

# ACCOUNTANTS today

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## Cord Blood Banking Panacea or Puffery?

Wenddi-Anne Chong  
Executive Director of CryoCord Sdn Bhd

■ Audit Interview : Are You Ready?

■ 2004 Budget : What Else?



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(Malaysia)



A Monthly Publication of the Malaysian Institute of Accountants

*Inside*

**Special  
Section on  
NAC 2003**



**Malaysian Institute of Accountants**  
(Established under the Accountants Act, 1967)

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

The functions of the Institute are, *inter alia* :

- 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.

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## EDITOR'S NOTE

# Prevention is better than cure

**T**his adage usually refers to a physical illness that may afflict our bodies. Alternatively, it can also be applied to our working environment, especially when we see or hear of any wrongdoing happening there. It would have been easier to just keep our eyes closed and our ears plugged than risk being labelled as a whistle blower or worse, tittle-tattle.

But, ask yourself, is it the right thing to do? Especially when as the accountant, you are in a position to actually right the wrongdoing or even repair the damage that was done. Would you be able to live with your conscience when you know that by keeping things to yourself means you are actually abetting with the wrongdoers?

Of late, heated discussions have been heard concerning the Securities Commission and the Kuala Lumpur Stock Exchange's noble intentions of facilitating whistle blowers so that corporate wrongdoings will be brought out into the open. There are, as usual, the pessimists and the optimists.

The pessimists naturally argue that who wants to throw sand into someone's rice bowl? It is even considered suicidal to go against the Big Boys as it may backfire and the guy with the big mouth will find himself infinitely "unemployable". Further, they say, although there are sufficient laws and regulations, implementation is still a big headache, citing inexperience and lack of direction.

The optimists on the other hand, argue that such acts are necessary if the country is to progress and become a role model in corporate transparency. No doubt that all these are easier said than done but it seems that at least the powers that be in this country are doing something positive.

Every little step undertaken by the governing bodies such as formulating the accounting standards or corporate governance policies takes us closer to reaching the ultimate in corporate accountability and transparency. Even the publishing of annual reports has become exciting for companies since the introduction of NACRA that emphasises substance rather than form.

The ball is now at the feet of the corporations, whether to play by the rules or going against the laid down code of ethics.

Now that I've mentioned ethics, a new kind of banking system has been making waves on the Malaysian technology front. It's not banking of the money kind that I'm talking about. It's banking of the cord blood stem cells.

This month's cover looks at cord blood banking as a form of "bio-insurance" that may help save your baby's life later on in his life. Akin to how your savings are for those anticipated "rainy days." In practice, families may bank their babies' cord blood for future use in cryovials that are then placed in liquid nitrogen. This may strike you as a scene from a sci-fi flick but it is already happening in Malaysia. And, where else but in Cyberjaya? **AT**

*Editor*

**ACCOUNTANTS TODAY**

## LETTERS TO THE EDITOR

A key element in the world of publishing is what readers have to say.

We want to hear from you on just about anything that appears in each issue of *ACCOUNTANTS TODAY*. Why not drop us a line now?

## CONTRIBUTION OF ARTICLES

*Accountants Today* welcomes original and previously unpublished contributions which are of interest to accountants, 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 or Bahasa Malaysia and range from 2,500 to 5,000 words (double-spaced, typed pages). They should be submitted in hardcopy and diskette (3.5 inch) form in Microsoft Word or Lotus Wordpro. Manuscripts are subject to a review procedure and the Editor reserves the right to make amendments which may be appropriate prior to publication.

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*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 journal are not necessarily those of the MIA or its Council. Contributions including letters to the Editor and comments on articles appearing in the journal are welcomed and should be sent to the Editor as addressed below. All materials appearing in the *Accountants Today* are copyright and cannot be reproduced in whole or in part without written permission from the Editor.

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**Malaysian Institute of Accountants**  
(Established under the Accountants Act, 1967)

## 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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# NOTICE TO MEMBERS

## 17th Annual General Meeting 27 September 2003

The Institute's 17th Annual General Meeting (AGM) will be held on **Saturday, 27 September 2003 at 2.30 p.m.** at Dewan Tun Dr Ismail, Putra World Trade Centre, 41 Jalan Tun Ismail, 50480 Kuala Lumpur.

The important dates relating to the 17th AGM are as follows :

**Close of Motions** — on or before 5.00 p.m. on 12 September 2003

**Lodgment of Proxies** — on or before 2.30 p.m. on 25 September 2003

**Lodgment of Ballot papers (delivery or post)** — on or before 2.30 p.m. on 26 September 2003

**Lodgment of Ballot papers at the AGM (in person)** — on or before 2.30 p.m. on 27 September 2003

The 17th AGM papers including the Notice of AGM and Agenda have been circulated to members. Members can also download the 17th AGM papers from the Institute's website at [www.mia.org.my](http://www.mia.org.my). **AT**

## Exposure Draft on the Proposed Amendments to By-Law B-1 of the Institute's By-Laws (On Professional Conduct and Ethics) on Professional Independence

Notification of the Exposure Draft on the proposed amendments to By-Law B-1 on Professional Independence was circulated to all members pursuant to Circular No.9 /2003 dated 30 June 2003. The Exposure Draft, which was released on 30 June 2003 for comment and feedback from members, is available at the Institute's website at [www.mia.org.my](http://www.mia.org.my). The closing date for responses on the Exposure Draft is **30 September 2003**. Members are reminded to submit any feedback or comments on the Exposure Draft, in writing to the Institute on or before 30 September 2003, either by letter/facsimile or e-mail to [regulatory@mia.org.my](mailto:regulatory@mia.org.my). **AT**

## Guidelines and Procedures on Motions

So as to facilitate the Annual General Meetings of the Institute and to effectively manage the debate and discussion at such meetings, various guidelines and procedures have been formulated

and approved by the Council of the Institute in respect of any motions proposed by members at the Institute's Annual General Meetings. The guidelines and procedures on motions as approved by the Council of the Institute are available on the Institute's website at [www.mia.org.my](http://www.mia.org.my). Please note that these guidelines and procedures on motions must be read subject to the Accountants Act 1967 and the Malaysian Institute of Accountants (Membership & Council) Rules 2001.

Any queries on the above should be forwarded in writing to the Institute or via e-mail to [regulatory@mia.org.my](mailto:regulatory@mia.org.my). **AT**

## Search fees — bankruptcy and companies winding-up

**The Gazetteing of the Bankruptcy (Fees) (Amendment) Rules 2003 and Companies (Winding-up) (Amendment) Rules 2003 Relating to Bankruptcy Search Fees, Companies Winding-up Search Fees and the Deposit for the Companies Winding-up Petition**

The Institute has received a letter from the Department of Official Assignee Malaysia in respect of the above and was requested to notify its members accordingly.

Please be informed that with effect from 1 August 2003, the search fees in respect of bankruptcy and companies winding-up will be increased from RM5.00 to RM10.00 and the deposit for the companies winding-up petition will be increased from RM300 to RM3,000. **AT**

## Section on FAQ

We are pleased to inform that a section on FAQ, which provides answers to the most commonly asked questions, is now available on the MIA website. Do visit our website to check out the FAQ section.

If there are other General Enquiries, members may call the Institute and request for *MIA Info Assist* or e-mail your enquiries to [info.assist@mia.org.my](mailto:info.assist@mia.org.my). This service is exclusively for members and is handled by the Help Desk Department. Alternatively, you may also write in/e-mail your enquiries directly to the relevant department. The e-mail addresses are available on the Institute's website under the 'Contact' link.

Please note that the Institute will only entertain enquiries from MIA members. Any technical enquiry must be in writing and must include the member's name, membership number, address and contact number. Members are required to follow the guidelines as set out in the Institute's **Policies On Answering Technical Enquiries** (published in the *Akauntan Nasional*, issue June 2003). **AT**

# Amendments to Schedule 17.08 — Policies and Guidelines on Issue/Offer of Securities

Members are hereby informed that the Securities Commission has amended the Schedule 17.08 of the Policies and Guidelines on Issue/Offer of Securities recently. In addition, please adhere to the following rules in determining fees and payments to the SC in respect of corporate proposals, under :

- Securities Commission (Fees and Charges) Regulations 1993.
- Securities Commission (Fees) Regulations 2000.
- Securities Commission (Fees and Charges) (Amendment) Regulations 2000.

In computing the amount of fees and charges payable in respect of any proposal submitted, the following conditions shall apply :

(a) In respect of proposals submitted in re-

lation to the issue of securities by unlisted public companies, the maximum amount of fees and charges payable, regardless of the applicable formula for computation, is RM50,000;

- b) In respect of proposals submitted in relation to the issue of securities by listed public companies, the maximum amount of fees and charges payable, regardless of the applicable formula for computation, is RM300,000;
- c) In respect of any proposal for the subdivision or consolidation of securities of unlisted public companies, the Commission shall have the discretion to impose such amount of fees and charges as it thinks fit but such amount of fees and charges shall not exceed RM10,000;
- d) In respect of any proposal for the sub-

division or consolidation of securities of listed public companies, a nominal amount of RM15,000 is payable;

- e) In respect of any revised proposal submitted, additional charges computed at the rate of 10 per cent of the total amount of fees and charges paid in respect of the original submission shall be payable; and
- f) Where a proposal is rejected by the Commission, only the nominal amount of fees and charges specified in the First Schedule shall be payable.

