaired and had the participation of highly experienced professionals from ASEAN countries. Each of the AFA member bodies was mandated with providing speakers for the Conference. MIA provided three speakers and one moderator for the conference, with the Vice-President, Datuk Abdul Samad Haji Alias (Dr.), speaking on the *The role of the accounting profession in*

developing and maintaining corporate governance: An observation of public accountants and internal auditors. Council Member Liew Kim Yuen, shared the Malaysian experience on *Past failures of bad corporate governance: ASEAN case studies*, while Mohammad Faiz Mohammad Azmi provided his views on *Sarbanes-Oxley and its impact on the accountancy profession in ASEAN*.



Nik Mohd. Hasyudeen is the new Vice-President of AFA

AFA and another regional accountancy organisation was signed in light of the current global scenario. Both parties recognise the need for bilateral cooperation in the sharing of technical expertise, information and ideas as well as for the harmonisation of accountancy practice. It has identified the following activities to meet its objectives:

Our President, Nik Mohd. Hasyudeen Yusoff, moderated one session on *Chal-*

- Knowledge-sharing initiatives;
- Facilitating bilateral interaction and co-



The signing ceremony in progress

lenges facing incentives for effective corporate governance: Cost and benefit, Resistance to change and Lack of Accountability.

The conference was officiated by Dr. Anwar Nasution, the Head of the Supreme Audit Board of the Republic of Indonesia. It attracted the participation of around 500 delegates from Indonesia and other ASEAN member bodies. Malaysia sent a total of 29 delegates.

MoU between AFA-SAFA

The opening ceremony of the conference included the signing of a Memorandum of Understanding (MoU) between AFA and the South Asian Federation of Accountants (SAFA). SAFA was formed in 1984 as an alliance of accountancy bodies in the South Asian region and is committed to positioning, maintaining and developing the accountancy profession in the South Asian Association for Regional Cooperation (SAARC) Region.

The MoU, which was the first between



The MIA delegation at the 92nd AFA Council Meeting

- operation in areas of mutual interest;
- Establishing a medium for interaction, networking and cooperation amongst the accountants of both regions; and
- Organising joint seminars and conferences on common issues relevant to the accountancy profession in both regions and ensuring the participation of accountants from the respective member bodies.

At the signing ceremony AFA was represented by its President, Ahmadi Hadibroto, while Indrajith Fernando, the SAFA President signed on behalf of SAFA.

92nd AFA Council Meeting

The 92nd AFA Council meeting was held the day before the conference. Traditionally, it would be the last meeting for the outgoing AFA president and the occasion where member bodies would confirm AFA office bearers for the next two years.

At the meeting, Pengiran Haji Moksni, President of the Brunei Darussalam Institute of CPAs (BICPA) and the incumbent AFA Vice-President was confirmed as the incoming AFA President and MIA President Nik Mohd. Hasyudeen Yusoff as the incoming Vice-President. The appointment of Nik Mohd. Hasyudeen as VP marks a landmark departure from the normal convention as the post of President and VP are normally rotated alphabetically. Following the usual tradition, the VP post should have been given to Cambodia. However, noting the challenges that lie ahead for AFA, the AFA Council realised that it would be pertinent to depart from the convention. A new rotational policy

on AFA leadership was devised using the mentoring system. Although the leadership will still be rotated, the top two posts shall be held by representatives from an IFAC member body and a non IFAC member body.

Kudos should be given to the Kampuchean Institute of CPAs and Auditors (KICPAA) for its willingness to relinquish its designated role as VP for the time being for the greater good of AFA. **AT**

Brain Drain or Global Mobility?

Anuja Ravendran

According to an article in The Star on 18 December 2007, the Deputy Minister of Human Resources, YB Datuk Abdul Rahman Bakar, indicated that close to 70,000 Malaysian professionals are presently working abroad. Like almost all other professions, the accountancy profession is feeling the pinch, with some companies beginning to blame the lack of accounting expertise for their shortcomings in trying to comply with market regulations.



We cannot simply lament the fact that we are losing people and consider that the only option available is to look at how they can be retained. Globalisation and trade liberalisation have opened up markets and created new opportunities everywhere, enabling professionals to move easily from one country to another to work.

In light of such developments, employee retention strategies may not be the only way forward. There may be other options. As such, *Accountants Today* decided to gather some individuals from various segments of the profession to determine how much of a challenge the brain drain is posing and discuss some possible ways in which it can be addressed to minimise its negative implications. Moderated by Editorial Working Group Chairman YBhg. Dato' Raymond Liew, the panellists were:

- BDO Binder's Head of Transaction Services, Mok Chew Yin;
- Leou & Associates owner Leou Thiam Lai;
- Deloitte KassimChan's Senior Manager for Human Resources, Chua Chai Ping, and her assistant, Jo S.K Ng;
- Bank Negara Malaysia's senior executive for Prudential Financial Policy Depart-

ment, Nurhayati Mohd Khalid;

- The Association of Chartered Certified Accountants Malaysia's Head of Policy and Technical Development, Jennifer Lopez, and Corporate Communications Manager Ainul Ibrahim;
- CPA Australia's Malaysia Division Director Audrey Danasamy;
- Monash University (Malaysia)'s Chair of Malaysian Business at the School of Business, Professor Dr. Jeyapalan Kasipillai; and

tain the needs of the market?

All panellists agree that now more than ever, there are many universities and colleges offering accounting qualifications. Professor Dr. Jeyapalan informs that accountancy is one of the most sought after professions after medicine, pharmacy and dentistry. Guptan agrees, stating that the intakes of students for accounting studies at Taylor's College are "fantastic". Lopez meanwhile states that there are statistics to prove that every eight minutes there is

"Many accountants who sit for exams are bonded to their companies for three years. After that they will decide whether or not they want to go into commerce and industry, investment banks, consulting or even venture overseas. This is where they are lost to the profession."

Mok Chew Yin, BDO Binder

- Taylor's University College's Business School Programme Director, Vinitha Guptan.

Does the supply meet the demand?

Are our universities and colleges churning out enough accounting graduates to sus-

someone signing up to do an ACCA programme.

"But how many of those who do accountancy degrees actually go on to become accountants or auditors?" Danasamy asks. There is a possibility that they will decide to venture into other areas in business and

Liew (seventh from left) with the panellists (left to right) Ainul, Ng, Jeyapalan, Guptan, Danasamy, Chua, Mok, Lopez, Nurhayati, Leou.



finance.

Mok takes it one step further and states that this trend contributes to a dearth in experienced professional accountants in Malaysia. "We are lacking experienced people of managerial and senior managerial calibre." Some areas like audit methodology, and test of control are all very subjective, and this is where we need people.

"We organise 'Opportunities in Asia' road shows to recruit accountants in countries like Malaysia, Singapore, Hong Kong, China and Australia but the Malaysian students are never interested in the job opportunities here. They don't even visit the Malaysia booth!"

Audrey Danasamy, Malaysia Division Director, CPA Australia

"Many accountants who sit for exams are bonded to their companies for three years. After that they will decide whether or not they want to go into commerce and industry, investment banks, consulting or even venture overseas. This is where they are lost to the profession."

Danasamy meanwhile says that many Malaysian accounting students who are studying abroad are not even planning on coming back. "We organise 'Opportunities in Asia' road shows to recruit accountants in countries like Malaysia, Singapore, Hong Kong, China and Australia, but the Malaysian students are never interested in the job opportunities here. They don't even visit the Malaysia booth!" she says.

Guptan adds that while the enrolments are increasing, students are more interested in where else they can work, other than Malaysia.

The 2 Ws — Where to and Why?

All participants at the discussion agreed that the lack of accounting professionals is a significant problem facing the profession at the moment, with auditing being worst hit.

From the banking perspective, Nurhayati says that the lack of experienced and well-qualified auditors is noticeable. "We acknowledge the fact that a brain drain is happening to the accountancy profession and it is something that needs to be addressed."

From the point of view of practitioners, Leou says that the reason for this phenomenon ultimately boils down to dollars and

cents. "If our pay is equivalent to what these competitors are offering, then there wouldn't be a problem and employees would have little reason to move, but this increase in salary cannot be done unilaterally. Our fees have to be increased as well, as it is one of the lowest in this region."

Mok says that BDO has lost people to places like Singapore, China, Middle East-

ern countries and Ireland among others. He says that the lure of higher financial rewards are just too tempting to push aside: "Countries like China pay four times more than what we pay them and the cost of living there is not very high," he says. Furthermore, they are taken in by the perception of an enhanced quality of life and more work-life balance.

However, he notes that the brain drain issue is not exclusive to Malaysia alone. "There is a global shortage of accountants," Mok says. He believes that it is this shortage that is creating opportunities for qualified accountants to move to where they feel they receive the best offers.

Ainul chips in to say that one of the key findings of IFAC's Global Leadership Survey is the shortage of accountants throughout the world and this shortage can impact the development of nations.

Mok also thinks that the fact that Malaysian accountants speak English and in many instances are multilingual also adds to the marketability of our people. Also, the convergence in accounting standards to conform with the International Financial Reporting Standards mean that our accountants can work practically anywhere, he states.

Chua states that the number of exits she conducts in a year is large, with many leaving for countries like Singapore, China, Australia and England among others. She cites higher salaries as the major pull factor as employees who were leaving have indicated that they would be able to save money if they

took these assignments rather than stayed back in Malaysia. However, she is quick to note that the issue is larger than the profession itself in that the catalysts contributing to this movement come in forms that are largely out of the control of employers. "Salaries have been increased," she says and yet the firm loses its people. There is more than just money at work here, it would seem.

All the panellists also agree that more Malaysians are interested to work in the UK and Australia because in addition to better pay packets, they are seeking greater levels of work-life balance where the hours are not as long and gruelling and the quality of life is perceived to be much better.

There is also the feeling that many also decide not to return to Malaysia upon completion of their studies because they get used to the culture and way of life in those countries. Danasamy feels that Malaysians, due to their multicultural background, are easily able to assimilate into new social settings.

Lopez raises another point that may be contributing to the brain drain. With the Generation Y (those born in the years of 1977-1995) joining the workforce, the entire dynamics of the employer-employee relationship are changing. Having been raised in environments where their parents have instilled a high sense of self-worth in them, they believe they are entitled to higher salaries, a better work-life balance and access to state of the art technology. Many also tend to subscribe to the concept of travel as a way to broaden horizons and learn new things; so working in a different country is certainly a welcome opportunity. These attributes also correlate closely with a study conducted by CPA Australia in which Generation Y workers are seen as confident, talented and very interested in broadening their horizons.

Finally, those who have young families tend to move to other countries to secure better education opportunities for their children, both Lopez and Danasamy say.

What can employers do?

While there are some factors that are beyond the control of employers, all the panellists agree that there are some things that can be done to create a more desirable

working environment.

Ainul says that the real challenge is to recruit and retain the best talents. "People have very different goals; so employers need to look into ways to match those expectations if the brain drain issue is to be countered."

All the panellists agreed that there is a need for a change in mindsets in the way employers allow employees to go about doing their work. Flexibility has become the order of the day, and technology has made available so many possibilities. Being able to telecommute is one of such options although the nature of the audit profession makes it rather difficult for such solutions to be deployed.

Mok says that BDO had been exploring the 'working mothers' concept where they were allowed to work from home but it did not take off very well as clients were not too understanding of the situation. He admits that while it might be too early to do away with the practice, a lot of fine-tuning is required, and certainly a change in the

mindset of employers is timely.

Leou feels that it will be difficult to adapt to such situations as employees may not be as disciplined if they were allowed to work from home.

Chua attributes this to a very prominent cultural issue: the lack of trust among older and more senior employers. "Trust is an issue because they feel that if you are not at

have given that kind of trust as an academic institution but the bosses are not able to be as flexible then we have a problem, especially with the present Generation Y workers," she says.

Danasamy feels that effective use of technology might hold some answers for this challenge. Employers can monitor whether or not the employees are logging in for the

"If our pay is equivalent to what these competitors are offering, then there wouldn't be a problem and employees would have little reason to move but this increase in salary cannot be done unilaterally. Our fees have to be increased as well as it is one of the lowest in this region."

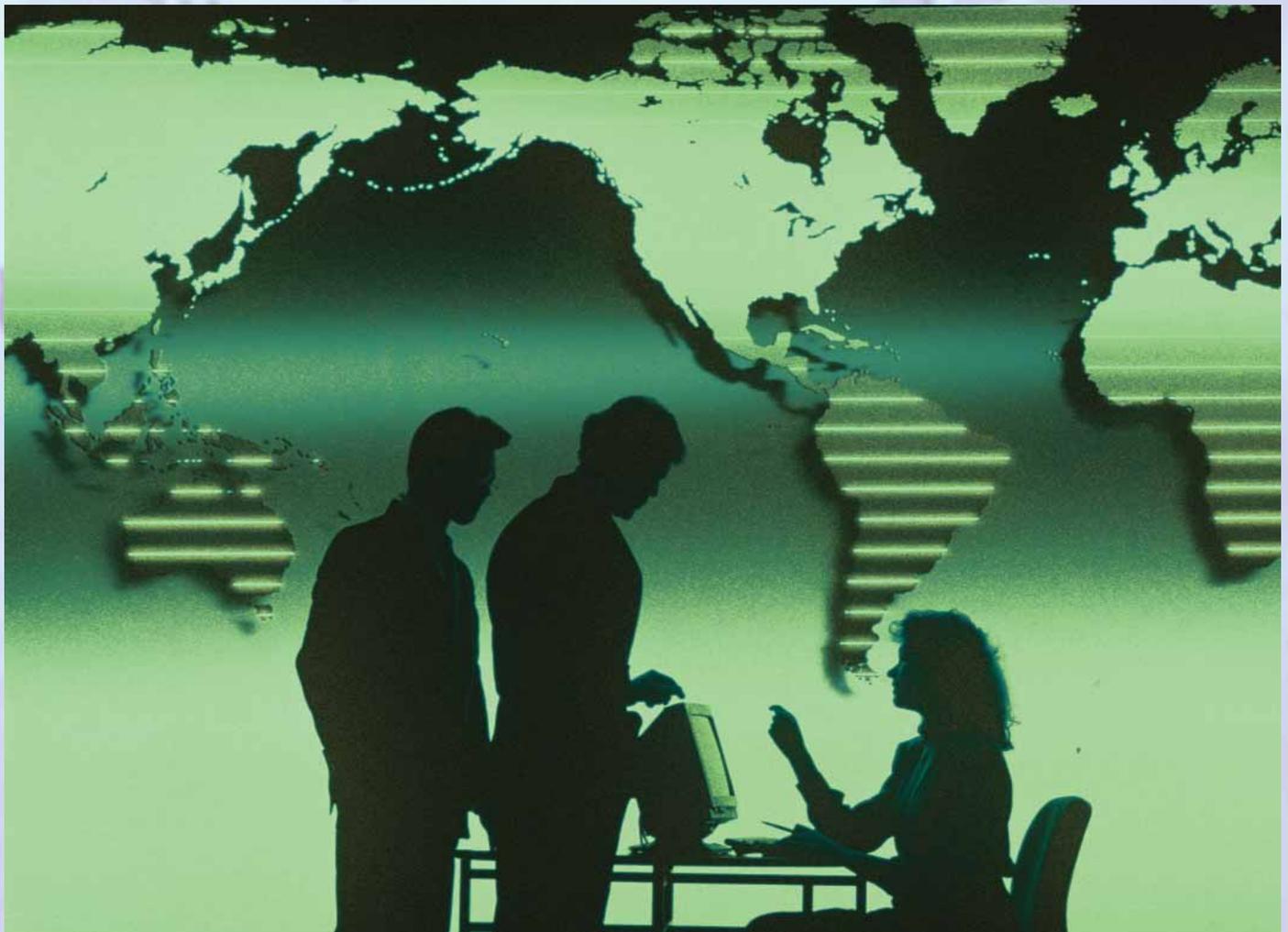
Leou Thiam Lai, Owner, Leou & Associates

your desk, you are not working."

Guptan adds that the academia progressed from traditional ways of teaching and learning to incorporate flexibility into the way students are taught. "Students can take exams from any location at a certain time as long as the paper comes in. If we

required hours. She adds that this practice is commonplace in many multinational companies and forward-thinking organisations and people do deliver.

However, Mok cautioned that liberal doses of flexibility would also mean that employees may need to make a certain amount



of sacrifice career-wise. Also, he feels that telecommuting should not be allowed for new entrants to the profession as they will still need to receive guidance from more senior employees.

Lopez and Guptan agreed, stating that this kind of flexibility is helpful, especially when employees' priorities change such as when they have children. This is seen as a way to perhaps offer a work-life balance that has become such a sought-after feature at the workplace.

Apart from that, to attract more people to the audit profession, Lopez states that there is a need for an industry-wide impetus to educate accounting graduates both at home and abroad about the long-term benefits of working in audit and returning to Malaysia to do it. Road shows are found to be the best way forward in this regard.

She adds that emphasis should be given to educating students about their long-term, career progression opportunities. "ACCA works with many local universities to tell graduates that if you work hard now, there will be many better things to come in the future. We need to educate people that you cannot leave an organisation or the profession so fast if you want to reap the real fruits of your labour. At the same time, organisations must also give adequate learning career advancement opportunities for these people."

Another aspect of the issue that needs to be seriously looked into, the panellists agreed, is branding. "Malaysian firms need to be able to brand themselves better and show these students what is attractive here," Guptan says.