The SC has decided that where any application is made for the review of the Commission's decision in relation to the issue of securities, an amount of RM5,000 or 10 per cent of the nominal amount specified in the First Schedule, whichever is the lower, shall be payable. **AT**

## First Schedule

### SCHEDULE OF FEES AND CHARGES FOR THE ISSUE OF SECURITIES BY PUBLIC COMPANIES

Unlisted Public Company				Listed Public Company		
Paid-up capital of issuer:	Less than RM2 million	RM2 million to less than RM10 million	RM10 million and more	Less than RM20 million	RM20 million to less than RM100 million	RM100 million and more
Formula for computation of fees and charges	Nominal Amount (RM)	Nominal Amount (RM)	Nominal Amount percentage of nominal value of total issue of securities (RM)	Nominal Amount percentage of nominal value of total issue of securities (RM)	Nominal Amount percentage of nominal value of total issue of securities (RM)	Nominal Amount percentage of nominal value of total issue of securities (RM)
<b>PROPOSAL :</b>						
Flotation	Nil	Nil	Nil	30,000 + 0%	30,000 + 0.05% *	50,000 + 0.05% *
Rights Issue	300	700	1,000 + 0.05%	7,500 + 0.05%	10,000 + 0.05%	15,000 + 0.05%
Bonus Issue	200	500	1,000 + 0.005%	5,000 + 0.005%	7,500 + 0.005%	10,000 + 0.005%
Special Issue	200	500	1,000 + 0.01%	5,000 + 0.01%	7,500 + 0.01%	10,000 + 0.01%
Employee Share Option Scheme	100	300	1,000 + 0%	3,000 + 0%	5,000 + 0%	7,500 + 0%
Scheme of arrangement or scheme of reconstruction	1,000	2,000	1,000 + 0.05%	10,000 + 0.05%	15,000 + 0.05%	20,000 + 0.05%
Acquisition	300	700	1,000 + 0.05%	5,000 + 0.05%	7,500 + 0.05%	10,000 + 0.05%
Acquisition (2 or more)	500	1,500	1,000 + 0.05%	10,000 + 0.05%	15,000 + 0.05%	20,000 + 0.05%
Any other issue	200	500	1,000 + 0.05%	5,000 + 0.05%	7,500 + 0.05%	10,000 + 0.05%

\* The computation shall be the sum of the nominal amount + 0.05% of the issues and paid-up capital that is or is to be listed on the stock exchange.

# Malaysia's premier accountancy publication receives a makeover to become **ACCOUNTANTS today**

**A**kauntan Nasional has shed its skin to emerge as a more updated, upmarket publication called **ACCOUNTANTS TODAY**. Launched on 25 July 2003, the new-look **ACCOUNTANTS TODAY** is certainly making its readers sit up and take notice of it as a contemporary publication reflective of the modern, multi-tasked, IT-savvy accountant of the new millennium.

According to the Malaysian Institute of Accountants (MIA) President, Datuk Dr. Abdul Samad Alias, "MIA as an Institute has undergone an evolution of sorts too. The way in which we function, think and deal with issues while upholding the Institute's principles has changed through the years. As such it is only fitting that the one communication tool to reflect who we really are today, change with the times as well."

The very name of the newly-launched publication suggests that MIA is more contemporary, fresh in outlook, exuberant in personality, and the epitome of the profession's integrity. The name **ACCOUNTANTS TODAY** also goes the extra mile in suggesting that the content is a 'must read' if today's accountant wants to stay in the know of industry developments.

Commenting on the fresh, vibrant look of **ACCOUNTANTS TODAY**, Editorial Committee Chairman and Council Member, Raymond Liew said, "The look and feel of the publication has changed from a look somewhat sombre and 'journal' in nature to one that is more contemporary, upbeat and 'magazine' in feel."

Raymond added that the content was given considerable attention and revamped to become more varied in the range of topics it covered. He said, "Besides coverage on accounting issues, there is also a significant number of pages dedicated to business, politics, financial planning, Institute activities, even travel and how to get more out of life!"

The most important element about the publication is that all the objectives that form the core of the Institute's existence are still upheld, without having to compromise the Institute's integrity or credibility.

Here's what some of our readers around the globe have had to say about **ACCOUNTANTS TODAY**:

■ *"The articles contained within are far more varied and I was fascinated by the revamp especially the non-accountancy issues such as 'Travel & Leisure' and 'Better Life'. It's so refreshing being able to read cognate articles in a professional magazine such as Accountants Today!"* — **Siew Quen, Hong Kong**

■ *"What impressed me most was the new name. Wow! Accountants Today – so international and so savoir faire! I must say the name itself is so very savvy. In the past, when we keyed in the name 'Akauntan' to search for the magazine in MIA's website, we were unable to locate it. Now hey, the problem is totally eradicated. Well done, MIA Editorial team. Keep up your good work..."* — **Shueu Yin, Kuala Lumpur**

■ *"I was fortunate to obtain a copy of your magazine through a contact of mine who is an MIA member on an irregular basis (sad to say). I must remark that the new name, Accountants Today is indeed refreshing and will be more recognisable in the accountancy fraternity especially among foreign accountants. In the past, when I placed Akauntan Nasional on my office desk, I received stares of uncertainty as to what the magazine was all about. Now, the name speaks for itself. Thank you"* — **Keat Tian, London**

■ *"Well done! Accountants Today sure meets the future challenges of the accountancy profession and widens the scope of readership now that readers, be they professionals or students of any profession and of any country, understand what it stands for. I too enjoy reading the articles, some of which are not too technical and provide some leisure reading. However, I would suggest that the editorial board leave out the political issues as more often than not, they are out of date. Furthermore, to blend in with the name change, the Editorial Board needs to consider as well the change of the logo as many of us do not really understand the rationale behind it. Frankly, if you do not mind me saying, it looks like a school badge. Other than these minor comments, congratulations for a job well done!"* — **Yul Shin, Selangor**

■ *"I receive my journal, oops.... magazine as it is now known, each month and unlike in the past, I have never bothered to rip open the cover let alone read it. However when I received my copy of the July 2003 issue, I was taken aback as the new name struck me dumbfounded..... Accountants Today! What a change and so invigorating. Good work, fellow accountants."* — **Wee Koon San, Singapore**

■ *"The magazine is more informative and far more expressive in its portrayal of the accounting profession. Accountants Today moves with the times and is really professional. Keep up your good work, pals"* — **Jason Boey, Kuala Lumpur**

■ *"Good coverage, great prints and first class quality in so far as the articles are concerned. Accountants Today has always been a rich source of invaluable information for the accounting profession. With the 'new look', it will definitely draw more readers to search out the treasures contained inside. Please try to avoid coverage of too many of the Institute events as these can be rather boring."* — **Chang Hing Wai, Selangor** **AT**



# The New Re-listing Criteria :

## *What do potential* **White Knights** *have to look forward to?*

**By Pauline Teh**

BDO CAPITAL  
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**On 18 June 2003, the Securities Commission (SC) issued Guidance Note 6A of the SC's Policies and Guidelines on Issue/Offer of Securities (SC Guidelines), which sets out the criteria for the re-listing of PN4 companies which have been de-listed by the Kuala Lumpur Stock Exchange (KLSE).**



In its press release announcing the release of Guidance Note 6A, the SC Chairman, Datuk Ali Abdul Kadir explained that a chance to re-list would be a new lease of life for de-listed PN4 companies (De-listed Companies). He further indicated that this opportunity for re-listing was considered following the request from institutional and minority shareholders as well as industry participants. As such, for those de-listed Companies wanting to get back on track, an application should be made to the SC within 12 months from the date of notification of the KLSE's decision to de-list the securities of the said company from the Official List of the KLSE.

Whilst such opportunity is provided to minority shareholders to recover the value of their shareholdings, the SC has taken precautionary actions to ensure that De-Listed Companies seeking a re-listing on the KLSE are companies that conform to the standards expected from listed companies, which amongst others include the following :

**a) Quality Assets and Profit Track Record**

New assets proposed to be injected into the De-Listed Companies should be of quality and should redress the balance sheet, in addition to providing cash flow and profitability. The new assets to be injected must fulfil the normal historical profit track record requirements for listing in accordance with paragraph 6.13 (a) of the SC Guidelines.

In the above regard, the asset/company to be injected should have an uninterrupted profit track record of three to five years prior to submission to the SC, with an aggregate profit after tax (PAT) of not less than RM30 million for a Main Board Listing and RM12 million for a Second Board Listing over the said three to five years, and an after tax profit for the financial year immediately preceding the application of not less than RM8 million for a Main Board Listing and RM4 million for a Second Board Listing respectively. The compliance of the existing SC Guidelines will continue to apply.