Bringing in foreign professionals

Another option that the panellists felt is quite viable is to bring in foreign professionals to help fill in the human capital dearth. "The information technology profession has done a good job of it, and we should try to emulate it," Danasamy says. Perhaps the government can relax the requirement in order to enable this to occur, she says.

Mok agrees that this will certainly help address the shortage. If the government is afraid that our graduates would lose out on opportunities due to this, then we can open up this area for more experienced professionals to come in, seeing as how the real need is actually in the middle management tier, he offers.

However, Danasamy says that it is important to come up with a sustainable model in implementing this option. If we are going to be drawing in professionals from other countries, then we must be aware of the social repercussions of such a move. Countries like England have experienced this first hand some 30 or 40 years ago when there were a lot of social problems encountered. Maybe we could look at bringing them in on a contract basis for a certain number of years without simply giving permanent residence status.

"The movement of professionals from one country is as much the result of globalisation as it is an opportunity to graze where the grass seems greener. Do employers want to provide the choice grazing fields or are they only interested in short term gains and hence see no point breaking the status quo?"

Dr. Jeyapalan adds that relaxing the rules to bring in workers from abroad will result in a more competitive environment within Malaysia apart from addressing a current gap in the market.

Forming a credible voice

There is a continuous reference to the problem of a brain drain in the profession but what is really missing is a credible set of statistics to confirm the profession's problem in this area, Lopez offers. "We need to speak to employers and determine really how grave the situation is at present. It is an urgent matter."

Ainul adds that there are no proper statistics which can be provided to even the press so that the issue will receive the attention of the government.

Danasamy states that the time is right because everyone is feeling the repercussions of the lack of human capital and getting respondents will not be a problem as they all want to find a solution.

Nurhayati also adds that the facts from this survey would certainly help in garnering support from the relevant government agencies as well as regulatory bodies.

Lopez says that only when the facts are in place, with all the dynamics of the problems outlined, can a real solution be implemented. "We can determine what is needed: a public campaign, a media campaign, a global branding exercise?"

Chua feels that the Malaysian Institute of Accountants (MIA) should play the role of intermediary and lead the dialogue with the Government in paving the way forward to help alleviate the problem.

Conclusion

It was felt across the board that the brain drain is an issue that is very real and pressing for the accountancy profession right now. However, there was agreement across the board that the issue was not just a Malaysian problem — there is a shortage of

accountants globally.

Although some of the factors contributing to it seem bigger than the industry itself, measures to alleviate the problem are crucial in ensuring that there is a pool of qualified and competent auditors to help sustain the nation's economic growth.

Government and private sector collaborations appear to be an imperative in determining the way forward in dealing with this problem. At the same time, employers must understand that the emergence of globalisation as a market phenomenon has completely altered the face of business as we have known it. The movement of professionals from one country is as much the result of globalisation as it is an opportunity to graze where the grass seems greener. Do employers want to provide the choice grazing fields or are they only interested in short term gains and hence see no point to breaking the status quo?

Or perhaps there is really a need to look into the possibility of importing professionals into our country to fulfil our needs the same way other countries are taking away our people.

At the end of the day, whatever the outcome, the most important thing to bear in mind is that the solution should be sustainable and practical in helping Malaysia forge ahead towards its aspiration to become a fully developed nation by the year 2020. **AT**

Economic Crime

A Major Global Challenge: PwC

Shamir Shah

Economic crime remains a persistent and intractable problem from which US companies are not immune, according to PricewaterhouseCoopers' 2007 Global Economic Crime Survey.

Fifty-three per cent of US companies surveyed reported that they were affected by some form of economic crime in the past two years with total losses of \$223 million, according to a release by *PrimeNewswire*.

The biennial survey of 5,400 global companies, the most comprehensive study of its kind, conducted in association with Germany's Martin-Luther University, Halle-Wittenberg, found that economic crime is all but universal, affecting companies of all sizes, on all continents and in all industries.

It noted that while fraud remains problematic — fraud levels have not dropped in the eight years since PwC initiated this survey — most companies are confident that their control measures will limit their exposure to fraud in the future. Only 12 per cent of US firms consider it likely they will be victims of fraud during the next two years.

While controls are shown to be a substantial component of an efficient crime prevention program, many U.S. companies are adopting a proactive approach to combating economic crime that includes a focus on establishing a strong corporate culture of transparency. Approximately one third of the crime reported arose out of a whistleblower report or other internal 'tip-off.'

"The 'tone at the top' and communication of the code of conduct is an absolutely essential adjunct to an organisation's control structure," said Steven Skalak, Global Investigations and Forensics Leader, PricewaterhouseCoopers. "A culture that supports a holistic compliance program together with a clearly understood, and lived, code of ethics, creates the true foundation for an effective anti-fraud program."

Sarbanes-Oxley was also stated as an effective method of deterring crime. Seventy-

Investigations and Forensics Division
Economic crime: people, culture and controls
 The 4th Annual Global Economic Crime Survey



one per cent of U.S. respondents believed that Sarbanes-Oxley is at least marginally effective in detecting economic crime while 61 per cent believed it is at least marginally effective for detecting economic crime originating outside of the company.

"Additional steps need to be taken to strengthen the controls following the enforcement of Sarbanes-Oxley," continued Skalak. "While it is impossible to completely eliminate economic crime, we can nevertheless strive to deepen our understanding of such crime, how it can be prevented, and share our knowledge of 'what works and what doesn't.'"

Significant changes within an organisation, such as mergers, acquisitions, and global expansion initiatives are likely to increase the risk of economic crime. As many US companies view China as a critical market to be in, the study took a closer look at the increased risks of economic crime associated with China and other emerging markets overseas. Bribery, corruption and intellectual property (IP) in-

fringement were the biggest challenges facing US companies when expanding into other markets. Forty-one per cent of respondents operating in China believe they will be the victim of IP infringement during the next two years (with an average cost estimated at \$6.5 million — higher than any other type of economic crime).

"US companies need to fully understand the business culture of the foreign countries in which they operate," added Skalak. "They must consider whether appropriate measures are in place to prevent and detect bribery and corruption and whether they can protect their IP assets."

Other key trends highlighted in the study include accounting related fraud in the US. It noted that the decrease in such fraud (36 per cent in 2005 compared to 13 per cent in 2007) may be a reflection of the impact that Sarbanes-Oxley has had on controls over financial reporting.

On the profile of a US fraudster, it said the typical business executive involved is male (68 per cent of cases), between 31-50 years old (35 per cent of cases) and highly educated (64 per cent of cases). Those in senior management continue to be the perpetrators — with more than 50 per cent of fraudsters falling within middle or senior management roles. "Economic crime is not something to be taken lightly," Skalak continued. "Companies need to tighten their control environments to avoid not only direct financial losses, but also damage to their brand, to staff morale and to relationships with customers, suppliers and other business partners." **AT**

The PricewaterhouseCoopers *Global Economic Crime Survey 2007* was conducted on behalf of PricewaterhouseCoopers and Martin-Luther University, Halle-Wittenberg by TNS-Emnid in Germany.

Becoming a Choice Listing Destination

Regulators of the local stock exchange are looking at ways to strengthen the position of Bursa Malaysia as a listing destination, with a number of pronouncements released recently.



In a move to make the Bursa a preferred listing destination, the Securities Commission (SC) outlined at least eight measures, including facilitating dual listings, encouraging foreign listings and facilitating mergers and acquisitions (M&As).

The move comes amidst increasing competition from neighbouring bourses, with regimes like Singapore and Hong Kong continuously charging ahead with massive injection of new listings. It also probably takes into account the privatisation of a number of big names from the local stock exchange, such as Maxis Communications.

Outlining the plan, SC Chairman Datuk Zarinah Anwar said the commission is providing greater flexibilities to facilitate dual listings by allowing companies to list their entire issued capital with 100 per cent full trading fungibility across Bursa Malaysia and other exchanges. Full fungibility will promote efficient trading of shares by providing investors flexibility to trade on both bourses as well as facilitate cross-border mergers and acquisitions and international fund-raising exercises.

Second, to encourage foreign listings, SC will streamline the regulatory criteria for the listing of companies with foreign operations. These companies will now be subject to the same listing criteria applicable to companies with domestic operations.

Third, to align Malaysia's rules for cross-border listings with international practices, SC will allow the listing of companies incorporated in foreign jurisdictions. However, it will require these foreign companies to provide in their Memorandum and Articles of Association standards of share-

holder protection comparable to those in Malaysia.

In the next measure to facilitate M&A activities, SC said acquisition of assets by listed companies will no longer be subject to profit track record requirements unless such acquisitions result in a change in the controlling shareholders, board of directors or core business. In this regard, SC approval will no longer be required for substantial acquisitions of assets for the listed company's core business except in instances where such acquisitions are satisfied by an issue of securities.

The fifth item on the list of new measures was to facilitate greater opportunities for the growth of companies listed on MESDAQ. Towards this end, MESDAQ companies will be allowed to undertake acquisitions which may result in a significant change in their business direction. Currently, only distressed companies on MESDAQ are provided such flexibilities.

Sixth, consistent with international practices, SC will remove the requirement for mandatory profit forecasts, to be replaced by an enhancement of the requirement for the Board of Directors to provide a "Management Discussion and Analysis" (MDA) on the financial condition and prospects for the company. The changes are intended to increase the quality of useful information made available to investors to assess a company's prospects and to increase the accountability of directors for providing such information. The profit forecast requirement will only be retained in relation to corporate proposals involving distressed listed companies.

In the next measure meant to promote more efficient matching of supply and demand as well as orderly post-listing price discovery for an IPO, changes will be made to the regulatory framework to provide for a "greenshoe" option and price stabilisation mechanism for IPOs. This will bring us in line with international practices and will enhance the efficiency and competitiveness of the Malaysian IPO market.

Eighth, to enhance the transparency of the fund raising process, SC will introduce a public exposure period for IPO prospectuses. This will enable investors, market participants and members of the public to examine a prospectus pending its registration.

"It is therefore our objective to strengthen the positioning of Bursa Malaysia as a pre-

ferred listing destination for domestic companies as well as to attract foreign companies to consider a primary or secondary listing. We also wish to create a conducive environment that fosters more rapid corporate sector expansion both locally and abroad through capital-raising or through M&A activities," she said at the recent Bursa Malaysia "Your Preferred Listing Destination" IPO Conference.

She said that details of the new initiatives will be reflected in the guidelines due to be released in January 2008.

When outlining the measures, the SC Chairman said that in its dual role as regulator and developer of the capital market, the SC constantly strives to be facilitative, transparent and accountable to stakeholders.

"In relation to IPOs, we have established clear rules, as well as robust and transpar-

"It is therefore our objective to strengthen the positioning of Bursa Malaysia as a preferred listing destination for domestic companies as well as to attract foreign companies to consider a primary or secondary listing."

Datuk Zarinah Anwar, Chairman, Securities Commission

ent business processes. We also publish our reasons for rejection of new listing applications on our website.

"Let me state quite firmly that the SC is open and interactive and will always welcome constructive feedback. We are pro-active in engaging issuers and intermediaries throughout the entire listing process. We encourage issuers and intermediaries to consult with us if they have any doubts on our rules or if they wish to seek guidance prior to making an application," she added.

In this regard, Datuk Zarinah said the SC has invested significant effort to enhance its approval processes for all corporate proposals.

"We certainly hope that all our efforts to reduce turnaround time have provided efficiency, lower costs and greater timing certainty to market participants and issuers. We are now working closely with the industry to identify potential efficiencies at the pre-IPO submission to the post-approval phase up to listing. We have put forward several proposals to the industry and are waiting for them to revert with their feedback," she said.

Talking about the global environment, Datuk Zarinah noted that the global capital mar-

ket landscape is undergoing radical transformation. Over the past decade, there has been intensifying competition among exchanges for several reasons. In her speech, Datuk Zarinah outlined three factors.

First, the exchange industry is no longer a 'country club' business where membership is exclusive and the sole preserve of stockbrokers. Many established exchanges, including Bursa Malaysia, have transformed from a mutual structure or ownership by members to become demutualised and listed 'for profit' entities. "With their new commercial orientation, many exchanges have become increasingly aggressive in wooing issuers and investors across national boundaries – to the point where even the US is concerned by the recent loss of competitiveness of its

capital markets," she said.

Second, the world is seeing fast-growing exchanges in China, India and the Middle East emerging as prominent markets on the regional landscape, while on the other side of the globe, there is a trend towards integration with established players in the US and Europe bidding to take over other exchanges. Hence, the exchange landscape is simultaneously getting crowded and undergoing consolidation.

Third, there has been a massive expansion in the pool of global liquidity and this, combined with the structural shifts in industry structure, has shifted the bargaining power from exchanges and intermediaries to issuers and investors in an increasingly demand-driven marketplace. Issuers increasingly have the choice of listing on international exchanges while investors can easily use the Internet and other electronic channels to trade in many markets around the world. The implication of these landscape changes is that all capital markets must enhance the international dimension of their value proposition to maintain their competitiveness. **AT**

Consultative Selling

The Way Forward

Hafiz Faruqi

Highly rewarding though it may be, in Malaysia, getting into sales is generally not considered a first choice for many. Often, it only comes into the picture after other options have been exhausted. In short, unlike many established professional groups such as accountants, lawyers, doctors, engineers and architects, salesmen in the country still do not command high stature and respect. Yet selling itself has evolved into a dynamic discipline.

Salesmen will go a long way on the road of respectability and professionalism if they seriously adopt consultative or consultancy selling. Unlike the traditional task-focused selling, consultative selling is a long-term trust-based relationship selling. It embodies everything that a professional salesperson should do in the selling process.

Generally there is a broad agreement on what constitutes consultative selling.

For instance, it involves giving advice to customers on a continuous basis, doing everything necessary to keep existing customers until their death. In this respect, consultative selling is about listening and delivering value on the basis of lifetime value relationship.

It is also a process of helping the customers achieve strategic short and long-term goals through the use of the sellers' goods and services including their expertise. It calls

for a critical skill, the ability to develop trust-based customer relationships over time via a cultured long-term relationship.

Considered the most powerful method of selling, it comes about by combining a salesperson with a consultant. By practising the consultative selling style and strategy, Jeffrey Gitomer says, a salesperson can move from ordinary to extraordinary, strengthening and enhancing his selling style into a relationship-oriented helper.



In consultative selling, there is a balanced exchange of information, high levels of mutual trust, a focus on achieving a mutually beneficial agreement and collaborative problem solving. In this context, salesmen have progressed from selling goods to selling goods and services, to selling goods, services and value-added services.

Until fairly recently, the typical sales approach was a pitch focused on a specific product and tightly controlled by the salesperson. Typically there was minimum effort during the initial making contact stage. Rather, a lot of effort was evident in pitching the product during sales activities, especially by employing sales gimmicks. There was also pretty bad after sales follow-up. In short, the traditional model focused on sales or exchange with minimal customer-orientation.

By contrast, in a typical “slow but sure” fashion, consultative selling gives a lot of emphasis to before and after-sales efforts. Among others, it stresses prior homework, understanding real needs and wants, and a win-win relationship — from initiating to developing, and enhancing the relationship. Negotiation is widely used instead of manipulation as the professional salesperson sets the stage for a long-term partnership. Employing effective two-way communication, he asks appropriate questions, probes and listens carefully to the customer’s responses. Assuming the role of a consultant, he then discusses creative options and offers well-considered recommendations leading to the right solutions. Of course, this is preferable in today’s scenario of massive customer choices in terms of products, services and suppliers.

Indeed, the focus of interaction in consultative selling is on the ability to come up with much needed innovative total or customised solutions, which not only take into account general business and industry trends, but also address the need behind the need. Example: customer’s improved financial performance.

Consultative selling strives to achieve the strategic goals of customers, not merely meeting their immediate needs or solving their short-term problems. Thus, professional salesmen confirm their customers’ strategic goals, then work collaboratively with them to achieve those goals. With their ability to develop customer relationships

over time, they will be able to help customers reach their strategic goals by using the products, services and expertise of the sales organisation. Hence, consultative selling enables both parties to prosper.

It follows that in consultative selling, professional salesmen generally perform three primary roles, viz as a team leader, business consultant and long-term ally.

As a team leader, the professional salesperson leads and arranges the use of the sales organisation’s resources in a concerted effort to satisfy the customer. He brings together the necessary information, resources and activities needed to support the customer before, during and after the sale. He is the primary contact and makes the customer aware of the available network of resources at his disposal. He knows who within the company is in the best position to create a unique solution for his customers. If necessary, as it is often the case, he will form a team and engage in team selling.

In the business consultant role, the professional salesperson utilises both internal and external sources to become an expert or at least be knowledgeable enough about the customer’s business. This is vital because of ten prospective customers who are busy and under pressure to grow their own sales and profits, find themselves not having enough time to adequately educate salespeople about their organisations. With a clear educational dimension, salespeople educate and advise their customers on products/services in relation to the customers’ needs and how these offerings compare with competitors.

As a long-term ally, the professional salesperson supports the customer regardless of whether an immediate sale is expected. He understands that ultimately as the customer’s sales and profits grow, so will his. Hence he presents his goods and services honestly with due regard to the customer’s long-term interest. His ability to fulfil the role of a long-term ally is pivotal in determining whether a sales interaction is just transaction or the beginning of a relationship. This is a radical departure from the past when many salespersons considered their jobs completed after closing a sale.

Interestingly, a long-term ally strives to eliminate the post-sale relationship gap, which usually exists between a buyer and

seller. This is achieved by ensuring that the customer does receive the necessary support and service, which meets expectations now and throughout the customer relationship process.

L. A. Mitchell, Lucent Technologies’ Sales Planner, puts it thus: “Professional selling is becoming much more of a consultative process than in years past. The pace of business has accelerated, and it is hard for individual buyers to be experts in everything they buy. That’s where consultative selling comes in. When buyers know they have a problem, but don’t know how to solve it, our salespeople can offer a tailored solution. The solution must fit within the buyer’s allotted budget, and it must be consistent with the goals and strategies within the buying organisation. Consultative salespeople must also be on the scene after the sale to be sure that any necessary training and service issues are handled to the client’s satisfaction. With consultative selling, making the sale is important, but the real focus is on providing expertise which enables clients to improve company operations and productivity.”

It may appear that consultative selling practices can be easily mastered. The truth is, it is actually a complex process with lots of demands on sales personnel. It requires an understanding of concepts and principles from diverse disciplines such as psychology, communications and sociology. Like any other worthwhile pursuit, it takes immense personal dedication and self-discipline to become a true sales consultant.

What is clear from the above discussion is professional salespeople by definition have to embrace the consultant’s approach in selling. Likewise other established professional groups can also benefit a great deal by learning and adopting the best in consultative selling. **AT**

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Business Partnership

Peter Coote

Peter Coote suggests ways that a finance department can increase its influence over — and understanding of — its organisation through improved relationships.

The finance departments of many companies have changed in recent years and they are continuing to change. Some of the main causes are as follows:

- Firms are shifting from national business units and legal entities to regional and global structures that cross legal entity boundaries.
- Transaction accounting and other support services are being moved into shared service centres.
- Finance teams' workloads are shifting from transaction processing to planning and decision support.
- Their reporting workload is increasing and diversifying as operational managers become less satisfied with standard reports.
- They are coming under increasing pressure to improve productivity and cut costs.

All organisations seem to expect more of their finance departments. Boards look to finance directors to increase shareholder value, manage financial risk, control costs and ensure regulatory compliance. Operational managers want more timely and relevant information to improve the quality of their decisions. They also want better methods of planning, managing and monitoring performance.

While these increased expectations impose extra pressure on finance, they also represent a huge opportunity. 'Business partner' is a term that's being used to de-

scribe this new role, but what does it mean? An analogy that I find helpful is that of a co-driver, who provides guidance when required to help achieve jointly held goals. Much is being written on the skills required of an effective business partner, but how such a change affects finance teams' relationships is less well understood.

When I hold workshops with finance teams about this issue, I use the diagram shown in *Panel 1* to help them consider

able these improvements (*see Panel 2*). Achieving such significant change is a journey that needs to be planned as such. It requires the finance team members to recognise the situation; to accept that it requires more than developing new skills; and to be willing to engage each other and with their operational management colleagues to understand how they may need to change. They need to identify what their colleagues need and dig beneath the surface of their initial responses to the core of what they think. Doing this requires a number of attributes:

able these improvements (*see Panel 2*). Achieving such significant change is a journey that needs to be planned as such. It requires the finance team members to recognise the situation; to accept that it requires more than developing new skills; and to be willing to engage each other and with their operational management colleagues to understand how they may need to change. They need to identify what their colleagues need and dig beneath the surface of their initial responses to the core of what they think. Doing this requires a number of attributes:

■ **Questioning skills** — open, non-directive questioning; probing and drilling down; clarification.

■ **Listening skills** — summarising; reflecting; showing interest in the other person's ideas, especially when they are different from your own.

■ **Hearing skills** — heeding what the other person has to say, even if it's unpalatable or you disagree with it; remaining open and non-defensive, especially when feedback is critical.

■ **Awareness skills** — paying attention to the other person's body language, energy, tone and pitch.

The results of these conversations can be translated into learning plans, which may use a range of techniques focusing on increasing the individual's organisational understanding; developing their interpersonal skills and self-awareness; and en-

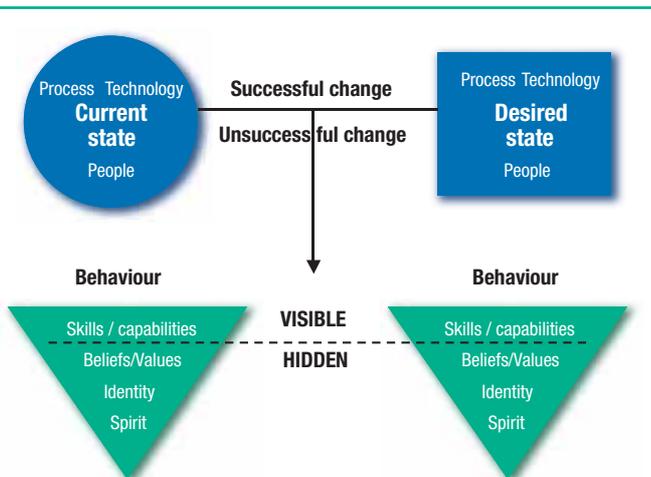
Panel 1 In which areas do you most need to change?



some of these people-related challenges from a different perspective. I ask them to indicate which challenge they see as their greatest area of present shortfall and future opportunity. They usually highlight the top two arrows, stressing the importance of developing new relationship skills and increasing their business acumen and influence.

To help achieve effective and lasting change in these areas, we then look at a framework based on the work of Robert Dilts, an expert in neuro-linguistic programming, to explore the factors that en-

Panel 2 A framework for achieving effective and lasting change



Skills and capabilities. Much organisational and individual development work focuses on improving skills and capabilities. This may often be necessary, but it's insufficient on its own. Changes are often required to attributes that are hidden within both individuals and organisations.

Beliefs. We all have certain beliefs, both as individuals and as organisations. Some of these are valid, but some merely restrict us, often without our knowledge. For example, one commonly held belief among finance teams is that their operational colleagues cannot be trusted to manage their own finances and need to be “controlled”. Well structured coaching sessions can be effective in identifying and reviewing individuals’ beliefs. Coaching can help individuals to recognise beliefs that are invalid, which is a first step towards changing. This approach often takes time, as the motivation to challenge and change our beliefs can only come from within us.

Values. As individuals, many of us have the same core values. But the importance that different groups attach to various values can vary significantly. Shared values are the core of any successful relationship and time needs to be taken to understand and confirm them. Cross-functional teamworking can be an important way to enable this.

Identity. When you meet somebody for the first time, how does he describe his job? In the past, the description often related closely to a well defined business unit – e.g. “I work in XYZ’s cost office. I work with the manufacturing team to understand and reduce our cost.” As we move towards shared services, this description might be less clear – e.g. “I work for ABC Inc – the company that took over XYZ Ltd. I work in the cost control service centre, providing a cost reporting and control service to the manufacturing units.” The challenge of adopting a new identity and feeling comfortable with it is often overlooked as organisation charts are redrawn.

Spirit. When there is confusion and misalignment between individuals’ beliefs, values and sense of identity and those of their organisation, they can feel isolated and lose motivation. Conversely, alignment can provide a common focus and great collective energy.



hancing their personal leadership qualities. This approach places more importance on changing relationships than it does on the completion of transactional tasks — a significant shift in emphasis for most finance teams.

It can be helpful to establish a process to measure the results of this type of change programme. This could involve obtaining feedback from key stakeholders after about six months and then asking them the following questions periodically:

- **Executive leadership team:** is the finance team more visible to you than before? Do your managers appear better informed on financial matters? Has finance become more involved in your decision-making?
- **Operational managers:** have your relationships with the finance team improved? Has its support become more appropriate? Do you feel that finance is becoming a more valued part of the organisation?
- **Finance team members:** have your relationships with your customers improved? Do you feel more involved in the company? Do you feel more supported by, and more able to support, your colleagues in finance? Have the prioritisation of work and deployment of resources improved?

The need of finance’s customers often extends well beyond physical reports. They value finance’s experiential support highly. Working with them to establish an effective business partnership can boost your influence through improved relationships. **AT**

Peter Coote is Director of the Wexner Global management consultancy. He was previously Change Programme Director at Ford Motor Company. This article is contributed by CIMA (The Chartered Institute of Management Accountants) and it first appeared in *Financial Management*, CIMA’s monthly magazine for its members.

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Addendum to Public Ruling (PR) No. 4/2005: Withholding Tax on Special Classes of Income

Please be informed that the Addendum to PR No. 4/2005: *Withholding Tax on Special Classes of Income* was issued on 30 November 2007 by the Inland Revenue Board (IRB). The said addendum can be downloaded from the IRB's website at www.hasil.org.my under the heading of "Law & Regulations-Rulings". [AT](#)

Going Green, Improving Communication



Happy New Year from all of us at the Malaysian Institute of Accountants!

As MIA strives to become increasingly socially responsible and expedite the information sharing process, effective 1 January 2008, we will be issuing all circulars to members via e-mail. We will no longer be mailing hard copies to members.

As such, please update your email address with us by sending it to membership@mia.org.my. For more information please contact the membership department at 03-2279 9200.

8th Habit Leadership

PART 1

Stephen R. Covey

I don't know how much money has been spent in our society on what is called "leadership development," but it must be in the billions. Few organisations lack a leadership training program, whether it be a full curriculum or a course at a local college. Succession programs often include leadership training that lasts for years. However, we see no real breakthrough in leadership effectiveness. For example:

- Only about 13 per cent of US public companies consistently met announced performance expectations in the last decade, according to *Profit from the Core*, by C. Zook & J. Allen (Harvard Business School Press, 2001).
- Only half of US workers say they trust their leadership, according to Franklin-Covey's xQ study of 12,000 US workers in 2003.
- Only 57 per cent of all Americans trust corporate leaders to be honest, according to *The Support Economy*, by S. Zuboff & J. Maxim (Viking, 2002).
- Two out of three Europeans say they distrust the leaders of corporations, according to an April 2002 Eurobarometer Survey of the 15 EU members states.

In an era when so much leadership education goes on, why is there no outbreak of great performance? Why are more and more people so disillusioned with their leaders? Why is the corporation the least trusted entity in our society?

Clearly, we need a new model of leadership. We need leaders who can be trusted to get results. Wherever you find lasting trust, you will find trustworthiness. Trustworthiness, in turn, is the product of a simple determination to keep one's promises. In its essence, trust is earned only by people who deliver.

Most companies struggle to keep their

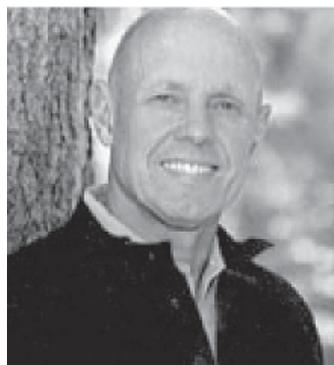
promises. A study of corporate performance during the 1990's by Bain Consulting revealed that most companies over-promise and under-deliver. "Only about one company in eight, or 13 per cent, achieved sustained and profitable growth over a decade that many would rank as among the best for the world economy ... *More than 90* per cent of the companies examined aimed at returns *well in excess of those levels*" (Zook and Allen, italics mine).

"In an era when so much leadership education goes on, why is there no outbreak of great performance?"

We need leaders people want to follow. We have long since transitioned from the Industrial Age, when workers did what they were told, to the Age of Knowledge Work, where workers essentially volunteer their efforts and give loyalty to leaders they trust. But too many leaders are still mentally in the Industrial Age. Many of our management assumptions are part of that mentality:

- You have to control and manage people.
- People are an expense, while machines and buildings are assets.
- The "carrot and stick" motivational philosophy.

I have spoken to hundreds of audiences worldwide, and I always ask how many agree with the following statement: "The majority of people in my organisation pos-



sess far more talent, intelligence, capability and creativity than their present jobs require or even allow." Virtually every hand goes up.

What kind of leaders will people volunteer to follow in the 21st century? Will it be those who continue to manage bureaucracies, or those

who unleash the talent, intelligence, capability and creativity of the people?

We need great leaders. What we will need are leaders who practise what I call "the 8th Habit." These are the truly great leaders whom people willingly follow and who can be relied on to produce great results.

Some time ago I wrote a book called *The 7 Habits of Highly Effective People*, which outlined the principles and practices that effective people live by. Now I have come to believe that there is an eighth habit practiced by those who are not only effective, but move on to true greatness. What is the eighth habit? Find your voice and help others find theirs.

Everyone has unique gifts, talents and capabilities that are only slightly leveraged in most organisations. Finding your voice means bridging the painful gap between possessing great potential and actually realising a life of greatness and contribution. Helping others find their voices is the key to leadership success. [AT](#)

Stephen R. Covey, Ph.D., is co-founder of FranklinCovey, a leading global professional services firm. Stephen is also the author of the best-selling *The 7 Habits of Highly Effective People*. For consultation please call 1-888-862-6839.

Minding Corporate Culture

Understanding cultural similarities and differences is absolutely vital for companies operating within a competitive globalised economy. It also determines the effectiveness of their corporate policies and practices.

Culture, whether organisational or national, is frequently defined as a set of taken-for-granted assumptions, expectations or rules for being in the world. Distinguishing a given group from others, organizational culture involves a “shared vision” and a common understanding of organisational goals and values.

Usually quite specific though, organisational cultures are evident in partly different symbols, heroes and rituals, exhibited by every organisation or even part of an organisation.

Indeed one of the greatest issues facing corporations in the new century has been that of corporate culture management. It assumes greater importance in the light of corporate governance scandals. Many companies have decided to move away from traditional ad-hoc solutions to more holistic and global solutions, which address corporate culture issues on a much higher level.

The notion of corporate culture is now widely accepted as a business concept that is as important as financial control and employee satisfaction. Increasingly, business leaders and managers realise that they can

no longer afford to overlook the ‘softer’ cultural side of organisations with elements such as strong identity, loyalty, commitment, teamwork, effective communication and consistent message, image, etc.

Corporations, by their very nature, are social enterprises, with tribal habits, well-

Various corporations throughout the world are successfully transforming corporate culture in support of strategic or major change objectives. Indeed, bearing in mind most change failure is usually due to cultural problems, understanding and leveraging on the power of corporate culture is pivotal to long-term change success.

So, how do you attempt to understand corporate culture? And what steps can be taken to create a strong corporate culture that will best support your organisation’s activities?

According to cultural guru Geert Hofstede, from his research in Denmark and Netherlands, six major dimensions of organisational cultures provide a useful insight:

- Process-oriented versus results-oriented
- Employee-oriented versus job-oriented
- Parochial versus professional
- Open system versus closed system
- Tight control versus loose control
- Pragmatic versus normative emphasis towards clients

Depending on how one relates with an organisation, it would be beneficial to find out about its dominant cultural dimensions and, if necessary, do appropriate adjust-



defined cultural roles for individuals, and various strategies for determining inclusion, reinforcing identity, and adapting to change. Thus it is equally important to understand the power of organisational sub-cultures and a company’s unwritten rules of behaviour.

Corporate culture is one of the key determinants for the success or failure of an organisation. A good, well-aligned culture can propel it to success. However, the wrong culture will stifle its ability to adapt to a fast-changing world.

ments.

Even so, possessing a strong culture by itself is not a guarantee of success. Rather, cultures must be adaptive to changing marketplace and customer demands. Exemplary organisations actively devise ‘winning’ cultures.

How do we embark on a culture change programme?

Corporate leaders should invest significant amounts of time and energy into a culture change effort and they must personally live and role model the new cultural

“... possessing a strong culture by itself is not a guarantee of success. Rather, cultures must be adaptive to changing marketplace and customer demands. Exemplary organisations actively devise ‘winning’ cultures.”

ethos. The importance of vision, mission and value statements in providing direction and behavioural guidelines for the new culture cannot be understated.

It is prudent to assess the existing culture prior to any culture change effort. Doing so will help senior management pinpoint the key cultural challenges ahead before drawing a roadmap from the existing to desired cultural states.

The involvement of all staff when rolling out a cultural change initiative is necessary. To make sure its implementation is sustainable, key phases include ‘unfreezing’ the existing culture and ‘refreezing’ the new. Piloting a culture change programme is often beneficial prior to an organisation-wide rollout. This key role should be played by changing facilitators and champions deep inside the company. It is also important to ensure that corporate measurement systems reinforce the new cultural ethos.

Human resource systems play a crucial role and must be aligned and reinforced with the new culture. Organisations should consider altering recruitment, performance appraisal, career development, recognition and incentives, and compensation mechanisms, and examining the challenges of each.

These include using core corporate values as criteria for recruitment, performance assessment and career development. In recruitment, the current thinking is that there

should be a people-culture fit rather than merely people-job fit. Example: BASF AG’s integration of global value standards, which were developed in dialogues with its employees and managers worldwide.

On diversity, recognising and incorporating ethnic, gender and national differences in carefully-constructed human resource policies and procedures will greatly aid cohesion within a corporation with a diverse workforce and that has international operations. While it seems implausible that many corporations will ever lose touch with their cultural origins, it also appears un-

likely that deep-rooted sources of cultural diversity can be conveniently wished away.

Clear career development policies and a common company language also help. These form part of the building blocks which can cement an organisation and its people together.