Whilst the adherence of the profit track record criteria may appear stringent, the

SC has accorded some flexibility in the form of relaxation in the guidelines for the use of pro forma accounts. The SC allows for the pooling of assets by the potential white knights provided that such new assets must be involved in the same or complementary business activities. These assets however, need not be in the same or complementary business activities to the De-Listed Companies.

**b) The Net Tangible Asset (NTA) position**

The De-Listed Companies, upon restructuring for re-listing purposes, should have a positive NTA position of at least 50 per cent of the par value of ordinary shares. The current flexibilities accorded to existing PN4 companies in the computation of the NTA position are not applicable.

**c) A new management team**

Upon the restructuring of the De-Listed Companies, a new management team must be put in place to replace the existing management. This will include the appointment of new individuals to the Board and for the position of Chief Executive Officer. This is to ensure that the De-Listed Companies will be managed by a new and responsible management team.

**d) The emergence of a new dominant shareholder**

There must be an emergence of a new dominant shareholder/(s) who in this instance is/are the beneficial owner/owners of 33 per cent or more of the voting shares of the De-Listed Companies.

**e) An investigative audit to be conducted**

Prior to applying for re-listing, the De-Listed Companies must conduct and complete an independent investigative audit into the past losses incurred, and initiate the necessary steps to recover the losses.

The SC however, does not impose on the methodology in which the De-Listed Companies seek re-listing, and there is no requirement to make an offer to the general public when undertaking such an exercise.

Based on the above, it would appear that the SC has addressed the request from institutional and minority shareholders as well

as industry participants. However, would the above requirements provide sufficient commercial motivation for potential white knights to rescue the De-Listed Companies?

One of the biggest setbacks of the new re-listing criteria is the condition that the quality of the new assets to be injected must meet the normal historical profit track record and other Kuala Lumpur Stock Exchange Listing Requirements, save for the flexibilities stated above.

As such, it will be interesting to see the rationale for potential white knights with assets that are capable of meeting the historical profit track record requirement, in choosing to participate in the re-listing of De-Listed Companies, especially in the light of the costs involved. In this regard, it would seem that in view of the flexibility accorded to potential white knights to pool their assets, potential white knights who have small complementary businesses which on their own will not be able to qualify for listing on the KLSE may be interested in the restructuring of De-Listed Companies.

The restructured De-Listed Companies must have a new management team and new dominant shareholders. As such, this provides an opportunity for third parties or existing non-dominant shareholders to inject assets to restructure the De-Listed Companies and to establish a new management team.

The requirement for an independent investigative audit to be conducted may be costly for potential white knights. If recovery of the losses identified is deemed not to be cost beneficial, do the potential white knights have to bear the responsibilities of the exercise, especially when in most circumstances, the De-Listed Companies would have likely been wound up with any benefits arising from the recovery exercise accruing to only the beneficiaries of the De-Listed Companies?

It remains to be seen as to whether these re-listing guidelines will provide the last breath of life to the De-listed Companies or are they merely an olive branch that has already dried out. **AT**

*Note : This article was first published in BizDo Newsletter (August 2003) — a newsletter published by BDO Binder. Republished with permission from BDO Binder. Website : [www.bdo-malaysia.com](http://www.bdo-malaysia.com)*



# Audit Interview

## Are you ready?

By Raymond Liew

Before you apply to go for the interview, ask yourself “Am I ready?”. Here are some tips to guide you through.



**L**et's just assess what you have **already** done in preparing yourself for the big day. Let's begin with the initial submission of all relevant forms to the Ministry of Finance (MOF) for the audit licence. From experience, many applicants fail to adhere to application requirements, which more often than not, merely delays the entire process. This is primarily due to not reading these requirements carefully. For the benefit of new applicants, allow me to list these down :



**1 Application for audit licence must be completed in five sets of "Borang A" with original signatures on all forms.**

It is very clear that this requirement states "five sets with original signatures on all forms". More often than not, applicants overlook the words "original signatures". I suggest you complete the first set **without your signature**, then photocopy four sets of the original set. Only then should you append your signature on all five sets, thereby leaving you with five sets of forms with your "original signature" on it.

**2 Applicants must also submit five sets of a Certified True Copy (CTC) of the valid practising certificate.**

It states a CTC of the valid practising certificate so please follow the instructions carefully — ensure that the CTC is on all five sets and not a photocopy of one original CTC document of which four further sets are made. CTC on all five sets!

**3 Processing of the audit licence takes between three to five months. The Treasury will inform applicants, two weeks prior to the interview.**

This is for information only and I suggest that applicants upon submission of the relevant application forms to MOF, begin preparation immediately as very often than not, they find themselves unprepared when a telephone call is received to attend the interview.

**4 Complete forms in Bahasa Malaysia except for the statutory declaration, which can be completed in either Bahasa Malaysia or English.**

Ensure all sections of the forms are fully completed in Bahasa Malaysia unless stated otherwise and to avoid any unnecessary delay, do not leave any sections blank. For example, if you are not married, please indicate this with a "dash" or write on the relevant section "Not Applicable".

**5 The sponsor's letter must be from an accountant holding a valid practising certificate and an audit licence, which is still in force.**

It clearly states that the sponsoring accountant must be a valid practising audit licence holder so please ensure that your sponsor still holds a valid licence at the

time of application. Naturally, the sponsor must currently be in practice as an Auditor and his or her licence must still be valid.

**6 The original letter from the referee should be in a sealed envelope, marked for the attention of the MOF. The balance of the four sets may be photocopied and certified true copies.**

Here, only one original letter from the referee should be enclosed in a sealed envelope, marked for the attention of the MOF while the other four sets may be stapled with the rest of the documents.

Two salient points to remember :

- Complete your forms by using a proper typewriter or make use of the computer since a hand written format may at times be difficult for the interviewers to decipher.
- Forms should not be re-typed as this may create suspicion that the forms have been tampered with.

Upon completion of the above forms, applicants should deliver it either by hand or courier service to the MOF for the attention of the secretariat, Cik Nor Azlina bte. Yusof (Tel : 03-8882 3000) the address of which is as follows :

**Ketua Setiausaha  
Kementerian Kewangan Malaysia  
Bahagian Analisa Cukai  
Tingkat 6 & 7, Blok Tengah, Presint 2  
Pusat Pentadbiran Kerajaan Persekutuan  
62592 Putrajaya**

Now that your application forms are in order and have been properly submitted to the MOF with an acknowledgement slip of course, let's check to see if you have fully prepared yourself for the interview, starting with :

**The Companies Act, 1965 — By a representative from the CCM**

Please, please, please read up and understand the relevant sections of the Companies Act, 1965 or at the very least those sections pertaining to the following :

- Roles and responsibilities of Auditors — qualifications, disqualifications, rights etc.;
- Roles and responsibilities of Directors — qualifications, disqualifications, remov-

als, duties, main responsibilities, directors' borrowings and loans;

- Board meeting proper and proceedings including understanding the requirements of resolutions, AGM, EGM and various forms for submission;
- Types of companies — private, public, unlimited, exempt private, foreign, charitable organisations etc;
- Financial statements — the Ninth schedule;
- Prospectus — the Fifth schedule.

### **Taxation — By a representative from the Inland Revenue Board (IRB)**

Most chartered accountants are already familiar with this area but to those who specialise in audit or other related fields, please remember, you are required to keep yourself abreast in this area including updates such as the following :

- Compliance requirements including the self-assessment regime;
- Taxation computations — basic, capital allowance and IBA calculations;
- Expenses that are “wholly and exclusively” incurred for the business i.e. allowable expenses and disallowable expenses;
- Tax incentives under the latest Budget proposals and updates including tax treatments for specialised companies;
- Appeal procedures and field audit visits etc.

### **The latest revised by-laws of MIA and general practice procedures — By a Council Member who is also an existing practitioner**

As far as MIA is concerned, every practising and aspiring practising chartered accountant must be familiar with the by-laws and keep themselves up-to-date with the latest changes. These include :

- The revised and latest by-laws of the Institute;
- The Accountants' Act and its legislation;
- Professional etiquette, professional independence, fundamental principles etc.;
- Procedural issues such as professional clearance, engagement letters, representation letters, letters of weaknesses etc.;

- Auditors' report — matters to be reported by the Auditors in the report *per se*;
- Directors' report — matters normally contained within the report and the disclosure regime under the various proposed changes from time to time;
- MASB, IAS, Companies Act requirements;
- Audits of a specialised nature including relevant acts such as the Unclaimed Monies Act and the code of ethics.

### **Latest events happening within the accountancy profession as a whole**

For the purpose of the interview, it is suggested that applicants should also familiarise themselves with general events surrounding the accounting profession such as :

- Foreign control policies, Securities Commission (SC), BAFIA, Foreign Investment Committee (FIC) requirements.
- Professional independence of Auditors together with IFAC requirements.
- Latest events and sagas the likes of Enron and WorldCom and its impact on the accounting profession.
- Sarbanes-Oxley Act — its impact on the accounting profession.

It's jolly good you've come this far. With all the preparation you've put in, it does seem you are ready for the interview now.

Well, let's check! Naturally, “good character” and competency of the candidates is a pre-requisite and by arming yourself with the above knowledge the battle is already half won. Now all that is required is for you to remember some of the do's and don'ts of an audit interview.

### **Do's**

#### **■ Day of the interview — The Big Day!**

Make sure you arrive at the venue ahead of time on the day of the interview. If you are unsure of the venue, check it out the day before to avoid missing your turn as each candidate is allotted a slot. If you are unable to make it on time, please telephone to inform the Secretariat so that your slot may be reallocated to a later time. For those unable to make it to the interview, please have the courtesy to telephone for a postponement, or you may have to wait another three to five months for another date!

### **■ Office attire**

Gentlemen wear a suit please. For ladies, wear proper office attire and please no short skirts or loose blouses. The panel of interviewers is not going to grant you a licence based on your powers of seduction.

### **■ Sit in an upright position at all times**

Please sit in an upright position and avoid slouching. Face the interviewers at all times.

### **■ Be attentive and stay alert**

Listen to the questions carefully and please answer the questions to the point — avoid beating around the bush. Do not fumble and flounder! No guessing games either please, we are not in a quiz show.

*“Look directly at the interviewer instead of trying to avoid eye contact as doing this is also rude and contemptuous besides showing your lack of confidence”.*

### **Don'ts**

#### **■ Mobile phone**

For crying out loud, switch off your mobile phone. You are not trying to insinuate to the panel of interviewers that granting you your licence is the least important thing in the world, are you?

#### **■ Taking notes**

Please avoid taking notes when questions are asked. I really do not understand why candidates take notes in the first place. You are not at a lecture at a college so you are not required to take notes! Besides, doing so is very rude. Unless of course you are intending to attend the interview again. If not, eradicate this practice entirely!

#### **■ Make eye to eye contact**

Look directly at the interviewer instead of trying to avoid eye contact as doing this is also rude and contemptuous besides showing your lack of confidence.

#### **■ Physical appearance and body language**

Although your physical appearance is not



what the interviewers look for, men should at least have a neat haircut and a clean shave. If you are unable to afford a suit, at least wear a tie to go with a well-ironed shirt and long pants. Wear proper office shoes instead of running shoes. You are not intending to go for a jog, so why the running shoes? Oops ... avoid shaking your legs when being interviewed as this can be very infuriating and distracting to the interviewers.

#### ■ Over-night bags

It is not recommended that you bring your “luggage” from your over-night stay especially for outstation candidates. It looks rather clumsy and unprofessional. Leave your over-night bags at the reception or at the office outside of the interview room.

#### ■ Do not try to outsmart the interviewer

Respond accordingly and avoid trying to impress the interviewer by going overboard. There are no extra points for doing so. So why try? Remember : Be modest.

#### ■ Avoid approaching candidates who have just completed their interviews

Believe me, not all questions asked are the same. Besides, if you are not prepared for the interview, you should not be there, so why torture yourself with a “post-mortem” exercise.

#### ■ Avoid waffling

Let's face it, if you are not sure of the answer to a particular question, do not try to beat around the bush or even try to manoeuvre (i.e. bluff) your way through. It is more sensible to be honest and indicate the truth instead of wasting everyone's time.

### Audit interview proper

Think you're ready now? Remember, hold your head high and walk with confidence. The audit interview process normally takes between 35-45 minutes. Prior to calling you for the interview proper, the Secretariat will first verify the documents submitted with the originals. So please ensure you have all the necessary original documents with you as failure to produce these may disqualify you from proceeding with the interview.

Now that you have come this far, the interview proper begins ...

Upon entering the interview room, you

*“The questions that ensue will determine your competency and frankly, for aspiring practitioners, the questions are relatively simple. However, if you come unprepared, you will probably feel flustered at the onslaught of questions”.*

will be met by a panel of between four to five interviewers comprising of the following individuals :

- Chairman of the panel — usually a representative from the MOF;
- A representative from the Companies Commission of Malaysia (CCM);
- A representative from the Inland Revenue Board;
- A Council Member of your Institute;
- A representative from the Treasury (optional);
- Together with the Secretariat.

The Chairman of the panel will begin with the usual ritual of introducing each of the interviewers to you while explaining their various roles. Please bear in mind that you have to be familiar with your national language, Bahasa Malaysia, at least from the conversational point of view.

The questions that ensue will determine your competency requirements and frankly, for aspiring practitioners, the questions are relatively simple. However, if you come unprepared, you will probably become somewhat flustered at the onslaught of questions.

### “Aftermath” of the interview proper

After the interview, you will be spared of your “torment” and hopefully, you will leave for home or office safely. You will be notified of the results by way of an initial “letter” within one month and depending on the results :

#### ■ Failure

If you fail, you will be informed of the period, between six to 18 months as to when you are next permitted to apply for another interview. A marginal failure would mean that you may apply in the next six months.

#### ■ Success


Congratulations!

You now need to do the following :

- 1 Make payment of RM100 to “Akauntan Negara Malaysia” upon receipt of the approval in principle letter.
- 2 Applicants must set up a firm within six months upon receipt of the licence otherwise the licence will be revoked. If the applicant intends to embark on a partnership, the applicant has to do so within three months.
- 3 Assuming the applicant intends to set up a firm, the applicant must first obtain approval of the name of the intended practice from the Institute before proceeding to do anything further. Only upon approval, can the applicant register with CCM to obtain the firm number. Thereafter, under By-law B-2.5, the applicant must complete Form M1 for registration of the firm with the Institute. A registration certificate will be issued subsequently.

Do remember that if you are not fully prepared for the interview, it can be a daunting experience, and may well put you off from becoming an audit practitioner altogether. But if you are serious in pursuing the role of Auditor, make sure you fully understand the obligatory requirements and believe me, you will generally find the questions raised during the interview relatively simple.

At the end of the day, with the revelations at Enron, WorldCom, Calpers, CSM etc., I am sure you agree with us that “Half baked auditors are detrimental to the accounting profession!”

So to conclude ... before you apply to go for the interview, ask yourself “Am I ready?” 

Raymond Liew is a practising Chartered Accountant and a Council Member. He is also a member of the panel of interviewers for Audit Licence at the Treasury, representing the Malaysian Institute of Accountants (MIA).

# How to Score as the Ideal CFO

By Sarah Perrin



*"Companies are looking for the CFO to be a much stronger all-round executive ... They expect them to get more involved with the businesses and to be more of a business partner to the CEO than a staff financial person."*

— Gordon Grand, Managing Director and  
Financial Officers' Practice Leader  
Russell Reynolds

It may be tough at the top, but finance directors (FDs) and chief financial officers (CFOs) need soft skills to be most effective. Becoming an ideal FD or CFO is all about clear communication, backed up by business nous and the ability to think strategically.

In the US, where many business trends first appear, CFO's are required to be all-round business people. Improved systems and outsourcing trends have removed much of the basic number-crunching from the finance function's role, says New-York based Gordon Grand, managing director and financial officers' practice leader for global executive search firm Russell Reynolds. "Companies are looking for the CFO to be a much stronger all-round executive," Grand stresses. "They expect them to get more involved with the businesses and to be more of a business partner to the CEO than a staff financial person."

Particularly in the current tougher economic climate, the CEO has to be the visionary, the company's strategic leader, but he needs the CFO to support him. When the analysts are grilling the senior management about what's going on in the company, the CEO is looking for the CFO to be the one who's been closely involved with the business on a day-to-day basis, so he can help the CEO get behind the numbers and say, 'Here's what's really going on in this business.' With all of our executive searches, when a CEO is talking about his needs, he says, 'What I want first is a strong leader, a business executive who happens

to also have good financial skills.’ “To fulfil such a role effectively, many CFOs in the US are expected to have had some line management experience. They also need excellent communication skills and the ability to think strategically”, Grand says.

The picture is a similar one in Continental Europe and the UK, says Jeremy Rickman, who heads up Russell Reynolds’ financial officers practice in London. If CFOs in the US are effectively required to know even more about the business than the CEO, so it is in the UK too. Strategic and commercial ability is essential. “Many people today look for the CFO to get in front of the client early to help with negotiating the contract and make sure there are no mistakes coming through late in the process,” says Rickman. “That leads FDs or CFOs to become more commercial. Rather than a CEO doing a deal and throwing it at the CFO and saying, ‘Sort it out’, the CFO is sitting at the table with him doing the deal, and in some cases, doing the deal without the CEO.”

Jeff Grout, a long-time recruitment specialist with Robert Half International, also believes that broader management and people skills hold the key to success for finance directors. “The higher you go up the organisation, the less you use your technical knowledge,” he says. “It’s generally assumed that the FD is the number two to the managing director (MD), and so that person has got to have the qualities of a deputy MD.”