Communication measures are vitally important in delivering the culture change

“Certainly leadership makes a lot of difference. Walking the talk sends a powerful message across an organisation. Leaders who lead by example will be particularly successful at implanting the corporation’s key building blocks for a winning corporate culture.”

message throughout the organisation. Many communication tools are available, both traditional, e.g., cascade briefings and newsletters, and new, e.g., corporate intranets. These mechanisms must be mutually reinforcing and messages must be honest and timely, and clearly support the new cultural ethos.

Examples of communication measures which provide common corporate value guidelines include these of Toyota Way, Bertelsmann Essentials and ABB’s book of values. Allianz Group embarked on value-oriented advertising campaigns.

In the 1980s, GE emphasised the articulation of simple and brief company values

which build on each other — speed, simplicity, self-confidence, informality, quality and candour. Likewise Novartis promoted behaviours associated with speed, entrepreneurship, self-reliance and integrity.

Cultural challenges are abound within merger and acquisition (M&A) activities. Indeed, M&A failure — and failure figures are frighteningly high — is normally due to cultural, not strategic, reasons. An important lesson is that cultural due diligence should be carried out prior to the merger or acquisition. Likewise managing the cultural factors should be a key focus for a long time after organisations formally join.

Certain corporations have also spent huge amounts to make sure their corporate values are properly internalised by their employees. Some companies have set up their own corporate universities (examples: Toyota and General Electric) while others practise international rotation schemes.

Long-term international assignments and rotation across overseas locations among managers in MNCs is considered a key mechanism to integrate their global resources. In the case of ABB, it has allowed the company to quickly integrate operations from highly diverse national cultures by setting up mixed project teams and taskforces from the outset.

Certainly leadership makes a lot of difference. Walking the talk sends a powerful message across an organisation. Leaders who lead by example will be particularly successful at implanting the corporation’s key building blocks for a winning corporate culture.

As business becomes more aggressively competitive, corporate identity has assumed corresponding significance — internally in stimulating the workforce and externally in differentiating and adding value to the organisation. A strong market-driven, customer-intimate and people-sensitive corporate culture can be both the glue which holds an organisation together and a vital competitive edge. **AT**

Making People **Brainstorm**

Genevieve Wordsworth

Managers encourage employees at all levels to think for themselves. Asking employees for their ideas and recommendations broadens their perspective and often results in the generation of new useful ideas. It's not uncommon to hear the managers ask their employees questions like ... What is your opinion? How would you receive? What concerns do you have? What do you recommend? Another frequently asked question is: "WHY?"

Why?

Answers to these simple questions usually obtain the cold facts, reasons, and assumptions which back up the opinion or the recommendation. These types of questions force people to think for themselves.

The Manager's Role

Managers need to resist the ego temptation of trying to provide all the answers to an employee's problems or questions. A manager I know has a policy that 'whenever an employee presents him with a problem, that same employee must also recommend three potential solutions'. Employees quickly learn to define problems rather than deal with the symptoms, and realise that there are usually multiple options to solving most problems. Managers can also require employees to think through the cost/benefit ratio and potential pitfalls of various options, as well as what it takes to implement their recommendations. This approach sharpens employees' problem-solving skills and makes implementation easier because people support solutions they help create. In addition, employees begin to realise there are no easy answers still to solve some problems we face.

Brainstorming Technique

- Brainstorming is a useful technique. Employees' suggestions and ideas are encouraged and recorded on a chart. After all ideas are recorded, they are evaluated, prioritised, and then implemented. Our creative ideas are valuable, and what counts is turning ideas into action. The brainstorming gets everyone thinking and provides for a great deal of employee participation at joint-interactive meetings.
- Making employees think for themselves pays big dividends. This approach not only helps to develop the employees, it frees the manager to make decisions, rather than doing the analysis himself. In addition, this approach *involves* employees and produces greater acceptance or "buy in" to the solution. When employees own an idea, they are more than likely to follow through to comple-

tion. Harry Plate, Publications Business Manager of Caterpillar Corporation, states: "When people solve problems on their own, they need to prove that their solutions will work."

- As people gain experience, they look towards more involvement and responsibility in the tasks or jobs they perform. Managers can then begin to assign them specific roles and responsibilities. Managers need to support and encourage their staff when they make priorities and articulate a vision. They have to recognise their staff's needs, their strengths and abilities and be there for them in confidence building. Frequent group discussions can be very effective in such circumstances: the juniors will learn from their peers on how to establish structures and directions; they master good management practices especially in decision making and risk taking; and they gain valuable experience in teamwork and in coping with many different challenges.

- Pursuit of creativity is a brainstorming activity. When faced with an obstacle to overcome, staff members freely consult each other and debate the best line of approach. Through ingenuity among management and staff, new ways of combining and utilising existing objects or concepts keep the architects, engineers, scientists, inventors and even the artists in business. To carve out new shapes out of old, to evolve new ideas by altering and blending old ones, involves first of all an analysis — a breakdown into parts, forms and properties. This is followed

"When people solve problems on their own, they need to prove that their solutions will work."

**Harry Plate, Publications Business Manager,
Caterpillar Corporation**

by a fusion — putting together those fractions into a new whole with altered characteristics. Trained thinkers use this approach. The creative person, particularly in arts and crafts, frequently dispenses with analysis and concentrates on synthesis, taking given materials or ideas and recombining them into new forms by the trial-and-error method. While goals may be made in the person's head rather than on paper, they are not the same thing as analysis. The latter

makes it possible for swifter, flexible and possibly a more accurate business mix in complex creative situations.

- Your overall objective in making people brainstorm is to ensure success — success in business, success in life, success in the engagement of time. Surrounding yourself with resourceful people - people with drive and motivation - gives you that wonderful opportunity to achieve high standards, personal excellence and commitment in your people. There are plenty of such high calibre people, even within your organisation, but you have to stretch out

"Brainstorming challenges you, brings about the winning attitude and develops good working habits; and when your horizon expands you take that all-important responsibility for the things you do!"

to meet them, and make them your friends — share in each other's winning contributions. Catch their enthusiasm and let them catch yours. Give yourself the opportunity to share in each other's successes. By communicating well and cooperating in group-tasking, you develop the pleasing habits you find in brainstorming sessions into pleasing results.

Brainstorming challenges you, brings about the winning attitude and develops good working habits; and when your horizon expands you take that all-important responsibility for the things you do! **AT**

How to Profit from EPF's Savvy Moves

Rajen Devadason

EPF's slashing of unit trust front-end fees, effective 1 January 2008, showcases the superannuation fund's intent to protect the interests of its contributors.

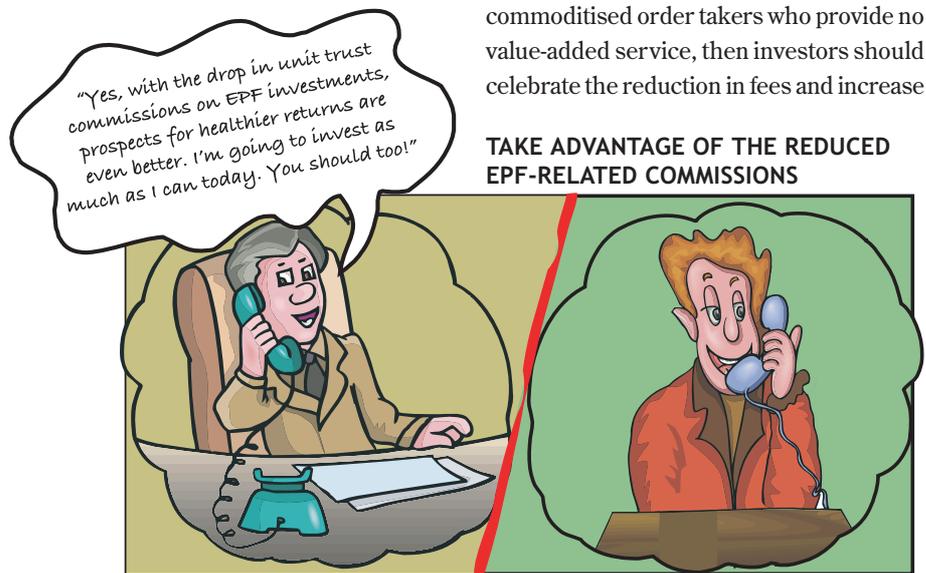
Before this, EPF-approved unit trust schemes were allowed to charge market-determined front-end commissions of between five and seven per cent. That fee range was typically incurred by investors seeking to augment their EPF-derived yields by investing in Malaysia-centric equity funds. (That normal equity commission range will continue, for now, for cash-based unit trust investments.)

EPF made its unilateral move to curtail the amount of money that may be earned by unit trust management companies (UTMCs) and, therefore, by unit trust consultants (UTCs, previously referred to as PDUTs or persons dealing in unit trusts) after Singapore's Central Provident Fund capped associated unit trust commissions in the republic at three per cent.

EPF's move will enhance the long-term yields of unit trust investors (an explanation issued by EPF can be read here www.snipurl.com/epfcutsfrontend).

You should also be aware of four associated seismic shifts within the domestic unit trust landscape:

- 1 The lower EPF-related commissions represent a form of 'subsidy' to the investor that's funded by UTMCs and UTCs;
- 2 The relative economic attractiveness of UTCs helping investors manage their EPF money is drastically reduced;
- 3 For 'orphaned' EPF-related unit trust investors, care must be taken to seek out viable alternative guidance; and most importantly



- 4 Starting February 2008, younger EPF contributors will be able to invest in unit trusts and thus reap potential long-term benefits, but only if their investments are stewarded along sound portfolio management principles.

SHIFT 1 — The lower EPF-related commissions represent a form of 'subsidy' to the investor that's funded by UTMCs and UTCs

The geographic terrain of Malaysia is markedly different from Singapore's. Malaysian UTCs generally travel much greater distances to service clients in various towns and cities. While petrol prices have risen in both countries, it is likely, with the lower per capita earning power of Malaysians, the reduced commissions will impair Malaysian UTCs' earnings more by squeezing their personal business margins when they service EPF investing clients. On a larger scale, the UTMCs will

have their profit margins compressed.

With more than twice as much money to be made by UTMCs and UTCs in servicing cash-based investors, it is fair, I believe, to view the new EPF scenario as a catalyst for sweeping subsidies that benefit investors at the expense of UTMCs and UTCs.

SHIFT 2 — The relative economic attractiveness of UTCs helping investors manage their EPF money is drastically reduced

If UTCs are looked upon by investors as commoditised order takers who provide no value-added service, then investors should celebrate the reduction in fees and increase

TAKE ADVANTAGE OF THE REDUCED EPF-RELATED COMMISSIONS

their volume of investments to take advantage of the de facto subsidy. However, the investment landscape within and without Malaysia is growing more, not less, volatile! In such a challenging environment, the true value of sound investment planning advice rises exponentially!

If you already have access to a high quality UTC or possibly financial planner, congratulations. But for the vast majority of EPF investors who are serviced by part-time UTCs who only entered the industry because of the previously attractive commission levels, there is the distinct possibility the dramatic collapse of commissions will dissuade them from continuing.

SHIFT 3 — For 'orphaned' EPF-related unit trust investors, care must be taken to seek out viable alternative guidance

There has been unprecedented growth in the number of UTCs. In mid December 2007, the president of the Federation of Malaysian

Unit Trust Managers Tunku Dato' Ya'acob Tunku Abdullah spoke at the annual convention of unit trust consultants about the fresh challenges facing the industry. I was there when he said there were 53,000 UTCs in Malaysia — a dramatic jump from the 32,000 in January 2005 and 38,000 in December 2006.

With a net increase of 15,000 UTCs between December 2006 and December 2007, there seems to be a disproportionately high number of rookie UTCs. Time will tell what happens to the majority, but the drop in EPF-related commissions suggests some will eventually flee the industry.

If that happens, tens of thousands of EPF-related unit trust investors may find themselves 'orphaned' — meaning they won't be serviced well. If you envisage falling in that category, I suggest you seriously focus on four personal initiatives:

- 1 Take personal responsibility for your education in personal finance. As a start, read as many – or as few – of my articles as you like at www.freecoolarticles.com/financialplanning.htm
- 2 Transform yourself into a serious life-long learner of financial planning, economics and investing. As a start, use my personally selected list of great books to formulate your self-directed learning programme. It is found in my free e-book, *26 Books to Take YOU All the Way to the Top*. You may access it at www.freecoolarticles.com/giftcentre.htm
- 3 Decide if you want to take advantage of the effective 'subsidy' in place to profit from a well-managed unit trust investment strategy. A great article to read is *Successful Unit Trust Investing* by Wong Boon Choy, which you may access at www.maaklmutual.com.my
- 4 If you have at least a couple of hundred thousand ringgit in EPF, then you might seek out top-tier financial planning guidance in the utilisation of your EPF funds within a unit trust-based solution. If so, the CFP directory of the Financial Planning Association of Malaysia is a great place to start your search. Access it at www.fpam.org.my/index.php?fuseaction=cfp.main

SHIFT 4 — Starting February 2008, younger EPF contributors will be able to

invest in unit trusts and thus reap potential long-term benefits, but only if their investments are stewarded along sound portfolio management principles.

Based on information released by EPF and reported in the popular press, from 1 February 2008 younger EPF contributors will be able to access some of their EPF funds in a bid to secure higher investment returns. The drop in EPF-related commissions, therefore, is a timely move by the well-run superannuation body to protect the interests of younger investors.

Note: When the EPF Members Investment Scheme was launched in December 1996, only contributors with more than RM55,000 were permitted to withdraw funds from their EPF Account 1, subject to key conditions.

Consider the hypothetical cases of Jim and John:

If John has RM56,000 in Account 1 and Jim has RM54,000, then the first round of calculations would be done as so ... The required base level was set at RM50,000 for all investors, regardless of age. One-fifth or 20 per cent of anything in excess of that was eligible to be withdrawn and invested in approved unit trust schemes.

In John's case, the calculations would begin with this: RM56,000 – RM50,000 = RM6,000.

That sum would then be divided by 5, which yields RM1,200. Another condition for withdrawal was ensuring the sum was at least RM1,000. As RM1,200 is in excess of that minimum, John would have been able to invest in unit trusts.

Jim, on the other hand, would not have. While he also has more than RM50,000 in Account 1, 20 per cent of his excess is only RM800. As that's under the stipulated minimum withdrawal sum, he would have to wait until his balance reaches RM55,000.

The anticipated rollout of the new guidelines by EPF in February 2008 will benefit contributors in two ways:

- 1 By ensuring EPF-related investment commissions are dramatically lower than they were up till the end of 2007, new and existing investors will gain more bang for their buck. More of their money will remain invested and thus benefit from investment-fuelled compounding!

- 2 From a financial planning perspective, the younger an investor is the more time he or she has to take on investment risk in a bid to generate long-term returns. Conversely, the older he or she becomes, the lower the acceptable risk level because there would be less time to recover from intervening volatile dips in market values.

The well thought-out fresh EPF guidelines will permit younger people with more time to invest before retirement to start earlier because of the lower stipulated minimum balances (see TABLE).

The new move permits those aged 40 and under to invest more than they could previously, while those aged 41 to 55 — based on my current interpretation of the age bands — will be able to invest less.

This should act as a wake-up call to those aged 41 to 55 to accelerate the cash-based portion of their retirement funding programme. For while EPF has done a lot to improve the investment conditions for its contributors, it's imperative to remember, ultimately, just one person is responsible for your financial future: The one in the mirror.

What will that person choose to do ... today? **AT**

EPF's revised minimum balances for contributors wishing to participate in the EPF Members Investment Scheme — from February 2008

| Age | Minimum Balance |
|-----|-----------------|
| 25 | RM9,000 |
| 30 | RM18,000 |
| 35 | RM29,000 |
| 40 | RM44,000 |
| 45 | RM64,000 |
| 50 | RM90,000 |
| 55 | RM120,000 |

Rajen Devadason, CFP, is a speaker, author and independent consultant. He is the CEO of corporate mentoring consultancy RD WealthCreation Sdn Bhd, which helps companies increase profits by teaching their best people how to enhance their personal effectiveness. His internationally read, free electronic magazine *GET BETTER* can be subscribed to at no cost at www.RajenDevadason.com Rajen welcomes feedback at rajen@RajenDevadason.com.

Business Conference and Gala Dinner 2007

The Business Conference 2007 was organised by the Malaysian Institute of Accountants (MIA) in conjunction with MIA's 40th Anniversary celebration on 29 November at Traders Hotel, Penang. It is a springboard from which the growth of Penang can be further strengthened and accelerated.

Kevin Khoo Aik Kooi, the Organising Chairman of the conference, stressed the importance of the theme, *Driving Innovation*, as something to reflect on when considering MIA's call to the business community to be responsive to current business trends.

"Being inventive and innovative is the way forward today. Malaysia, being the melting pot of great civilizations, is in a good position to drive innovation", Penang Chief Minister YAB Tan Sri Dr. Koh Tsu Koon said in his keynote address. He added that innovation must be industry-led, supported by the government. To remain competitive, the business sector must continuously seek new markets and products to create demand.

Dr. Koh also expressed his gratitude to MIA for initiating the conference and its effort in continuing to spearhead the profession to respond to changes, to shape public opinion on key issues, to contribute to international development and to chart new frontiers.

The MIA President, Nik Mohd. Hasyudeen Yusoff, in his address said that innovation is the process of identifying new and strategic ways of dealing with a problem effectively.

"Mediocrity is no longer acceptable in this fast changing landscape. We have to be innovative in re-thinking the methods in doing business, strengthening the infrastructure, attracting and retaining a skilled labour force, creating the right environment for our people to be creative in managing costs, creating value and delivering a faster turnaround", said Penang Branch Chairperson, Adelenia Lestari Chong in her address.