Finance directors clearly need to be willing to take on all areas of the business and express opinions on them, but venturing out of the finance function silo can be one of the most challenging aspects of becoming a finance director for the first time. Stephen Schneider, managing director of CPS, a consultancy specialising in executive mentoring and boardroom development, says: “First-time finance directors can find it hard to do what directors are obligated to do so, which is to exercise judgement over a whole panoply of issues which a board has to tackle. They say, I am just involved in the figures; don’t expect me to get involved in HR management or marketing.”

However, finance directors do have to get involved in wider, non-financial issues. They also need to set aside their managerial command and control skills and be prepared to debate issues with boardroom colleagues.

“You have to master persuasion and advocacy to be an effective director,” Schneider says. Simply telling other board members what you believe the best course of action to be, and expecting them to go along with it, is not good enough. Fellow directors need to be persuaded of the wisdom of a move if they are to be fully committed to it.

In terms of particular experience required of finance directors, the specifics may depend on the stage of development of the business. For example, unlisted companies with ambitions to join the stock market will want a FD with IPO (Initial Public

exposure can also be helpful, Groarke says, and past experience dealing with investors and funders who have specific information requirements.

“Our requirements of FDs are simple,” declares Ian Macdougall, a retail analyst at Williams de Broe. “We want someone with a good grasp of the numbers; we want them explained clearly to us. And one likes to feel the FD can relate his financial expertise to the broader commercial policies of the company and is part of that (commercial) process.”

Macdougall also highlights the need for the finance director to act as a strong coun-

*“You have to master persuasion and advocacy to be an effective director ... Simply telling other board members what you believe the best course of action to be, and expecting them to go along with it, is not good enough. Fellow directors need to be persuaded of the wisdom of a move if they are to be fully committed to it”.*

— Stephen Schneider, Managing Director, CPS

Offering) experience. Many ambitious businesses will want a finance director with past mergers and acquisitions involvement. Economic conditions also influence the qualities seen as “ideal”. At the moment, finance raising skills are particularly valued, Rickman says. “Experience in debt and equity finance-raising in the capital markets is particularly sought after in the market today because there is so much cash being held by venture capitalists and investors,” he says. “Very little of it is getting out to companies. Clients looking to raise finance want someone who has done it before.”

So what do those venture capitalists and investors look for in FDs, to persuade them to part with their cash? Patrick Groarke, a partner at Livingstone Guarantee, the UK’s largest unquoted mergers and acquisitions boutique, stresses commercial ability over historical score-keeping. “FDs need to be able to understand the commercial rationale of things, rather than just producing numbers for the sake of it,” he says. “In terms of private equity deals, FDs should probably have some financial modelling skills — being able to develop quite a sophisticated model looking ahead perhaps five years.” Mergers and acquisitions

terbalance to the chief executive. “The worst situation is where you have a dominating chief executive and the finance director is nought but scorer and appears to have no control and no ability to restrain,” he says. “The FD can at times, in volatile markets for example, impose a useful constraint on over-ambitious plans. One doesn’t want the finance director to be a constant wet blanket, but he needs to be able to relate what’s going on on the commercial front to what the financial implications are or will be, according to his best assumptions.”

The specification of the ideal CFO or FD is a demanding one. Paper qualifications, including the type of accountancy qualification, are relatively unimportant once people reach the higher levels of business. It is what individuals have done with their qualification that really counts. For finance directors technical ability is taken as given, a commercial outlook expected and communication ability — whether in persuading the board or handling investor relations — is essential. Those who have what it takes are in great demand, and so they should be. **AT**

*Note : This article was previously published in Accounting & Business — ACCA’s monthly magazines for its members and affiliates worldwide.*



# Voice of the Accountancy Stalwart

By Mary G. Phipps

*"Without doubt, Accountants must be persons of integrity, very fair minded and anxious to give the best possible advice to clients. One likes to feel that one can be of use, of real help to one's clients ... it gives great pleasure if you are able to be of assistance to them."*

— Frederick Weatherly



These words spoken simply but with feeling are those of Frederick Weatherly, a stalwart of the accountancy profession in Malaysia. He played a definitive role in the development of the profession in Malaysia. He sat on the first Council of the Malaysian Association of Certified Public Accountants (now MICPA) and was President for 1963/1964. As Dr. Nawawi Mat Awin put it in his Message marking the 21<sup>st</sup> Anniversary of the Association, the "...achievements (of the MACPA) are in themselves a tribute to the far-sightedness and idealism of the pioneers of the Association..." and the fact that they could be realised "...is a tribute to the dedication and leadership not only of the founder members but also of successive Presidents".

I for one, as an articled student of the MACPA, owe him a depth of gratitude. If it were not for him and those early council members who were determined to provide facilities for Malaysians to obtain a fully recognised professional qualification locally, I would not have had the opportunity to pursue a career in accountancy, as way back then, going overseas was not an option where I was concerned.

Needless to say, as an articled student I had heard of Mr. Weatherly long before I actually met him. Throughout these many years my respect and liking for this gentleman has grown. But it is strange really, how

little we know about the people we think we know so well — we tend to see only certain sides of their personality and aspects of their life that fall within the particular professional circle we move in. I consider myself fortunate to have been able to 'interview' Mr. Weatherly in early May this year and like many of my generation who have led relatively sheltered lives, I was amazed at his rather extraordinary life and in awe of the purposefulness and optimism that have stood him in good stead all these years.

*Mr Weatherly, can you tell us about your youth?*

**Mr. Weatherly** I was educated at St John's, Leatherhead, a boarding school in Surrey for sons of Anglican Clergymen. I was there for seven years. When I left at age 18 years I joined an accounting firm in Colchester, Essex and was articled to Mr. Frank Bland, a distinguished gentleman who was awarded a DSO for his service in the First World War. The choice of accountancy came quite naturally as I liked mathematics and used to do well in those examinations. Besides, accountancy was already a leading profession in the UK then. I qualified in 1939 as a Chartered Accountant. In early August 1939, I had lunch with Mr. E D Butler in Sussex and was offered a job with Gibson, Anderson, Butler & Co. of Kuala Lumpur, which I accepted pro-

vided I was not mobilised — war in Europe was impending.

*So the outbreak of World War II put your career on hold. Tell us about those war years.*

**Mr. Weatherly** Yes, so instead of a pen, I took up a gun! I was mobilised as a gunner in the Territorial Army with the Essex Yeomanry. I was recommended for a commission in 1940 and joined the Lancashire Fusiliers. In 1942 I embarked for the Middle East as a re-enforcement. On arrival in Cairo I was posted to the Royal Wiltshire Yeomanry in the desert and fought with them at the **Battle of El Alamein**, which began on 23 October 1942. After El Alamein, the Regiment moved to Aleppo where we were deployed as border security between Turkey and Syria. Shortly after that, I joined a beach group to prepare for the invasion of Italy. On 9 September 1943, our allied craft landed on the shores of Salerno Bay\* south of Naples.

In early 1944, the Lancashire Fusiliers to whom I had returned, arrived at Cassino and were heavily engaged in a major battle in an area that was dominated by the famous ancient Benedictine Monastery.

At the end of May 1944 after the **Battle of Cassino** was over, I went by motorcycle to visit my brother's grave — he was killed at Cassino — but unfortunately in a smokescreen, I was run over by a Polish

truck. My leg was badly broken but I received magnificent treatment from a Polish surgeon at a Casualty Clearing Station. After recuperating in England, I was sent to India and onwards to Burma where I joined another battalion of Lancashire Fusiliers and walked into Mandalay in March 1945. After the fall of Burma I went down to Singapore and joined the British Military Administration for a few months before returning to England for demobilisation. I had by then served seven years in the Army.

\* The battles to secure the beachhead in the Gulf of Salerno ended on 19 September 1943. For meritorious service to his country, Frederick Weatherly was awarded the Military Cross in 1943 and conferred an MBE (Member of the Order of the British Empire) in 1974.

*What was your career like after the war?*

**Mr. Weatherly** After demobilisation in the UK, I met A. W. Burkill in London and was offered a post with Kennedy, Burkill & Company in Penang in 1946 and I have been with the company ever since. Burkills were a Shanghai firm established in 1865 but their business there ceased in 1954 when the Communist Government in China took over. Early in 1954 I was sent to manage the Hong Kong office and during that time was appointed as Liquidator of A.R. Burkill & Sons Ltd., Shanghai. I left Hong Kong to return to Penang at the end of 1955. Interestingly enough it was only in 1990 that I received compensation on behalf of the company from the Chinese Government for its acquisition of the company's assets in Shanghai.

I retired to the UK from full time service with our company in 1990 but I have been visiting Penang as a non-executive director for about three months a year ever since.

*What have been the high points of your career?*

**Mr. Weatherly** When I first joined Kennedy Burkill & Co Bhd in 1946, it was owned by the Shanghai directors of Burkills and the partners of Kennedy & Co of Penang. They were very kind and generous to me and I became a director in 1949 on the recommendation of the executive directors in Penang namely A. C. Buckle and E. H. Sykes. I am proud of the fact that I played

a part in the 'Malaysianisation' of the company together with the other directors of the company during the 1950's.

I am very pleased that the company now has a predominantly Malaysian Board of Directors and over 250 shareholders.