YAB Tan Sri Dr. Koh Tsu Koon launching the Business Conference 2007

Among the highlights were the two CEO forums with multinational companies and Malaysian public-listed companies and eight concurrent sessions.

The conference brought together some 230 CEOs, CFOs, directors, entrepreneurs, managers and accountants to listen to a line up of speakers and moderators comprising prominent corporate personalities, academicians and leading accounting professionals.



CEO Forum Session 1 — Driving Innovation and Competing in the Global Market.



CEO Forum Session 2 — Global Investors Perspective of the Region.

Among the prominent corporate personalities who shared their experiences were Dr. Rajah Kumar (Chairman and CEO of Philips Malaysia Sdn Bhd), Atul Bhargava (Managing Director of Intel Malaysia), Chin Lam Choong (Managing Director of Jabil Circuit Sdn Bhd), Yew Tian Tek (Managing Director of Motorola Technology Sdn Bhd), Dato' Alfred Teh (Executive Chairman of Eng Teknologi Holdings Bhd.) and Dato' Vincent Loh (Executive Chairman & CEO of LKT Industrial Bhd).

The conference closed with a gala dinner. The dinner, themed *40 years of MIA: Looking Back, Moving Forward — A Baba & Nyonya Night*, was chosen to denote MIA's journey since its formation under the Accountants Act 1967 and to reminisce on the Baba and Nyonya heritage and culture in Penang.

Organising Chairman, Khor Boon Hong in his welcoming address said the dinner was called a gala dinner so as to denote the celebration of three occasions – first, the closing of the successful Business Conference, second the MIA Penang Branch Annual Dinner and third the MIA's 40th Anniversary. The dinner saw the participation of some 310 conference delegates, members and guests. Gracing the occasion was YB Dato' Dr. Toh Kin Woon, Penang State Executive Councillor.

The highlights of the evening were the acrobatic violin presentation, Baba and Nyonya dances and the Best Dressed Award.

All the dinner guests were given a Baba and Nyonya ceramic mug and many went home happily with prizes won from the table draws and lucky draws. The grand lucky prize was a 4 day/3 night stay at the Rasa Sayang Resort & Spa worth RM13,860.00. Besides that, all the Penang members are entitled to an Exclusive Dining Card at Rasa Sayang Resort & Spa. **AT**



The VIP table at the Gala Dinner comprised of from left to right ... Product Development & Planning Manager of Penang Tourism Action Council Bobby Tan, Annual Dinner Organising Chairman Khor Boon Hong, Nik Hasyudeen, Dato' Dr. Toh Kin Woon, Datin Vera Loh, Penang Branch Chairperson Adelen Chong, President of MAICSA Akbar Moidunny, and Business Conference Organising Chairman Kevin Khoo Aik Kooi



Dinner Organising committee and Nik Mohd. Hasyudeen

Honouring Excellence in Corporate Reports

The National Annual Corporate Report Awards (NACRA) 2007

Public Bank Berhad, which possesses a strong track record in winning the NACRA, staged a comeback to take home the Platinum award for Overall Excellence — the highest recognition for winners at the NACRA 2007. It also won an Industry Excellence Award (Main Board) for the finance industry, the Best Designed Annual Report as well as the Best Annual Report in Bahasa Malaysia.

Last year's winners, Telekom Malaysia Berhad walked away with the Gold Award for Overall Excellence. They also won an Industry Excellence Award (Main Board) as well as a Gold Award for the Best Designed Annual Report.

Kumpulan Guthrie Berhad took home the Silver Overall Excellence Award, the Industry Excellence Award (Main Board) for Plantations & Mining and a Gold Award for the Best Annual Report in Bahasa Malaysia.

Several other organisations also clinched awards at the NACRA 2007 awards.

Yang Berhormat Dato' Veerasingam Suppiah, Deputy Minister of Domestic Trade and Consumer Affairs, presented the Challenge Trophy and Awards to the winners.

NACRA is jointly organised by Bursa Malaysia Berhad, the Malaysian Institute of Accountants (MIA), the Malaysian Institute of Management (MIM), and the Malaysian Institute of Certified Public Accountants (MICPA).

Winning the prestigious NACRA Award has increasingly become a target of many organisations, which clearly demonstrates the wide recognition of NACRA as the national benchmark for

excellence in corporate reporting. The theme of NACRA, *Towards Excellence*, underscores the vital role of annual reports in promoting transparency and corporate accountability, towards enhancing the integrity of the capital market.

A total of 21 awards were presented under the following categories:

- Overall Excellence Award for Most Outstanding Annual Report of the Year
 - Platinum, Gold and Silver Awards
- Industry Excellence Awards
 - Main Board, Second Board
- Presentation Awards
 - Best Annual Report in Bahasa Malaysia (Platinum, Gold and Silver Awards)
 - Best Designed Annual Report (Platinum, Gold and Silver Awards)
- Special Award for Non-Listed Organisations
- Environmental Reporting Award
 - Platinum, Gold and Silver Awards

Certificates of merit were also presented to 10 finalists in recognition of the commendable high standards of annual reporting achieved by these organisations.

The NACRA competition is open to all companies incorporated or registered in Malaysia, both listed and unlisted, as well as public sector and other organisations established in Malaysia.

NACRA is an annual event. It honours and recognises organisations which have achieved excellence in annual report-

ing. It encourages the highest standards in the presentation and reporting of financial and other information needed by shareholders, investors and other interest groups. It also seeks to promote higher standards of corporate governance through the publication of timely, informative, factual and well-presented annual reports.

The main adjudication criteria for NACRA include timelines of publication of the annual report, compliance with approved accounting standards and statutory requirements, adequate disclosure of relevant information on the objectives, operations, financial performance and future prospects of the organisations, as well as the visual impact of the presentation of information.

Since it was first launched in 1990, the criteria for NACRA have been reviewed and revised each year with a view to improving the quality of annual reports. The adjudication panel, consisting of over 70 members drawn from commerce and industry, public accounting firms, academic institutions, advertising and communication firms, carried out a thorough assessment of the annual reports based on established criteria. The panel has had a very challenging task in selecting the winners as many of the annual reports are of very high quality.

The NACRA Organising Committee has been encouraging wider participation by expanding the range of awards to be presented. In this regard, the Organising Committee in 2006 introduced Platinum, Gold and Silver Award rankings for the Overall Excellence Awards, the Presentation Awards and the Environmental Reporting Awards. The committee hopes that this initiative will continue to spur greater competition amongst corporate Malaysia to strive for excellence in annual corporate reporting.

NACRA winners



“Winning the prestigious NACRA Award has increasingly become a target of many organisations, which clearly demonstrates the wide recognition of NACRA as the national benchmark for excellence in corporate reporting.”



Public Bank Berhad took home the Platinum Award for Overall Excellence. YB Dato' Veerasingam (centre) and Ken Pushpanathan (right) present the award to its Chairman YBhg. Tan Sri Dato' Sri Dr. Teh Hong Piow (left)



Telekom Malaysia Berhad won the Gold Award for Overall Excellence. YB Dato' Veerasingam presents the award to its Group Chief Financial Officer Bazlan Osman



Kumpulan Guthrie Berhad took home the Silver Award for Overall Excellence

Award Winners

Overall Excellence Awards

Most Outstanding Annual Report of the Year

Platinum : Public Bank Berhad

Gold : Telekom Malaysia Berhad

Silver : Kumpulan Guthrie Berhad

Industry Excellence Awards — Main Board

Consumer Products

British American Tobacco (Malaysia) Berhad

Industrial Products & Technology

Petronas Gas Berhad

Trading & Services

Telekom Malaysia Berhad

Finance

Public Bank Berhad

Construction & Infrastructure Project Companies

IJM Corporation Berhad

Properties, Hotels & Trusts

Sunway City Berhad

Plantations & Mining

Kumpulan Guthrie Berhad

Industry Excellence Award — Second Board

Industrial Products & Technology

Tien Wah Press Holdings Berhad

Presentation Awards

Best Annual Report in Bahasa Malaysia

Platinum : Public Bank Berhad

Gold : Kumpulan Guthrie Berhad

Silver : Petronas Gas Berhad

Best Designed Annual Report

Platinum : Public Bank Berhad

Gold : Telekom Malaysia Berhad

Silver : Sunrise Berhad

Environmental Reporting Awards

Best Environmental Reporting Award

Platinum : Golden Hope Plantations Berhad

Gold : British American Tobacco (Malaysia) Berhad

Silver : Pharmaniaga Berhad

Special Award for Non-listed Organisations

Best Annual Report for Non-Listed Organisations

Cagamas Berhad

List of Certificate of Merit Recipients

1. Alliance Bank Malaysia Berhad
2. AmInvestment Group Berhad
3. Bumiputra-Commerce Holdings Berhad
4. Heitech Padu Berhad
5. DRB-HICOM Berhad
6. Malaysian Airlines System Berhad
7. Perbadanan Insurans Deposit Malaysia
8. Sindora Berhad
9. Sime UEP Properties Berhad
10. Tenaga Nasional Berhad **AT**



Telekom Malaysia Berhad wins Excellence Award in Management Accounting

Dato' Sri Abdul Wahid Omar, Group CEO of Telekom Malaysia Berhad (right), receiving the NAfMA Excellence Award trophy from YB Dato' Shahrir Abdul Samad, Chairman of the Public Accounts Committee (left). Looking on is Michael Eow (centre), President of CIMA Malaysia



Winners of NAfMA 2007 and Certificates of Merit on stage with YB Dato' Shahrir Abdul Samad, Chairman of the Public Accounts Committee (8th from left). Standing proudly with the NAfMA 2007 Excellence Award is Dato' Sri Abdul Wahid Omar, Group CEO of Telekom Malaysia Berhad (8th from the right)

Full list of Winners

National Award for Management Accounting (NAfMA) 2006

Excellence Award

Telekom Malaysia Berhad

Best Practice Award

Category: Public-listed companies

Tenaga Nasional Berhad

Category: Non-listed companies

Bank Kerjasama Rakyat Malaysia Berhad

Category: Non-listed SMEs

MM Vitaoils Sdn Bhd

Practice Solution Award

Category: Public-listed companies

Sime UEP Properties Berhad

Category: Non-listed companies

Faber Medi-Serve Sdn Bhd

Category: Non-listed SMEs

KEU Control Engineering Sdn Bhd

Certificates of Merit

Bukit Mertajam Specialist Hospital

Johor Specialist Hospital Sdn Bhd

LPI Capital Bhd

Telekom Malaysia Berhad emerged as the Excellence Award winner of the National Award for Management Accounting (NAfMA) 2007, beating nine other finalists. YB Dato' Shahrir Abdul Samad, Chairman of the Public Accounts Committee, presented the NAfMA awards at a grand dinner ceremony in Kuala Lumpur on 13 December 2007.

Also during the ceremony, six other companies received two different types of award — Best Practice Award and Practice Solution Award — under the three categories of public-listed companies, non-listed companies and non-listed SMEs with an annual turnover of not more than RM25 million. Tenaga Nasional Berhad won the Best Practice Award in the public-listed category while Bank Kerjasama Rakyat Malaysia Berhad won in the non-listed category. MM Vitaoils Sdn Bhd won the Best Practice Award in the SME category.

The Practice Solution Award was won by Sime UEP Properties Berhad in the public-listed category while Faber Medi-Serve Sdn Bhd won in the non-listed category. Under the non-listed SME category, the winner was KEU Control Engineering Sdn Bhd. Certificates of Merit were presented to Bukit Mertajam Specialist Hospital, Johor Specialist Hospital Sdn Bhd and LPI Capital Berhad for their commendable management accounting practices.

The NAfMA awards recognise best practices in management accounting by companies in Malaysia that lead to value creation and excellent business performance. The NAfMA awards also aim to promote the application of management accounting techniques and systems within organisations in Malaysia.

The NAfMA winners were assessed on eight criteria – leadership, management accounting information, resource management, customer/market focus, partnership management, value creation, business results and corporate social responsibility. These eight criteria are based on the management accounting concepts of the International Federation of Accountants (IFAC).

The awarding bodies for NAfMA are the Malaysian Institute of Accountants (MIA) and CIMA (The Chartered Institute of Management Accountants) Malaysia Division. The working partners are CIMA-UiTM Asian Management Accounting Research Centre (AMARC) and National Productivity Corporation (NPC).

NAfMA 2007 is supported by the Accountant General's Department of Malaysia, Bursa Malaysia, the Federation of Malaysian Manufacturers, the British Malaysian Chamber of Commerce, the Malaysian International Chamber of Commerce and Industry and the SMI Association of Malaysia. Public Bank Berhad is the main sponsor for NAMA while *Malaysian Business* is the Official Business Magazine. **AT**

Meeting with MQA

On 20 November 2007, the Institute had a meeting with the Malaysian Qualifications Agency (MQA) at MQA's office. The formation of the MQA was the result of the merger of the National Accreditation Board (LAN) and the Higher Education Ministry's Quality Assurance Division. The meeting was chaired by the Chief Executive Officer of MQA, Dato' Syed Ahmad Hussein. The delegation from MIA was led by Education Committee Chairman cum President Nik Mohd. Hasyudeen Yusoff.

The purpose of the meeting was to discuss the new MQA Act 2007, which was passed by Parliament in July 2007. At the same time, the meeting acted as a

platform to foster a closer working relationship between both parties as well as to explore mutual collaboration in accrediting accounting courses especially on the provisions relating to professional programmes and qualifications. In the two-hour meeting, a lot of issues were discussed including the standards and qualifications framework, quality assurance mechanisms and the establishment of the Joint Technical Committee for accreditation, and audit matters. **AT**



Meeting in progress

Interactive Session between MIA and the Institute of Cost and Works Accountants of India (ICWAI)

On 27 November 2007, a meeting was held between the Malaysian Institute of Accountants (MIA) and the Institute of Cost and Works Accountants of India (ICWAI). The 21-person delegation from ICWAI, which consisted senior and middle level executives of public and private sector undertakings as well as autonomous bodies, was met by the President of MIA, Nik Mohd. Hasyudeen Yusoff, the Executive Director, Ho Foong Moi and Manager of the International Affairs and Special Projects Department, Khairul Azmi Rezo.

The visit to MIA was part of their International Residential Seminar on 'Challenges & Opportunities for Finance Managers in the Global Era of Com-

petition' and the participants took advantage to learn as much about the Malaysian accountancy scene as possible. Also discussed at the meeting were compliance issues, MIA's competency assessment, taxation, requirements to become an auditor and levels of transparency in Malaysia. In the course of the discussion, the President also suggested Islamic banking/finance as a field that India should be looking into, pointing out Singapore and Hong Kong as examples of non-Muslim countries, which are currently offering this service. **AT**



The President with the ICWAI delegates

Courtesy Call from the National Accountants Certificate Centre of the Ministry of Finance of the People's Republic of China

On 6 December 2007, the Malaysian Institute of Accountants (MIA) received a visit from the National Accountants Certificate Centre (NACC) from the People's Republic of China.

The purpose of their visit to MIA was to exchange views on accounting issues with their Malaysian counterparts and also to explore the opportunities for collaboration in the future. Apart from sharing information about each other's organisations, the meeting also saw both parties indicating an interest in further cooperation with each other. It was hoped that the meeting would be the starting point to a

long and fruitful working relationship between the two bodies.

The NACC delegation, consisting of six officers, was met by the President of MIA, Nik Mohd. Hasyudeen Yusoff, the Executive Director, Ho Foong Moi as well as staff of MIA. **AT**



Nik Mohd. Hasyudeen Yusoff in discussion with the NACC delegates

PENANG BRANCH MIA Visits State Director of SSM Penang



MIA Penang Branch Chairperson, Adelena Chong presenting a memento to SSM's Penang State Director, Roslan Hussain

On 1 November 2007, the MIA Penang Branch led by Branch Chairperson, Adelena Chong and Company Law Practice Consultative Group Chairperson Amanda Thum paid a courtesy visit to Suruhanjaya Syarikat Malaysia (SSM). They were greeted by SSM's new Penang State Director,

Roslan Hussain and other officials.

Among the issues discussed were matters pertaining to the recent notice issued by SSM, Kuala Lumpur on 14 September 2007, whereby a company

is not allowed to lodge its annual return without attaching the audited financial statements, unless it is filed with an Exempt Private Company certificate or a letter of confirmation in writing from the Company that the accounts will be tabled at an adjourned Annual General Meeting (AGM).

The MIA delegates also noted SSM's reply to the enquiries forwarded during the last courtesy visit on 10 April 2007 under the stewardship of Tuan Haji Ghazali Ismail, mainly on procedural matters for the application of striking off the Company pursuant to Section 308 of the Companies Act 1965 and the proposed setting up of a branch on Penang Island.

With that, MIA offered to assist SSM in disseminating information, i.e. circulars/notices among their members to keep them abreast with updates to resolve practical issues.

Overall, the courtesy visit was very fruitful with both organisations agreeing to hold regular dialogues to exchange views in the near future. **AT**

SABAH BRANCH 40th Grand Anniversary Celebration at MIA Sabah Branch



A grand celebration of MIA's 40th Anniversary in Sabah. Nik Mohd. Hasyudeen (sixth from right - front row) with YB Datuk Masidi (sixth from left - front row), MIA Sabah Branch Chairperson Alexandra Thien (fifth from left- front row) and other Sabah Branch Committee Members.

MIA Sabah Branch celebrated its 40th Anniversary on 3 November 2007 at the Shangri-La Tanjung Aru Resort. Themed *Value Creation: 40 Excellent Years*, the dinner was attended by 500 members and guests. YB Datuk Masidi Manjun, Minister of Tourism, Culture and Environment graced the occasion.

Among the invited guests were MIA President Nik Mohd. Hasyudeen Yusoff, Executive Director of MASB Dr. Nordin Mohd Zain, Presidents and rep-

resentatives from the various Chambers of Commerce, representatives from professional bodies ACCA, CIMA, CPA Australia and MICPA. Also invited were representatives from other professional services bodies, directors and representatives from the public sector and universities.

In his keynote address YB Datuk Masidi Manjun commented that he was pleased that there were regular dialogues between MIA and the Sabah Government as such close part-

nerships created a more conducive business environment for the country. He also said the Sabah Government valued the work of MIA in its drive to enhance the standards of the profession in the country and at international levels in addition to the services and support the Government has always received from its members. He expressed his confidence that MIA would continue to contribute to the dynamism and vibrancy of the Malaysian economy in the challenging years ahead. **AT**

“Enhancing Corporate Governance through Effective Legal Enforcements”



Participants paying close attention during the seminar

Following a series of half-day seminars on “Latest Updates of the Companies Act 1965” held consecutively in Ipoh, Penang, Johor Bahru and Melaka, a fifth seminar took place in Kuala Lumpur on 21 November 2007 at the Parkroyal Hotel in Jalan Bukit Bintang. The seminar was jointly organised

with the Companies Commission of Malaysia (SSM). With over 250 participants, the session was pre-

sented by SSM’s Director of Corporate Development and Policy Division Azryain Borhan, and Senior Manager of Corporate Policy, Planning and Development Lai Kar Fong.

Apart from informing the participants about updates in corporate governance, the seminar also included a lively question and answer session as participants were interested in finding out more about the legal provisions. This is seen as an encouraging development as organisations need to be cognisant of such developments in the quest for national economic competitiveness.

The aim of the presentation was to study the significant changes brought about to the corporate governance structure in Malaysia following The Companies (Amendment) Bill 2007 and its key areas of amendments to facilitate the electronic lodgement services for company documents with SSM. **AT**

“Refresh Your Knowledge on Company Law & Practice”

You may already be a director or working towards a qualification as a company secretary and wish to enhance your career prospects in the company you are employed in.

The MIA-CPE is organising a one-day course on *Company Law & Practice* at Armada Hotel, Petaling Jaya on 17 January 2008. It will provide a concise yet clear explanation of the principles under the Companies Act, including company secretarial practices that are involved in executing the law. It will also provide

you with the guidelines and case references on the vital issues, thus getting you up-to-date even if you have previous knowledge or experience of company law.

Businessmen, entrepreneurs, management personnel and professionals involved in corporate administration will also find this handy as a guide to understanding the legal and regulatory compliance aspects of companies and the internal procedures required to regularise business operations.

Company law is an important area of legal regulation, which, however directly or indirectly, affects us all. Limited to only 35 seats! Hurry, call in to register now at 03-2279 9200 Ext 134 with Ms. Watie! **AT**



“It will also provide you with the guidelines and case references on vital issues, thus getting you up-to-date even if you have previous knowledge or experience of company law.”

Association of Chartered Certified Accountants ▼

ACCA Works with Employers to Provide Learning and Development Opportunities

ACCA works with employers to support learning and development of ACCA trainees and members around the world, at national and international levels, through the ACCA Approved Employer programme.

Organisations recognised as an ACCA Approved Employer demonstrate that they meet global best practices in the provision of learning and development opportunities for ACCA trainees and members.

ACCA continues to work in partnership with Approved Employers in Malaysia through various training and professional development programmes for ACCA members and their finance teams.

On 16 August 2007, ACCA and KPMG organised a lunch talk for KPMG's senior managers on the topic "XBRL and IRFS". Kurt Ramin, Director, International Accounting Standards Committee Foundation presented the one-hour talk.

"ACCA continues to work in partnership with Approved Employers in Malaysia through various training and professional development programmes for ACCA members and their finance teams."

On the same day ACCA also partnered with Sime Darby in organising a one-day workshop on *Financial Instruments: Recognition, Measurement, Disclosure and Requirements* for Finance teams. Lim Geok Heng facilitated the informative workshop.

The month of September 2007 kicked off with training sessions at the BASF Asia-Pacific Service Centre Sdn Bhd on 10 September 2007. The workshop on *Business Writing Skills* received participation from 22 staff members including ACCA members. The second workshop held on 12 & 13 September also focused on the same topic. Both workshops were presented and facilitated by Kiki Ng. Indeed the in-house training collaboration between ACCA and the BASF group produced positive feedback and responses from its staff on its benefits and practical implementation at work.

Meanwhile a talk titled *Interpreting and Analysing Financial Reports for Accounts Supervisors, Executives and Assistant Financial Controllers* was

organised for YTL Berhad's employees. The content had been designed in relevance to the services industry. The workshop took place on 20 & 21 September 2007 and was presented by Lim Geok Heng.

ACCA Approved Employers' in-house training continued on 22 September 2007. This time, the training was conducted for the employees of Golden Horses Palace Berhad on FRS updates. There were



Staff of BASF Asia-Pacific Service Centre Sdn Bhd concentrating during the Business Writing Skills workshop



All smiles from YTL staff

31 participants at the training session.

Another ACCA Approved Employer, Malaysia Airlines Berhad partnered with ACCA to conduct leadership training for its senior management employees. Dr. Jun Toh facilitated the workshop based on a best-selling leadership book by John C. Maxwell, *Developing the Leader Within You*.

The insightful content of the workshop brought to life the keys to exceptional leadership that has profoundly affected the daily behaviour of those in positions of influence.

The discussions were designed to help participants to make practical applications in their unique work environment. In addition to that, participants were assisted in creating a LEADERSHIP ACTION PLAN to ensure behavioural changes as almost 80 per cent of what is learned in most training environments is lost because it is not implemented and applied with consistency and accountability. **AT**

"The insightful content of the workshop brought to life the keys to exceptional leadership that has profoundly affected the daily behaviour of those in positions of influence."

PUBLIC MUTUAL CLASSIFIED ADVERT

“CIMA’s interest in this topic is centred on the role of the management accountant in the formation of such relationships and the management of these relationships once they are established.”

Chartered Institute of Management Accountants ▼

The Role of the Accountant in Innovative Organisational Relationships

A new research initiative has been launched by CIMA on the topic of ‘The Role of the Accountant in Innovative Organisational Relationships’. Such relationships include offshoring and outsourcing, joint ventures and supplier partnerships. CIMA’s interest in this topic is centred on the role of the management accountant in the formation of such relationships and the management of these relationships once they are established.

CIMA’s innovation and development department is currently inviting research proposals from external applicants on this topic. The closing date for applications is 30 April 2008 and short-listed applicants

will be invited to present their proposals to a CIMA review panel.

Some specific topics of interest to CIMA include:

- Is the business case made for such new and fluid models? What can we learn from successful examples?
- How does the governance operate in such organisational relationships?
- How are innovations and learning shared between participants in such relationships?
- How are the risks and rewards fairly shared between participants?
- How do participants protect or share intellectual capital?

For more information on CIMA’s research programme, Visit www.cimaglobal.com/research. **AT**

“Shell used this opportunity to interview and recruit finance personnel for their Shared Service Centre.”

CIMA-Shell Career Day

CIMA and Shell Malaysia jointly held a career day on 24 November for prospective students and finance professionals to learn more about CIMA and career opportunities with Shell finance. Shell used this opportunity to interview and recruit finance personnel for their Shared Service Centre. CIMA will be providing the training for these new employees

as ‘accountants in business’.

The Shell Shared Service Centre in Kuala Lumpur is part of Shell’s global finance operations, providing financial services to Shell companies in the Asia Pacific and the Middle East. Shell has recently been accredited as a global CIMA Development Partner, which means that Shell’s staff development and training programmes meet CIMA’s quality standards. **AT**

New Members of CIMA Celebrate their Achievement



YBhg. Dato’ Ahmad Pardas Senin (right) receiving the Distinguished CIMA Member Award from Michael Eow, President of CIMA Malaysia.

The Membership Graduation ceremony was the last event for the year as CIMA celebrates its 88th anniversary and 30 years in Malaysia. The ceremony was held on 3 November 2007 at the Prince Hotel and Residence, Kuala Lumpur. 46 new Associates and

Fellows of CIMA received their membership scrolls from Michael Eow, President of CIMA Malaysia. Together with families and loved ones, more than 200 people filled the ballroom to join in the joyous occasion.

In conjunction with the graduation ceremony, YBhg. Dato’ Ahmad Pardas Senin, Managing Director and CEO of the UEM Group, received the “Distinguished CIMA Member Award”. He became the award’s first recipient as CIMA Malaysia strives to recognise CIMA members for their achievements and leadership in business. Dato’ Ahmad Pardas Senin has been an active member of CIMA since December 1980.

CIMA Malaysia also took the opportunity to recognise CIMA members who faithfully kept their membership with the Institute for 30 years or more. They each received a certificate of recognition and a gold CIMA lapel pin.

The CIMA Membership Graduation Ceremony is an annual event held to celebrate the attainment of Associate membership by CIMA students who have passed the final CIMA examinations and to recognise the elevation of Associate members to Fellow status. **AT**



Cheers to the new CIMA members. (Front row) CIMA Divisional Council Members and Past Presidents



CPA Australia ▼

Nominations for Election

Malaysia Division members are reminded that the Malaysia Divisional Director is seeking nominations for elections for the Divisional Council. Council terms will be from 1 April 2008 to 31 December 2010. Members are required to lodge the completed nomination form and statement with the Director Malaysia at the location indicated on the nomination form by 5.00 p.m. on Thursday, 31 January 2008. Nomination forms are available on request from the Director Malaysia. Nominations are invited from Associates with voting rights, CPA or FCPA members of the Malaysia Division.

Being on the council is a great opportunity to work on behalf of members in your division. You will represent the membership at internal and external events, and provide support to, and be involved with the division through member liaison activities.

Where there are more nominations than vacancies, a ballot will be held. Results will be announced during the Annual General Meeting (AGM) of the Malaysia Division on 13 March 2008. **AT**

A New CPA Programme Elective

CPA Australia is developing a new elective, International Business, bringing the total number of electives on offer to 10. This new segment, available to all CPA Programme candidates from Semester 2, 2008, will provide candidates with an understanding of the concepts, practice and real-world knowledge necessary to conduct business in an international environment. It will draw on extensive case studies and articles and will include topic areas such as how to manage across cultures, how to conduct business internationally and how to deal with accounting and finance issues in an ever-expanding global business environment. **AT**

“Being on the council is a great opportunity to work on behalf of members in your division. You will represent the membership at internal and external events, and provide support to, and be involved with the division through member liaison activities.”

ERRATA

COLUMNS News from Professional Bodies

We refer to the column titled, **News from Professional Bodies** which was published on page 52 of the November 2007 issue of *Accountants Today*. In the article titled *2007 MICPA Excellence Awards*, the caption of the first picture on the left should read “Tong Seuk Ying receiving a token of appreciation from YBhg. Dato’ Ahmad Johan. She also received the gift on behalf of YBhg. Puan Sri Datin Mary Lee Siew Cheng.”



Tong Seuk Ying receiving a token of appreciation from YBhg. Dato’ Ahmad Johan. She also received the gift on behalf of YBhg. Puan Sri Datin Mary Lee Siew Cheng



EVENT FOCUS

The National Accountants Conference NAC 2007

We refer to the column titled ‘Event Focus’ which was published on page 18 of the December 2007 issue of *Accountants Today*. In

the article titled “The National Accountants Conference (NAC) 2007” the pictures below should have been captioned as:



Datuk Ali Abdul Kadir (right) and Christina Foo speaking during the plenary session “Accountant — Engineer of Corporate Value Growth” while moderator Christopher Bennett looks on



Zaiton Mohd Hassan, MD of Capital Intelligence Advisors speaks during the concurrent session “When CFOs become CEOs, are they up to the Top Job?” while Bennett and ACCA’s Director, ASEAN and Australasia Tay Kay Luan look on.

The errors are regretted.

“The Commemorative Lecture cum Luncheon will provide an opportunity for members of the accountancy profession, the Government, regulatory authorities and the business community to get together to evaluate the most pertinent issues affecting Malaysian and global economies, and the role of the accountancy profession.”

The Malaysian Institute of Certified Public Accountants ▼

MICPA's 49th Anniversary Commemorative Lecture cum Luncheon

The Institute will be holding its 49th Anniversary Commemorative Lecture cum Luncheon on Thursday, 24 January 2008 at 12.30 p.m. at the Mayang Sari Grand Ballroom (Lower Level 3), JW Marriott Hotel, 183 Jalan Bukit Bintang, Kuala Lumpur.

The Commemorative Lecture will be delivered by YBhg. Datuk Zarinah Anwar, Chairman of the Securities Commission titled *Enhancing Confidence in the Capital Market*. The Commemorative Lecture cum Luncheon will provide an opportunity for members of the accountancy profession, the Government, regulatory authorities and the business community to get together to evaluate the most pertinent issues affecting Malaysian and global economies, and the role of the accountancy profession.

In this regard, we have the pleasure in inviting you, your colleagues and business associates to the Commemorative Lecture cum Luncheon. For further information, contact Vicky Rajaretnam, Public Affairs & Communications Manager on Tel: 03-2698 9622 or e-mail: vic.pr@micpa.com.my. **AT**

HELP University College — Annual Book Prize

The MICPA supports HELP University College's initiative in encouraging accountancy students to strive for excellence in their academic pursuits and has sponsored the MICPA Annual Book Prize for the Best

Student in Financial Reporting/External Reporting from the Charles Sturt University Programme. For 2007, the MICPA Annual Book Prize was won by Dan Su Wei. Mr. Ken Pushpanathan, Council Member of the Institute, presented the book prize at the awards presentation ceremony held on 25 October 2007. **AT**

MICPA Participates in Career Fairs & Exhibitions

The Institute participates actively in career fairs and exhibitions across the country to promote accountancy as a career, and in particular to create greater awareness of the Malaysia CPA Programme. Among them were:

- National Accountants Conference 2007 Exhibition under the Professional Accountancy Pavilion from 12-13 November 2007 at the Kuala Lumpur Convention Centre;
- Career Talk to Universiti Tun Abdul Razak (UNITAR) Accounting Students on 20 November 2007. Ahmad Shahrul Hj. Mohamed, a member of the MICPA and Young CPA Group presented a Career Talk on *The Making of a CPA*. He also shared his experiences as a CPA and highlighted the career opportunities available to CPAs in public practice, business and the private sector;
- Career Talk to Universiti Tunku Abdul Rahman (UTAR) Accounting Students on 28 November 2007. Foo Yoke Pin, Executive Director of MICPA presented a Career Talk on *The Making of a CPA*. **AT**

MICPA-Bursa Malaysia Business Forum 2007



One for the album from Left to Right: Mr. Seow Yoo Lin, Dr. Veerinderjeet Singh, YBhg. Datuk Yusli Mohd Yusof, YBhg. Dato' Nordin Baharuddin, YB Dato' Dr. Awang Adek bin Hussin, Mr Ken Pushpanathan and YBhg. Datuk Ali Kadir.

The MICPA-Bursa Malaysia Business Forum 2007 was successfully held from 3-4 September 2007 at Shangri-La Hotel Kuala Lumpur. YB Dato' Dr. Awang Adek Hussin, Deputy Minister of Finance II delivered the Keynote Address focusing on the theme of the Business Forum, *Malaysia — The New Arena* and declared the Business Forum Open.

Also present was YBhg. Datuk Yusli Mohamed Yusoff, Chief Executive Officer of Bursa Malaysia Berhad who delivered the Opening Address and YBhg. Dato' Nordin Baharuddin, President of MICPA who delivered the welcome address.

The MICPA-Bursa Malaysia Business Forum aims to provide an invaluable platform for the exchange of ideas and experiences on the strategies and measures undertaken to promote and to strengthen the growth of businesses in light of

greater competitiveness and integration of the world economy.

Participants had a dynamic experience as they were led in discussions by some 24 prolific speakers in the following six plenary sessions:

- Positioning Malaysia as the Global Islamic Financial Centre.
- Free Trade Agreements — Impact on Malaysia's Business.
- New Growth Corridor in Malaysia — Iskandar Development Region's (IDR) Corporate Social Responsibility (CSR).
- Building Growth through Mergers and Acquisitions.
- Investment in Asia — Opportunities, Risks and Rewards.
- Case Study on China, India and Vietnam.

The Business Forum discussed initiatives developed to promote investment in the new regional growth corridor and to strengthen Malaysia's position as a global Islamic financial hub. Participants also had the opportunity to understand the efforts undertaken by the Government to expand the scope and coverage of its regional arrangements to ensure greater access to markets as well as trade and investment opportunities whilst protecting the environment through corporate social responsibility. **AT**

MALAY\$IAN TAX

This column highlights the gazette orders issued in respect of the various Malaysian revenue legislation, particularly the Income Tax Act 1967 [Act 53], Customs Act 1967 [Act 235], Sales Tax Act 1972 [Act 64], Service Tax Act 1975 [Act 151], Excise Act 1976 [Act 176] and Promotion of Investments Act 1986 [Act 327].