*Any disappointments?*

**Mr. Weatherly** I have no complaints! It has been an honour and pleasure to work with the Directors of Kennedy Burkill & Co. Bhd. and also with a loyal and efficient staff for over 50 years. In addition my wife and I had many friends among the Planting Community. We admired the services they always gave, particularly during the Emergency when so many planters and their staff lost their lives.

*In the wake of debacles like Enron, what do you see as the pressing issues for the profession in this regard?*

**Mr. Weatherly** I cannot emphasise enough the need for independence and integrity. Integrity means strength of character and honesty — it will not allow you to be deterred from doing your duty.

*Besides the profession, on a personal level, have you been involved in the local community?*

**Mr. Weatherly** Because of my previous experience in the Army, I was connected with a volunteer unit during the emergency — the Federation of Malayan Volunteer Reconnaissance Corp. I commanded a company in Penang for three years from 1950. Whilst in Hong Kong in 1954/5, I was a Special Constable.

On the lighter side, I was actively involved in the Penang Sports Club of which I was a committee member and its President in 1971. I have always loved sports and was quite an enthusiastic tennis player.

Representing Kennedy Burkill, I was for some length of time the Honorary Treasurer of the St Nicholas Home for the Blind as well as Honorary Treasurer of the RSPCA (Penang Branch).

*Tell us about your family.*

**Mr. Weatherly** I married Hazel in 1948 and we have four children, two sons — Philip and James — and two daughters, Anne and

Julia. All four were born in Malaysia and had their early education at Uplands School in Penang before continuing their education in England. Hazel and I now have six grandchildren.

*How do you spend your leisure hours?*

**Mr. Weatherly** Back home in England, I keep in touch with old friends. I also read a lot and especially enjoy reading *The Times* and *The Daily Telegraph*. We live by the sea so I make it a point to take an hour's walk on the beach each day — I love that! Hazel plays golf.

Our children visit from time to time especially Philip and Anne who live in England and this gives us much pleasure. We also meet our friends from Malaysia in London.

*What is your advice to us accountants?*

**Mr. Weatherly** I feel diffident about answering this question in relation to qualified accountants but for those aspiring to be accountants, they must have an aptitude towards the Accountancy Profession because to qualify, requires hard work and many hours of study.

Integrity is most important. Clients put their trust in you to give them honest professional advice and prompt service.

A professional at heart, entrepreneurial by nature and fearless by necessity, Mr Weatherly has combined his inherent skills to the fullest throughout his working life. In the post war years when the plantation sector was dominant in Malaysia he played a part in managing estates for his clientele and his knowledge extended beyond the financials to cover all aspects of the business. Such thoroughness is entirely characteristic of him, so is trustworthiness and integrity — indeed, values that need to be inculcated in all of us such that we are bound not merely by regulations or professional ethics but by an active conscience. **AT**

*Note : Mary G Phipps was articulated in 1969 to Mr. R.I. Rawlings of Peat Marwick Mitchell & Co. (now known as KPMG) in Penang and has been with the Firm ever since. She was made a Partner in 1982. She heads the Penang Office of KPMG.*

# Four Steps to Better Performance Measurement

By Mike Bourne

*The processes used in designing, implementing, using and updating your performance measurement system are crucial to its success*



Most of the literature on performance measurement has focused on frameworks such as the balanced scorecard or the performance prism. Although these frameworks suggest the dimensions of what a business should measure, they do not say what they should measure. For this you need a management process so that you can translate your business objectives into meaningful measures, which are used throughout the organisation.

Over the last ten years, members of the Cranfield Centre for Business Performance, UK, have been sponsored by the Engineering and Physical Science Research Council to look at the processes for designing, implementing, using and updating performance measurement systems. This has involved working with over 50 different businesses and conducting case studies in many other organisations. Here are some of the key findings.

## Designing Measures

Designing performance measurement systems is all about deciding which measures to select and which to ignore. The principle behind the balanced scorecard and performance prism is that the number of measures should be limited to give clarity to what the organisation is trying to achieve. This first process is all about se-

... continued on page 45



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lecting the key objectives for the organisation over the next period and designing appropriate measures to track improvements.

When management teams do this together they find that it clarifies their thinking on what is important. Having a debate refines thinking and makes each manager's beliefs about how the organisation works explicit. This process is beneficial even if the measurement process does not progress further. Ideally the output should be two-fold — a 'success map' and a set of performance measures.

The success map should show all the key objectives for the organisation over the next period on a single sheet of paper. They are linked showing the main cause and effect relationships between objectives. This map is an extremely good communication tool both for the management team and for communicating objectives throughout the organisation.

The second aspect is the design of the performance measures. Measures drive behaviour, so it is important to translate the objectives into appropriate ones, paying attention to precisely how they are calculated.

### Implementing Measures

The implementation of the performance measurement system needs to be considered as a process in its own right. Many companies have failed to recognise this and adopted a very laid back approach. They are then surprised when the implementation does not happen. Besides all the political problems with implementing a new measurement system, the sheer logistical problems of collecting the data, putting it in the right format and distributing the material to those that need it in the organisation takes more time and effort than most organisations allow.

Project planning and allocating resources are critical here; so is the need to be persistent and hold regular follow up meetings to monitor progress, as many people in the organisation may be hoping the whole project will go away.

Implementation takes time — for the information to be collected, the new programmes to be written and the surveys

to be designed and implemented. It also takes time for people to get used to the concept of being measured, to the performance reports and to being held accountable. Persistence and patience are needed to get through this process successfully.

### Using Measures

The whole reason for designing and implementing a performance measurement system is to use the measures in the organisation to manage the business. The measures should :

- **establish position** — identifying current levels of performance;
- **communicate direction** — telling everyone what the organisation is trying to achieve;
- **influence behaviour** — so that people take note of the performance measures in everything they do;
- **stimulate action** — so that people automatically take action when the performance is not moving in the expected direction; and
- **facilitate learning** — so that people get feedback from the performance measures and learn from their experiences.

The ideal use of measures occurs when individuals act on the measures themselves without prompting or supervision. Performance measurement is not about reporting what is happening up through the organisation, although many organisations use the system for just this purpose. "You get what you measure" is a well-quoted adage, but more often "you will have reported what you want to hear!" Therefore, it is much more important that the measures are used, than that they are reported.

### Refreshing Measures

Finally, the measurement system needs to be refreshed. This should happen either when the external environment changes and the organisation needs to adapt, or when the measures become tired.

If the external environment changes, the organisation will face new challenges. These challenges can result in a change of direction and emphasis. Changing the measures is a good way of signalling that things will have to be done differently in

*"The whole reason for designing and implementing a performance measurement system is to use the measures in the organisation to manage the business."*

the future.

Measures should also be changed when they become tired. New measures stimulate behaviour but, after time, people get used to them and find ways of achieving the numbers without the system actually working better. It is therefore useful to review and refresh the measurement system on a regular basis to make sure that this does not become the norm.

When you change the measurement system, do not forget to update the other systems you use to manage the organisation. You will need to ask : "Are the appraisal objectives still relevant?" and "Is the compensation system still appropriate?" If these other systems are not updated at the same time, they will conflict and marginalise the impact of refreshing the measurement system.

### Process for Practice

Much of the literature on this subject focuses on the performance measurement frameworks organisations should use. These frameworks are useful, as they suggest the different perspectives the organisation should measure. But this is the limit of their contribution.

A much more useful way of thinking about performance measurement is in terms of the processes needed. It is through the different processes that measurement theory can be applied in practice. AT

*Note :* Mike Bourne is a director of the Cranfield Centre of Business Performance, UK. This article first appeared in *Insight*, an on-line newsletter for management accountants published by CIMA. *Insight* is accessible at [www.cimaglobal.com/newsletters](http://www.cimaglobal.com/newsletters).

# NAC2003

## The Art of Transformation

Malaysia's biggest accountancy event featuring some of the biggest names in business is taking place on 6-7 October.

Themed "The Transforming Profession : New Strategic Roles in the Organisation"

the National Accountants Conference

2003 is set to rock the boat on traditional approaches and challenge mindsets with daring, unconventional ideas. Be there to be ahead.

## the Transforming Profession

New Strategic Roles in the Organisation

# national accountants conference

6 - 7 October 2003

Sunway Pyramid International Convention Centre

Officiated by Finance Minister II, YB Dato' Dr. Jamaludin Mohd Jarjis

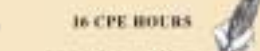
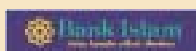
Hosted and Organised by :



Malaysian  
Institute of  
Accountants

(Established under the Accountants Act, 1967)

Sponsors :



# *Sponsors pave the way for* **Transformation**

## **National Accountants Conference 2003**

Malaysia's biggest accountancy event, the National Accountants Conference (NAC) will take place on 6-7 October when approximately 2,000 participants converge at the Sunway Pyramid International Convention Centre for a power conference.

Themed, 'The Transforming Profession: New Strategic Roles in the Organisation', the NAC 2003 is made possible through the string of sponsors who have graciously come forward with monetary contributions or to set-up exhibition booths to offer

their products and services at special promotional rates for conference participants.

The list of sponsors is varied in the nature of their business and many are corporate entities that we as accountants are all too familiar with. From financial institutions, financial publications and information technology entities to multinational corporations and even the KLSE!

The sponsors' participation in the NAC 2003 speaks vol-

## The past five years — **National Accountants Conference**

### **1998**

**Date** 13 - 14 July 1998  
**Venue** Palace of the Golden Horses, Mines Resort City, Kuala Lumpur  
**Theme** Organisational Challenges in the New Millennium  
**Attendance** 517 pax

### **1999**

**Date** 7 - 8 September 1999  
**Venue** Sunway Lagoon Resort Hotel, Petaling Jaya  
**Officiated by** YB Dato' Mustapa Mohamed,  
Second Finance Minister & Entrepreneur Development Minister  
**Theme** Thriving in the Digital Economy of a New Century  
**Attendance** 599 pax

**Sponsor & Exhibitor** Great Plains e-Enterprise Software  
**Co-Sponsor** Beukhen & Pokhrell Asia Pacific



### **2000**

**Date** 5 - 6 September 2000  
**Venue** Sunway Pyramid International Convention Centre, Petaling Jaya  
**Officiated by** YAB Tun Daim Zainuddin, Minister of Finance and Special Functions  
**Theme** Competing in the Knowledge Economy  
**Attendance** 863 pax  
**Main Sponsor** ACCPAC International  
**Co-Sponsors** VOLVO, ACER, PanGlobal and Great Plains (Software) Pte. Ltd.





# the Transforming Profession

## New Strategic Roles in the Organisation

umes of their trust and confidence in the integrity of the accountancy profession in Malaysia. It also illustrates their willingness to work together as corporate citizens to ensure Malaysian accountants have the opportunity to excel in their chosen fields through shared experiences, motivation, education and information that a conference of this magnitude affords. Their generosity has made this conference a reality.

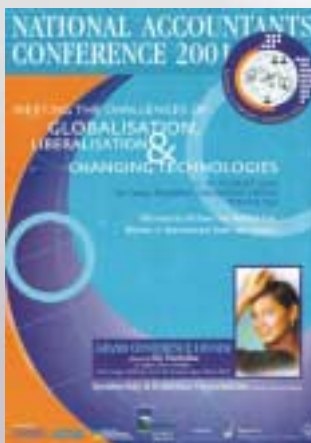
As in previous years, this year's conference will be equally

stimulating. Constantly hitting home the concept of the importance of embracing 'transformation' will be distinguished speakers from all walks of life and from all over the world, including our homeland.

The NAC 2003 is also the ideal setting to not only exchange news and views with your peers, but to re-acquaint yourself with long-lost colleagues or even close a business deal or two. It is a time to take stock, strike-out and transform!

### 2001

- Date** 21-22 August 2001
- Venue** Sunway Pyramid International Convention Centre, Petaling Jaya
- Officiated by** YB Dato' Seri Rafidah Aziz, Minister of International Trade and Industry
- Theme** Meeting the Challenges of Globalisation, Liberalisation & Changing Technologies
- Attendance** 1,200 pax
- Main Sponsors** ACCPAC Software International Pte Ltd, Formis Computer Services Sdn Bhd, Microsoft Great Plains Business Solutions, Direct Access — A Division of Southern Bank Berhad
- Co-Sponsors** Air Asia, American Home Assurance (AIG), Digitron S/B, Executive Mode S/B, Federal Auto Cars S/B, Galaxy Automation S/B



### 2002

- Date** 17-18 September 2002
- Venue** Sunway Pyramid International Convention Centre, Petaling Jaya
- Officiated by** YB Tan Sri Dato' Muhyiddin Mohd Yassin, Minister of Domestic Trade and Consumer Affairs
- Theme** Malaysia's New Chartered Accountants : Securing the Credibility of the Profession
- Attendance** 1,500 pax
- Main Sponsor** Systems Union Software Pte Ltd / Sunsystems
- Co-Sponsors** ACCPAC International Inc, Acer Sales & Services S/B, BDO Binder, Commerce Clearing House (M) S/B, Direct Access – A Division of Southern Bank Bhd, Galaxy Automation, Microsoft Business Solutions, Hyperion Solutions Asia Pte Ltd, Kuala Lumpur Stock Exchange, NEC Malaysia S/B, The Edge Communications S/B



# A Word on our Prominent Sponsors

## Amanah Raya Berhad



Amanah Raya Berhad (ARB) is the leading Malaysian company specialising in professional trust services. ARB is the market leader in providing corporate trustee services to unit trust companies, a sector that is expanding tremendously. ARB also provides trustee services for corporate loan stocks and bond issues, retirement benefit schemes, executive share option schemes (ESOS) and golf and leisure clubs apart from offering investment management, nominee and corporate backroom services. ARB dominates the growing market for personal trust services offering convenient end-to-end solutions for managing personal wealth and assets in addition to integrated solutions ranging from creating personal trust accounts, preparing and safekeeping wills, and administering the distribution of individual estates upon and after his or her demise. For further information, please visit [www.arb.com.my](http://www.arb.com.my)

## CCH Malaysia



For nearly a century, CCH has been providing our subscribers with the highest standard of reporting. CCH publications keep professionals and business people up-to-date with developments on a wide range of topics and we are constantly expanding to meet our clients' changing needs.

CCH Executive Events is the conference arm developed to enable valued customers to receive business critical information.

CCH products can be found in print and electronics formats, as stand alone, syndicated or customised information on the following topics : Taxation, Employment Law, Auditing, Accounts Preparation, Training, Company Law, Company Secretarial Practice, Business Law, Occupational Health and Safety, Human Resource, Real Estate, and E-Business.

Kindly visit our website at [www.cch.com.my](http://www.cch.com.my) for more information.

## Direct Access



Direct Access, a division of Southern Bank Berhad is Malaysia's first 24-hour time direct banking services provider. We offer customers complete banking convenience, 24 hours a day, seven days a week via phone, fax, or Internet.

We also offer true personalised service for our customers. At Direct Access, each call will be attended to by a qualified Account Relations Officer, who is ready to assist you.

At Direct Access, quality is our Business. Direct Access has embarked on a journey of consistent quality services since its inception in 1995 and this effort was rewarded in 1998 and 2001 when Direct Access was awarded the internationally acclaimed ISO 9002 certificate from SIRIM.

At Direct Access, you can be assured of our best banking conveniences and that's the way banking should be.

## The Edge



*The Edge* is Malaysia's best selling business and investment weekly newspaper. It was launched in 1994 and today has an audited circulation of 18,450 copies per issue as at December 2001, with a readership audience in excess of 100,000. The weekly covers the corporate, investment, real estate, lifestyle and technology business sectors.

*The Edge's* readers are predominantly professionals, businessmen and women, corporate executives, capital market professionals, and upper income and high net worth individuals. The weekly is distributed nationwide via newsstands and by paid subscription.

The Edge Communications Sdn Bhd, publisher of *The Edge*, also publishes *Personal Money*, a monthly magazine on personal finance.

## Innovations Resources Group



The Innovations Resources Group is a leading complete solutions provider with an enviable track record in project implementation, project management, training and support for the solutions we deliver. Each company specialises in only one solution, therefore customers can expect our full commitment and expertise in delivering professional services.

**Power Innovations Sdn Bhd**, the leading specialist in **SunSystems** software, a unique, powerful, world-class financial management and analytical solution.

**Synergistic Innovations Sdn Bhd** provides powerful integrated ERP solutions, **Microsoft Business Solutions** —

**Navision** which includes financials, distribution, manufacturing, customer relationship management and e-commerce.

**Enterprise Resource Innovations Sdn Bhd** offers total **IT Services**, from IT planning, IT healthcheck, backup, server to network management services.

For more information, call us at 603-77266648, or visit us at [www.innovationsgroup.com.my](http://www.innovationsgroup.com.my)

### KarenSoft Technology Berhad



Established in 1991, KarenSoft Technology Berhad is a Malaysian netcentric group of companies providing Extended Enterprise Resources Planning (ERP2) solutions. Headquartered in Prai with branches in Penang and Petaling Jaya, KarenSoft aims to be a leading ERP2 solutions provider in the Asia-Pacific region. KarenSoft is an MSC-Status company and has been listed on the KLSE Mesdaq Market since January 2003.

Its flagship product, KarenSoft ERP2 is the complete e-Business solution comprising seven cycles : Sales Distribution, Materials Requirement Planning, Logistics Management, Planning and Production, Financial Accounting & Fixed Assets, Human Resources Information, and Customer Relationship Management.

KarenSoft was also included in the recent Deloitte Touche Tohmatsu's Asia-Pacific Fast 500 (ATF500) survey of Asia-Pacific's fastest growing technology companies. In this survey, KarenSoft clinched the number six spot among the 13 Malaysian companies, which made the ATF500 and ranked number 119 out of 500 companies in the Asia-Pacific region.