All gazette orders issued between 5 November 2007 and 14 December 2007 are summarised below.

Customs (Values) (Palm Oil) (No. 45) Order 2007 PU(A) 363/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 5 November 2007.

The value of crude palm oil is RM2,865.00 per tonne for the purpose of customs duty.

This Order takes effect from 5-11 November 2007. [AT](#)

Customs (Values) (Crude Petroleum Oil) (No. 22) Order 2007 PU(A) 369/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 8 November 2007.

The value of various types of crude petroleum oil was quantified for customs duty purposes.

This Order takes effect from 8-21 November 2007. [AT](#)

Income Tax (Exemption) (No. 17) Order 2007 PU(A) 371/2007

This Order was issued by the Minister of Finance pursuant to Section 127(3)(b) of the Income Tax Act 1967. It was gazetted and published on 12 November 2007.

A BioNexus status company's income from a new business or expansion project is exempted from income tax. The exemption lasts for 10 consecutive years for a new business. The exemption commences from the first year of assessment of the company's statutory income from the new business. For an expansion project, the exemption lasts for five consecutive years. The latter exemption includes income from both the expansion project and the company's existing approved business.

Definitions

- a) A BioNexus status company means a company:
- incorporated under the Companies Act 1965;
 - engaged in life sciences business; and
 - approved by the Minister.
- b) The Order defines life sciences as *"any several branches of science, such as biology, medicine, anthropology or ecology, that deals with living organisms and their organisation, life processes, and relationships to each*

other and their environment."

- c) A new business means the first approved business of a BioNexus status company. An expansion project means:
- a project undertaken by a BioNexus status company in expanding its existing approved business;
 - the business has not been granted exemption under this Order and Income Tax (Exemption) (No. 18) Order 2007; and
 - a new investment is involved.

Losses

- The adjusted losses of a BioNexus status company can be carried forward.
- This includes losses from the commencement of business and during the tax-exempt period.

Deductions for promotion of exports

- Expenditure allowed as deductions during the exempt period under Section 41 of the Promotion of Investments Act 1986 [Act 327] can be claimed after the tax exempt period.
- The expenditure must be claimed in the first year after the tax-exempt period.

Deductions for research

- Expenditure allowed as deductions during the exempt period under Section 34A of the ITA 1967 can be claimed after the tax-exempt period.
- The expenditure must be claimed in the first year after the tax-exempt period.

Capital allowance

- A BioNexus status com-

pany enjoys capital allowance.

Withdrawal

- The Minister may withdraw the exemption if a BioNexus status company breaches the conditions for approval by the Minister.

Separate account

- A separate account is required for income from the new business or expansion project.

Schedule 7A of the Income Tax Act 1967

- Paragraphs 5 and 6 of Schedule 7A applies to exempted income.

Non-application

- This Order does not apply if:
 - the new business or expansion project does not commence within a year from the date of approval;
 - the new business or expansion project does not commence after the extended approval period; or
 - the company has been granted one of the 13 incentives specified in paragraph 11 of this Order.

This Order is deemed to take effect from 1 May 2005. [AT](#)

Income Tax (Exemption) (No. 18) Order 2007 PU(A) 372/2007

This Order was issued by the Minister of Finance pursuant to Section 127(3)(b) of the Income Tax Act 1967. It was gazetted and published on 12 November 2007.

A BioNexus status company's income from a new business or expansion project is exempted from income tax. The exemption is equivalent to the company's total qualifying capital expenditure for five years. Commencement of the

five years is determined by Malaysian Biotechnology Corporation Sdn Bhd. For a new business, the exemption period commences on the first expenditure date. The first expenditure date must be either on or after 1 May 2005 or within 3 years from the BioNexus status company's approval date, whichever is later.

For an expansion project, the exemption period commences on the first expenditure date. However, it must not be before the project's application date.

This Order is deemed to take effect from 1 May 2005. **AT**

Income Tax (Deduction for Investment in a BioNexus Status Company) Rules 2007

PU(A) 373/2007

These Rules were issued by the Minister of Finance pursuant to Section 154(1)(b) of the Income Tax Act 1967. It was gazetted and published on 12 November 2007.

A company or individual may deduct from their adjusted income, investment in a BioNexus company. The individual must be a Malaysian citizen and resident with a business source. The investment made must be:

- a) for a period and amount approved by the Minister;
- b) for financing activities at a seed capital stage or early stage of a new business activity; and
- c) held for five years if it is in issued shares capital.

The application for deduction must be made through Malaysian Biotechnology Corporation Sdn Bhd on or after 1 May 2005. If the investment was made before the first approved business, it is deemed to be

made on the date the business commences.

If the investment:

- a) was deducted from adjusted income; and
- b) was in issued shares capital and sold later;

the consideration received is taxable. However, the amount subject to taxation should not exceed the total deduction made. For shares disposed five years after the last investment, the consideration is tax-exempt.

If the BioNexus status company makes its first statutory income, the deduction allowed under these Rules ceases to apply.

These Rules are deemed to take effect from 1 May 2005. **AT**

Income Tax (Industrial Building Allowance in a BioNexus Status Company) Rules 2007

PU(A) 374/2007

These Rules were issued by the Minister of Finance pursuant to Section 154(1)(b) of the Income Tax Act 1967. It was gazetted and published on 12 November 2007.

A BioNexus status company is entitled to an industrial building allowance if:

- a) it has a new business or expansion project; and
- b) it incurred qualifying building expenditure.

The allowance amount:

- a) is one tenth of the qualifying building expenditure; and
- b) can be claimed for 10 years.

For expenditure incurred before the new business or expansion project commenced, it is deemed to be incurred on the business commencement date. The date:

- a) is determined by the Ma-

laysian Biotechnology Corporation Sdn Bhd; and

- b) must not be earlier than 2 September 2006.

The allowance is withdrawn if the qualifying building is disposed within two years from the completion or acquisition date. The withdrawal takes effect in the year the building was disposed.

These Rules are deemed to take effect from 2 September 2006. **AT**

Customs (Values) (Palm Oil) (No. 46) Order 2007

PU(A) 375/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 12 November 2007.

The value of crude palm oil is RM 2,907.17 per tonne for the purpose of customs duty.

This Order takes effect from 12-18 November 2007. **AT**

Customs (Values) (Palm Oil) (No. 47) Order 2007

PU(A) 384/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 19 November 2007.

The value of crude palm oil is RM 2,955.92 per tonne for the purpose of customs duty.

This Order takes effect from 19-25 November 2007. **AT**

Customs (Values of Imported Completely Built-Up Motor Vehicles) (New) (Amendment) (No. 2) Order 2007

PU(A) 387/2007

This Order was issued by the Minister of Finance pursuant to

Section 12 of the Customs Act 1967. It was gazetted and published on 22 November 2007.

Various amendments are made to the *Customs (Values Of Imported Completely Built-Up Motor Vehicles) (New) Order 2006*. PU(A) 108/2007.

This Order came into effect on 22 November 2007. **AT**

Customs (Values) (Crude Petroleum Oil) (No. 24) Order 2007

PU(A) 388/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 22 November 2007.

It values various types of crude petroleum oil for the purpose of customs duty.

This Order takes effect from 22 November to 5 December 2007. **AT**

Customs (Values) (Palm Oil) (No. 48) Order 2007

PU(A) 389/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 26 November 2007.

The value of crude palm oil is RM 2,951.90 per tonne for the purpose of customs duty.

This Order takes effect from 26 November to 2 December 2007. **AT**

Entertainments Duty (Exemption) (No. 21) Order 2007

PU(A) 390/2007

This Order was issued by the Minister of Finance pursuant to Section 12(1)(b) of the Entertainments Duty Act 1953. It was gazetted and published on 27

November 2007.

The *Aesop's Fables* show is exempted from entertainments duty. The show was held from 6-23 December 2007 at The Actors Studio, Bangsar Shopping Complex.

In accordance with Section 19(1) of the Interpretation Acts 1948 and 1967 [Act 388], this Order comes into force on 28 November 2007. **AT**

Stamp Duty (Exemption) (No. 8) Order 2007 PU(A) 394/2007

This Order was issued by the Minister of Finance pursuant to Section 80(1) of the Stamp Act 1949 [Act 378]. It was gazetted and published on 29 November 2007.

Instruments executed for an approved merger or acquisition scheme are exempted from stamp duty. The exemption applies if the merger or acquisition is:

- approved by the Securities Commission;
- approved between 1 January 2008 and 31 December 2010;
- between public-listed companies; and
- executed not later than 31 December 2011.

This Order takes effect from 1 January 2008. **AT**

Customs (Values) (Palm Kernel) (No. 11) Order 2007 PU(A) 396/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 1 December 2007.

Customs duty for palm kernel is RM 2,162.67 per tonne.

This Order takes effect from 1-31 December 2007.

Customs (Values) (Palm Oil) (No. 49) Order 2007 PU(A) 398/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 3 December 2007.

The value of crude palm oil is RM 2,953.08 per tonne for the purpose of customs duty.

This Order takes effect from 3-9 December 2007. **AT**

Customs (Values) (Crude Petroleum Oil) (No. 25) Order 2007 PU(A) 400/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 6 December 2007.

It values various types of crude petroleum oil for the purpose of customs duty.

This Order takes effect from 6-19 December 2007. **AT**

Entertainments Duty (Exemption) (No. 22) Order 2007 PU(A) 401/2007

This Order was issued by the Minister of Finance pursuant to Section 12(1)(b) of the Entertainments Duty Act 1953. It was gazetted and published on 6 December 2007.

The *Ziryab International Music & Arts Festival* show is exempted from entertainments duty. The show was held from 24 July 2007 to 31 August 2007 at the Crowne Plaza Mutiara, KLCC Plenary Hall and Hotel Shangri-La, Kuala Lumpur.

In accordance with Section 19(1) of the Interpretation Acts 1948 and 1967 [Act 388], this Order came into force on 7 December 2007.

Stamp Duty (Remission) (No. 3) Order 2007 PU(A) 402/2007

This Order was issued by the Minister of Finance pursuant to Section 80(2) of the Stamp Act 1949 [Act 378]. It was gazetted and published on 6 December 2007.

A remission of 50 per cent is given to stamp duty chargeable on any instruments of transfer for the purchase of one residential property unit by an individual. The residential property must:

- not cost more than RM 250,000; and
- executed on or after 8 September 2007 but not later than 31 December 2010.

"Residential property" means a house, condominium unit, apartment or flat built as a dwelling house.

This Order is deemed to take effect from September 2007. **AT**

Customs (Values) (Palm Kernel) (No. 50) Order 2007 PU(A) 404/2007

This Order was issued by the Minister of Finance pursuant to Section 12 of the Customs Act 1967. It was gazetted and published on 10 December 2007.

The value of crude palm oil is RM 2,947.29 per tonne for the purpose of customs duty.

This Order takes effect from 10-16 December 2007. **AT**

Stamp Duty (Exemption) (No. 9) Order 2007 PU(A) 406/2007

This Order was issued by the Minister of Finance pursuant to Section 80(1) of the Stamp Act 1949 [Act 378]. It was gazetted and published on 12 December 2007.

Instruments executed pursuant to the Vendor Petronas Merger Scheme are exempted from stamp duty. The instruments must be executed on or after 8 September 2007 until 31 December 2010.

"Vendor Petronas Merger Scheme" means a merger scheme between companies licensed by Petronas under regulation 3, *Petroleum Regulations 1974 (PU(A) 432/1974)*.

This Order is deemed to take effect from 8 September 2007. **AT**

This column is contributed by S. Saravana Kumar, LL.B (Hons) (London), LL.M (Taxation) (LSE), M.Sc (UCL), Barrister-at-Law, Advocate & Solicitor. He is a tax lawyer with Messrs. Lee Hishammuddin Allen & Gledhill. For further information, e-mail tax@lh-ag.com

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MIA Online

It's an information resource.

It's a business tool.

and a news service.

www.mia.org.my Accountants: Managers of Value



Accountants Around the Globe Celebrate World Accountancy Week

More than 40 member bodies and associates joined IFAC in celebrating World Accountancy Week from 2-8 December 2007. Special events, including conferences, receptions, awards programmes, and media briefings were held in nearly 30 countries worldwide. A list of member bodies and associates' anniversary activities is available on the IFAC website at www.ifac.org/anniversary. In addition, the following activities were organised during World Accountancy Week:

■ **Global Leadership Survey** — IFAC and its member bodies announced the results of IFAC's first annual Global Leadership Survey, in which 115 IFAC member bodies and associates, as well as six regional accountancy organisations, participated. A summary of the findings and a breakdown of responses by question are available at www.ifac.org/globalsurvey.

■ **IFAC World Accountancy Forum** — On 4 December 2007 IFAC hosted a World Accountancy Forum in New York City titled Government, the Accountancy Profession and the Public Trust: Current Initiatives and Future Challenges. Approximately 70 representatives of government, public policy organisations, standard setters, accounting firms, business, and academia attended the event. Video recordings of the Forum were posted on its website by the end of December, and copies will be sent to all member bodies and associates.

■ **IFAC History** — IFAC has released its history that traces the organisation's development, the role of member bodies, and the issues that affected that development. An electronic version of the history is available on the IFAC website (www.ifac.org/anniversary), and printed copies are being sent to member bodies, regional organisations, and board and committee members.

As a result of these activities, to date approximately 100 articles about World Accountancy Week have appeared in business and accountancy media worldwide (excluding member body publications). Member bodies are asked to send copies of media coverage of World Accountancy Week activities in their countries to IFAC's Communications Team at

pr@ifac.org. A final report on IFAC's 30th anniversary will be distributed in early 2008. **AT**

New IFAC Paper sets out Position on Regulation of Profession

During World Accountancy Week, IFAC released a policy position paper on *Regulation of the Accountancy Profession*. The paper sets out IFAC's view that professional accountancy bodies, acting in the public interest, must play an active role in the regulation of the profession in their jurisdictions. The policy position also states that accountancy bodies and governments need to work together to ensure that professional regulation is effective and efficient. The paper is available from the IFAC online bookstore at www.ifac.org/store. **AT**

Tone at the Top and Audit Quality the Focus of New Paper

The Transnational Auditors Committee, the executive committee of the Forum of Firms, has released a paper that summarises current practice in several of the largest networks of international accounting firms and examines how setting the right tone can positively influence audit quality. Entitled *Tone at the Top and Audit Quality*, the paper describes five areas in which management can address tone at the top issues: strategy, communication, job descriptions, performance appraisals, and monitoring. Examples are also provided to further clarify the types of policies and procedures that audit networks are putting in place. This good practice guidance can be downloaded free-of-charge from the IFAC bookstore (www.ifac.org/store). **AT**

IFAC Release Updated Translations Policy Statements and Launches Translations Database

To facilitate translations of its standards and guidance, IFAC has updated two policy statements that address translation issues and has developed a database of translations of its publications. The translations database features languages, publication titles, names of translating organisations and, where available, lists of translated key terms. The database and the policy statements, together with a list of questions and answers, are available on the IFAC website at www.ifac.org/translations. **AT**

Non-Audit Firms

FROM 1-30 NOVEMBER 2007

New Registration

| NON-AUDIT FIRM | NF NO. |
|--|-------------|
| KEDAH DARUL AMAN | |
| Azme & Co | 0916 |
| Lot 4.5, Tingkat 3, Plaza Alor Star Jalan Stesyen, 05000 Alor Setar Tel: 04-730 4201 Fax: 04-730 4201 e-mail: azmee_osman@yahoo.com | |

| SELANGOR DARUL EHSAN | |
|---|-------------|
| Lim Naim & Associates | 0911 |
| 34, SS 15/3A 47500 Subang Jaya Tel: 03-5637 9872 Fax: 03-5637 9872 e-mail: megahyper@gmail.com | |

| | |
|---|-------------|
| LP&Co | 0913 |
| 83, Jalan SS 24/1, Taman Megah 47301 Petaling Jaya Tel: 012-268 1411 Fax: 03-7880 7550 e-mail: lplim11@yahoo.com | |

| | |
|--|-------------|
| Raj, Mohan & Associates | 0914 |
| 12, Jalan 5/33 46000 Petaling Jaya Tel: 03-7954 0292 Fax: 03-7954 0294 e-mail: thuraisingam15@yahoo.com | |

| WILAYAH PERSEKUTUAN | |
|--|-------------|
| Ang & Associates | 0912 |
| No. 11, Jalan 25/154 Taman Bukit Anggerik, Cheras 56000 Kuala Lumpur Tel: 03-9172 1007 Fax: 03-9172 1007 e-mail: damgmt@streamyx.com | |

| | |
|---|-------------|
| YM Tan & Associates | 0915 |
| 22-3, Jalan 54, Desa Jaya Commercial Centre Kepong, 52100 Kuala Lumpur Tel: 012-217 1006 Fax: 03-6280 2832 e-mail: ymtan290@streamyx.com | |

Audit Firms

FROM 1-30 NOVEMBER 2007

Ceased Operation

| AUDIT FIRM | AF NO. |
|---|-------------|
| PULAU PINANG | |
| Tang & Co. | 1358 |
| No. 29B, (Room A), Lorong P. S. 1 Bandar Perda 14000 Bukit Mertajam | |

| WILAYAH PERSEKUTUAN | |
|---|-------------|
| Soon Viru & Co | 0874 |
| No 43-1 Jln Thambapillai Brickfields 50470 Kuala Lumpur | |

ADVERT

... Counting on Humour



Billion Dollar Problem

When Nasa first started sending up astronauts, they discovered ballpoint pens would not work in zero gravity. To combat the problem, Nasa scientists spent a decade and \$12 billion to develop a pen that writes in zero gravity, upside down, underwater, on almost any surface and at temperatures ranging from below freezing to 300°C. The Russians used a pencil.

My Daddy is a Lawyer

While two families were waiting in line to see the Washington Monument, their two five-year-old boys were getting acquainted.

"My name is Joshua. What's yours?" asked the first boy.

"Adam," replied the second.

"My daddy is a doctor. What does your daddy do for a living?" asked Joshua.

Adam proudly replied, "My daddy is a lawyer."

"Honest?" asked Joshua.

"No, just the regular kind," replied Adam.

Happy New Year

A young man at a New Year's party turns to his friend and asks for a cigarette.

"I thought you made a New Year's resolution to quit smoking," his friend says.

"I'm in the process of quitting," the man says.

"Right now, I am in the middle of phase one."

"What's phase one?"

"I've quit buying."



How can you live without knowing these things?

- 1 Many years ago, in Scotland, a new game was invented. It was ruled "Gentlemen Only ... Ladies Forbidden" ... and thus the word GOLF entered into the English language.
- 2 The first couple to be shown in bed together on prime time TV were Fred and Wilma Flintstone.
- 3 Everyday more money is printed for Monopoly than the US Treasury.
- 4 Men can read smaller print better than women can; women can hear better.
- 5 Coca-Cola was originally green.
- 6 It is impossible to lick your elbow.
- 7 The State with the highest percentage of people who walk to work: Alaska
- 8 The percentage of Africa that is in wilderness: 28% (now get this ...) The percentage of North America that is wilderness: 38%
- 9 The average number of people airborne over the US at any given hour: 61,000

Scared of Sleeping

Shakey went to a psychiatrist.

"Doc," he said, "I've got trouble. Every time I get into bed, I think there's somebody under it. I get under the bed, I think there's somebody on top of it. Top, under, top, under. You gotta help me, I'm going crazy!"

"Just put yourself in my hands for two years," said the shrink. "Come to me three times a week, and I'll cure your fears."

"How much do you charge?"

"A hundred dollars per visit."

"I'll sleep on it," said Shakey.

Six months later the doctor met Shakey on the street.

"Why didn't you ever come to see me again?" asked the psychiatrist.

"For a hundred buck's a visit? A bartender cured me for ten dollars."

"Is that so! How?"

"He told me to cut the legs off the bed!" **AT**



You know you're Canadian when:

- You design your Halloween costume to fit over a snowsuit.
- You have more miles on your snow blower than your car.
- Driving is better in the winter because the potholes are filled in with snow.
- The local paper covers national and international headlines on two pages, but require six pages for hockey.
- The municipality buys a Zamboni before a bus.
- You eat chocolate bars, not candy bars, and drink pop, not soda.
- You use a red pen on your non-Canadian textbooks and fill in the missing u's from labor, honor, and color.
- You know how to say 'free', 'prize' and 'no sugar added' in French thanks to your extensive education in bilingual cereal packaging.
- You know what a toque is.
- You've plugged a car in overnight.
- You've defended your property from trespassers with a lacrosse stick because you don't own a gun.



Calendar of Professional Education Programmes

| TOWN | DATE | PLEASE TICK ✓ | TITLE | VENUE | CPE HOURS |
|---------------------------|-----------|--------------------------|---|-----------------------------|-----------|
| Kuala Lumpur and Selangor | 3-4 Jan | <input type="checkbox"/> | Recent Developments in Malaysian Financial Reporting Standards | Concorde KL | 16 |
| | 8-9 Jan | <input type="checkbox"/> | Mixed Development Construction Projects | Seri Pacific Hotel KL | 16 |
| | 14-15 Jan | <input type="checkbox"/> | Project Management for Finance Managers | Parkroyal KL | 16 |
| | 15 Jan | <input type="checkbox"/> | Understanding and Managing Contracts | Concorde KL | 8 |
| | 16 Jan | <input type="checkbox"/> | Customs Facilities for Importers and Exporters | Hilton PJ | 8 |
| | 16-17 Jan | <input type="checkbox"/> | Understanding the Accounting Standards in Preparing Consolidated Financial Statements | Hilton PJ | 16 |
| | 17 Jan | <input type="checkbox"/> | Company Law and Practice | Armada Hotel PJ | 8 |
| | 17 Jan | <input type="checkbox"/> | Introduction to Corporate Taxation and Self Assessment System (Module 1) | Seri Pacific Hotel KL | 8 |
| | 22-23 Jan | <input type="checkbox"/> | An Entrepreneurial Approach to Credit Management and Debt Recovery | Hilton PJ | 16 |
| | 24 Jan | <input type="checkbox"/> | Introduction to Corporate Taxation and Self Assessment System (Module 2) | Seri Pacific Hotel KL | 8 |
| | 24-25 Jan | <input type="checkbox"/> | High Performance Supply Chain and Distributions Operations | Hilton PJ | 16 |
| | 25 Jan | <input type="checkbox"/> | Taxation Issues and Planning for Property Developers Workshop Series Series 2: Property Developers and Land Owners — Tax Cases | Hilton PJ | 8 |
| | 29-30 Jan | <input type="checkbox"/> | Deferred Taxation | Concorde KL | 16 |
| | 31 Jan | <input type="checkbox"/> | Reporting Financial Performance | Concorde KL | 8 |
| | 18 Feb | <input type="checkbox"/> | Basic Principles of Deferred Taxation | Armada Hotel PJ | 8 |
| | 18-19 Feb | <input type="checkbox"/> | Managing Banking Relationships | Seri Pacific Hotel KL | 16 |
| | 18-19 Feb | <input type="checkbox"/> | Deferred Taxation | Concorde KL | 16 |
| | 19 Feb | <input type="checkbox"/> | Audit of Construction Projects | Crystal Crown Hotel PJ | 8 |
| | 20 Feb | <input type="checkbox"/> | Introduction to Corporate Taxation and Self Assessment System (Module 3) | Seri Pacific Hotel KL | 8 |
| | 21-22 Feb | <input type="checkbox"/> | Financial Reporting Standards in Malaysia — Salient Features | Concorde KL | 16 |
| | 25-26 Feb | <input type="checkbox"/> | Construction Contracts (FRS 111), Property Development Activities (FRS 201) and Borrowing Costs (FRS 123) | Concorde KL | 16 |
| | 25-26 Feb | <input type="checkbox"/> | Preparing and Presenting Financial Statements: A Preparer's Perspective | Concorde KL | 16 |
| | 27 Feb | <input type="checkbox"/> | The Joint Venture Agreement | Hilton PJ | 8 |
| | 27-28 Feb | <input type="checkbox"/> | Deferred Taxation | Armada Hotel PJ | 16 |
| | 10-11 Mar | <input type="checkbox"/> | Accounting for Assets | Seri Pacific Hotel KL | 16 |
| | 11 Mar | <input type="checkbox"/> | Company Law and Practice | Concorde KL | 8 |
| | 12-13 Mar | <input type="checkbox"/> | Mixed Development Construction Projects | Hilton PJ | 16 |
| | 12-13 Mar | <input type="checkbox"/> | Recent Developments in Malaysian Financial Reporting Standards | Armada Hotel PJ | 16 |
| | 13 Mar | <input type="checkbox"/> | Introduction to Corporate Taxation and Self Assessment System (Module 4) | Seri Pacific Hotel KL | 8 |
| | 26 Mar | <input type="checkbox"/> | Introduction to Corporate Taxation and Self Assessment System (Module 5) | Seri Pacific Hotel KL | 8 |
| Penang | 7-8 Jan | <input type="checkbox"/> | Loan Syndication: Get Ready for Banks to Finance Construction Projects | Traders Hotel | 16 |
| | 24-25 Jan | <input type="checkbox"/> | Construction Contracts (FRS 111), Property Development Activities (FRS 201) and Borrowing Costs (FRS 123) | Traders Hotel | 16 |
| | 5-6 Mar | <input type="checkbox"/> | An Entrepreneurial Approach to Credit Management and Debt Recovery | Evergreen Laurel Hotel | 16 |
| | 10 Mar | <input type="checkbox"/> | Audit of Construction Projects | Traders Hotel | 8 |
| | 17-18 Mar | <input type="checkbox"/> | Introduction to Corporate Taxation and Self Assessment System | Bayview Georgetown Penang | 16 |
| | 26-27 Mar | <input type="checkbox"/> | Understanding the Accounting Standards in Preparing Consolidated Financial Statements | Traders Hotel | 16 |
| Ipoh | 14-15 Jan | <input type="checkbox"/> | Accounting for Assets | Impiana Casuarina | 16 |
| | 20 Feb | <input type="checkbox"/> | Understanding and Managing Contracts | Impiana Casuarina | 8 |
| Seremban | 7-8 Jan | <input type="checkbox"/> | Recent Developments in Malaysian Financial Reporting Standards | Allson Klana Resort | 16 |
| | 26-Feb | <input type="checkbox"/> | Understanding and Managing Contracts | Allson Klana Resort | 8 |
| Melaka | 22 Feb | <input type="checkbox"/> | Understanding and Managing Contracts | Allson Klana Resort | 8 |
| Johor Bahru | 14-15 Jan | <input type="checkbox"/> | Introduction to Corporate Taxation and Self Assessment System | Mutiara Hotel | 16 |
| | 21-22 Jan | <input type="checkbox"/> | Recent Developments in Malaysian Financial Reporting Standards | The Puteri Pacific Hotel JB | 16 |
| | 25-26 Feb | <input type="checkbox"/> | An Entrepreneurial Approach to Credit Management and Debt Recovery | Hyatt Regency JB | 16 |
| Kuching | 15 Jan | <input type="checkbox"/> | Taxation Issues and Planning for Property Developers Workshop Series Series 2: Property Developers and Land Owners — Tax Cases | Hilton Kuching | 8 |
| | 4-5 Mar | <input type="checkbox"/> | Deferred Taxation | Hilton Kuching | 16 |
| | 13-14 Mar | <input type="checkbox"/> | An Entrepreneurial Approach to Credit Management and Debt Recovery | Holiday Inn Kuching | 16 |
| Sibu | 6-7 Mar | <input type="checkbox"/> | Deferred Taxation | Tanahmas Hotel, Sibu | 16 |
| Kota Kinabalu | 14 Jan | <input type="checkbox"/> | Taxation Issues and Planning for Property Developers Workshop Series Series 2: Property Developers and Land Owners — Tax Cases | Shangri-La Tanjung Aru | 8 |
| | 10-11 Mar | <input type="checkbox"/> | An Entrepreneurial Approach to Credit Management and Debt Recovery | Shangri-La Tanjung Aru | 16 |

Calendar of Professional Education Programmes

| TOWN | DATE | PLEASE TICK ✓ | TITLE | VENUE | CPE HOURS |
|--------------------------|--------------------------|----------------------------------|--|-------------------|-----------|
| MCSB COURSES | | | | | |
| Kuala Lumpur | 7-8 Jan | <input type="checkbox"/> | Microsoft Word 2000 (Basic and Intermediate) | MCSB, KL | 16 |
| | 21-22 Jan | <input type="checkbox"/> | Microsoft Word 2000 (Advanced) | MCSB, KL | 16 |
| | 7-8 Jan | <input type="checkbox"/> | Microsoft Excel 2000 (Basic and Intermediate) | MCSB, KL | 16 |
| | 23-24 Jan | <input type="checkbox"/> | Microsoft Excel 2000 (Advanced) | MCSB, KL | 16 |
| | 11 Jan | <input type="checkbox"/> | Microsoft PowerPoint 2000 (Basic and Intermediate) | MCSB, KL | 8 |
| | 25 Jan | <input type="checkbox"/> | Microsoft PowerPoint 2000 (Advanced) | MCSB, KL | 8 |
| | 14-15 Jan | <input type="checkbox"/> | Microsoft Access 2000 (Basic and Intermediate) | MCSB, KL | 16 |
| | 28-30 Jan | <input type="checkbox"/> | Microsoft Access 2000 (Advanced) | MCSB, KL | 24 |
| | 9 Jan | <input type="checkbox"/> | Introduction to Networking | MCSB, KL | 8 |
| | 3-4 Jan | <input type="checkbox"/> | Designing Web Pages with MS FrontPage | MCSB, KL | 16 |
| | 4-5 Feb | <input type="checkbox"/> | Microsoft Word 2000 (Basic and Intermediate) | MCSB, KL | 16 |
| | 4-5 Feb | <input type="checkbox"/> | Microsoft Excel 2000 (Basic and Intermediate) | MCSB, KL | 16 |
| | 13-14 Feb | <input type="checkbox"/> | Microsoft Excel 2000 (Advanced) | MCSB, KL | 16 |
| | 6 Feb | <input type="checkbox"/> | Microsoft PowerPoint 2000 (Basic and Intermediate) | MCSB, KL | 8 |
| | 15 Feb | <input type="checkbox"/> | Microsoft PowerPoint 2000 (Advanced) | MCSB, KL | 8 |
| | 14-15 Feb | <input type="checkbox"/> | Microsoft Access 2000 (Basic and Intermediate) | MCSB, KL | 16 |
| | 25-27 Feb | <input type="checkbox"/> | Microsoft Access 2000 (Advanced) | MCSB, KL | 16 |
| | 28 Feb | <input type="checkbox"/> | Introduction to Networking | MCSB, KL | 8 |
| | 26-27 Feb | <input type="checkbox"/> | Designing Web Pages with MS FrontPage | MCSB, KL | 16 |
| | 4-5 Feb | <input type="checkbox"/> | Microsoft Project 2003 (Basic and Intermediate) | MCSB, KL | 16 |
| | 3-4 Mar | <input type="checkbox"/> | Microsoft Word 2000 (Basic and Intermediate) | MCSB, KL | 16 |
| | 17-18 Mar | <input type="checkbox"/> | Microsoft Word 2000 (Advanced) | MCSB, KL | 16 |
| | 5-6 Mar | <input type="checkbox"/> | Microsoft Excel 2000 (Basic and Intermediate) | MCSB, KL | 16 |
| | 18-19 Mar | <input type="checkbox"/> | Microsoft Excel 2000 (Advanced) | MCSB, KL | 16 |
| | 7 Mar | <input type="checkbox"/> | Microsoft PowerPoint 2000 (Basic and Intermediate) | MCSB, KL | 8 |
| | 28 Mar | <input type="checkbox"/> | Microsoft PowerPoint 2000 (Advanced) | MCSB, KL | 8 |
| | 10-11 Mar | <input type="checkbox"/> | Microsoft Access 2000 (Basic and Intermediate) | MCSB, KL | 16 |
| 24-26 Mar | <input type="checkbox"/> | Microsoft Access 2000 (Advanced) | MCSB, KL | 16 | |
| 21 Mar | <input type="checkbox"/> | Introduction to Networking | MCSB, KL | 8 | |
| PENTAWISE COURSES | | | | | |
| Kuala Lumpur | 16 Jan | <input type="checkbox"/> | Analysing Financial Data with Microsoft Excel | PentaWise Sdn Bhd | 8 |
| | 17-18 Jan | <input type="checkbox"/> | Tasks Automation using Microsoft Excel Macro/VBA | PentaWise Sdn Bhd | 16 |
| | 21 Jan | <input type="checkbox"/> | Expanding Microsoft Excel Charts | PentaWise Sdn Bhd | 8 |
| | 22-23 Jan | <input type="checkbox"/> | Microsoft Excel Functions and Formulas | PentaWise Sdn Bhd | 16 |
| | 20 Feb | <input type="checkbox"/> | Analysing Financial Data with Microsoft Excel | PentaWise Sdn Bhd | 8 |
| | 21-22 Feb | <input type="checkbox"/> | Tasks Automation using Microsoft Excel Macro/VBA | PentaWise Sdn Bhd | 16 |
| | 25 Feb | <input type="checkbox"/> | Expanding Microsoft Excel Charts | PentaWise Sdn Bhd | 8 |
| | 26-27 Feb | <input type="checkbox"/> | Microsoft Excel Functions and Formulas | PentaWise Sdn Bhd | 16 |
| | 17 Mar | <input type="checkbox"/> | Analysing Financial Data with Microsoft Excel | PentaWise Sdn Bhd | 8 |
| | 18-19 Mar | <input type="checkbox"/> | Tasks Automation using Microsoft Excel Macro/VBA | PentaWise Sdn Bhd | 16 |
| | 24 Mar | <input type="checkbox"/> | Expanding Microsoft Excel Charts | PentaWise Sdn Bhd | 8 |
| | 25-26 Mar | <input type="checkbox"/> | Microsoft Excel Functions and Formulas | PentaWise Sdn Bhd | 16 |

Yes! I would like to know more about the programmes ticked above.
Please send the information to:

Contact Person: _____

Organisation: _____

Address: _____

Tel: _____ Fax: _____



FOR FURTHER INFORMATION PLEASE MAIL, FAX OR E-MAIL TO:

Malaysian Institute of Accountants

Dewan Akauntan, 2 Jalan Tun Sambanthan 3

Brickfields, 50470 Kuala Lumpur

Tel: +603-2279 9200 Fax: +603-2273 5167

e-mail: cpe@mia.org.my

Homepage: www.mia.org.my