For more, go to [www.karensoft.com](http://www.karensoft.com)

### Kuala Lumpur Stock Exchange



The Kuala Lumpur Stock Exchange (KLSE) established in 1973, provides a central market place for buyers and sellers to transact business in the shares, warrants, fixed income securities and various other securities of Malaysian listed companies. KLSE today is one of the largest bourses in Asia with over 880 listed companies offering a wide range of investment choices. Through its network of companies,

the KLSE Group provides a comprehensive range of services to support the capital market and securities industry in Malaysia.

### Malaysian International Shipping Corporation Berhad (MISC)



MISC Berhad (MISC), a subsidiary of PETRONAS, is involved in the business of ship-owning, ship management and other related logistics and maritime transportation services.

Since its incorporation in 1968, MISC has developed into a sound, successful corporation and today, it has become one of the biggest shipping companies in the world especially in the energy-based transportation sector where it has the distinction of being the largest single owner operator of LNG tankers and the second largest combined Aframax fleet owner in the world.

MISC's modern and well-diversified fleet of 149 vessels with a combined total tonnage of 7.5 million dwt, calls at 700 ports in over 70 countries of the world providing reliable efficient and competitive services to meet the various demands of its customers.

### Takaful Ikhlas Sdn Bhd



*Takaful Ikhlas To Spur Islamic Insurance Growth With Progressive Takaful Products.*

Takaful Ikhlas Sdn Bhd is a subsidiary of Malaysian National Reinsurance Bhd or Malaysian Re. Takaful Ikhlas introduced its range of progressive Islamic insurance options through its parent company, Malaysian Re recently and was granted the fourth Takaful license by Bank Negara Malaysia on 21 April, 2003. Takaful Ikhlas has been in operations since 2 July, 2003 with its first Customer Service Centre at the Ground Floor of Bangunan Malaysian Re in Damansara Heights, Kuala Lumpur.

Takaful Ikhlas primarily focuses on Family Takaful and General Takaful sectors. Its Family Takaful insurance plans place heavy emphasis on savings, investment-linked policies, MRTA, creditor protection and group term products, while the General Takaful insurance plans feature innovative motor, fire and house-owner policies.



# Technical Programme

CONCURRENT A  
Accountancy/Business

CONCURRENT B  
Strategy/Technology

CONCURRENT C  
Living Skills/Management

## Day 1 • Monday • 6 October 2003

9.00 – 10.00 AM *OPENING & WELCOME COFFEE*

10.30 – 11.20 AM *PLENARY SESSION 1*

### **An Odyssey to the Top of Everest**

*Jamling Tenzing Norgay, Tenzing Norgay Adventures*

*Moderator : Dato' Nordin Baharuddin, Council Member, MIA*

11.20 – 12.10 PM *PLENARY SESSION 2*

### **Cost Control with Flying Colours**

*Tony Fernandes, Chief Executive Officer, Air Asia Sdn Bhd*

12.10 – 2.00 PM *LUNCH*

2.00 – 2.50 PM *PLENARY SESSION 3*

### **Meeting Challenges, Changing Attitude**

*YBhg Dato' Lawrence Chan, Executive Chairman & Founder*

*PDL Management Corporation (M) Sdn Bhd*

2.50 – 3.20 PM *NETWORKING COFFEE*

3.20 – 4.10 PM

### **Sun Tzu's Art of War in Investing Strategy**

*Dr. Foo Check Teck, Nanyang Technological University, Singapore*

4.10 – 5.00 PM

**Microsoft's Presentation** *(to be confirmed)*

## Day 2 • Tuesday • 7 October 2003

9.00 – 10.00 AM

### CONCURRENT SESSION 1A

#### **The Impact of Globalisation on Malaysia's Current Economy**

*Dato' Mustapa Mohamed, Executive Director, NEAC*

### CONCURRENT SESSION 1B

#### **Issues & Challenges of Measuring & Managing Performance**

*John Petty, CPA Australia*

### CONCURRENT SESSION 1C

#### **Business Re-Enterprise**

*Dr. Ilan Kogus, Psychologist Australian 2000 Olympic Team and Founder Kogus Associates*

10.00 – 10.30 PM *NETWORKING COFFEE*

10.30 – 11.30 AM

### CONCURRENT SESSION 2A

#### **Forum on Exporting Your Services**

*Moderator : Nik Hasyudeen, Executive Chairman, Khairuddin, Hasyudeen & Razi*

*Panelists : Prakash Nair, MATRADE*

*Dato' Nordin Baharuddin, Joint Chairman, Ernst & Young*

### CONCURRENT SESSION 2B

#### **E-mail versus Snailmail**

*Shirley Taylor, Shirley Taylor Training Consultancy*

### CONCURRENT SESSION 2C

#### **Fish!**

*Jimmy Tan, Principal Consultant, Adageo Learning Corporation and FISH! Certified Master Trainer*

11.30 – 12.30 PM

### CONCURRENT SESSION 3A

#### **Doing Business in China**

*Deng Liyang, First Secretary of The Commercial and Economic Counselor's Office of the Embassy of the People's Republic of China*

### CONCURRENT SESSION 3B

#### **Competition Policy — A Bane or Boon**

*R. Sivanason, Head, Trade & Economics, Consumers International, Asia Pacific*

### CONCURRENT SESSION 3C

#### **Managing Your Intellectual Property Rights**

*Chee Yoke Ling, Third World Network*

12.30 – 2.30 PM **LUNCHEON PRESENTATION BY AMANAH RAYA BERHAD**

2.30 – 3.30 PM

### CONCURRENT SESSION 4A

#### **Environmental Reporting**

*Moderator : Prof Madya Dr Maliah Sulaiman, Associate Prof, IIU*  
*Panelist : Roger Adams, Executive Director – Technical, ACCA*

### CONCURRENT SESSION 4B

#### **Issues of Convergence with International Financial Reporting Standards**

*Dr. Nordin Mohd Zain, Executive Director, MASB*

### CONCURRENT SESSION 4C

#### **Implementing Accrual Accounting in the Public Sector**

*Collin Murphy, Executive Director, Finance, Department of Treasury and Finance, Western Australia*

3.30 – 4.30 PM

### CONCURRENT SESSION 5A

#### **Forum on Practice Review**

*Moderator : Beh Tok Koay, Council Member, MIA*

*Panelist : Lam Kee Soon, Chairman of Practice Review Committee, MIA*

### CONCURRENT SESSION 5B

#### **The Future of Business Reporting**

*Chee Chong Hwa, Chairman, Karensoft*

### CONCURRENT SESSION 5C

#### **Enterprise Governance**

*Representative from CIMA*

*Moderator : Margaret Chin, Managing Director, Roots Consulting*

4.30 – 5.00 PM **REFRESHMENTS AND END OF PROCEEDINGS**

Note : The above programme is correct at the time of printing and may be subject to change.

# Profile of Distinguished Speakers

## **Beh Tok Koay**

**Executive Director of Deloitte  
KassimChan Tax Services Sdn Bhd**

Beh is the President of the Malaysian Institute of Certified Public Accountants (MICPA), a Council Member of the Malaysian Institute of Accountants (MIA), Chairman of MIA's Tax Committee and Convenor of MICPA's Tax Working Group. He has over 30 years experience in taxation both in the Inland Revenue and in private practice.



## **Chee Chong Hwa**

**Executive Chairman and  
Chief Executive Officer of  
KarenSoft Technology Berhad Group**

Chee is a Chartered Accountant by training and a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants. On the IT front, he founded the KarenSoft Technology Berhad Group in 1991. He is also the Chief Software Architect of the KarenSoft ERP2. In a nutshell, Chee is a Chartered Accountant by training, a Software Architect by choice and a Programmer by necessity.



## **Collin Murphy**

**Executive Director, Finance, Department of Treasury  
and Finance, Western Australia**

Collin's background includes extensive financial experience in both the State and Federal public sectors. Collin manages the Financial Operations, Financial Policy, Fiscal Strategy and Government Procurement areas of the Department of Treasury and Finance, Western Australia. Collin holds a Bachelor of Commerce degree from the University of Western Australia. He is a Fellow of CPA Australia and a Past President of CPA Australia's WA Division.

## **Deng Liyang**

**First Secretary of the Commercial and  
Economic Counselor's Office of the  
Embassy of the People's Republic of China**

Deng Liyang graduated with a Bachelor degree in Economics from Shanghai Institute of Foreign Trade in 1988. She was the Deputy Division Chief of Department of Asian Affairs, Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China.



## **Dr. Foo Check Teck**

**Award winning Associate Professor in Nanyang Techno-  
logical University, Singapore**

Dr. Foo Check Teck authored *Reminiscences of an Ancient Strategist: Mind of Sun Tzu* and *Organizing Strategy: Sun Tzu Business Warcraft*

which made global impact. He was interviewed on BBC Global Finance and by Professor Matsumoto on Japan Radio. Dr. Foo's latest work on the mind of the strategist is *The Imperial Mind – The fascinating and deeply strategic mind of Empress Wu Zetian*.



## **Dr. Ilan Kogus**

**Founder, Kogus Associates, Psycholo-  
gist, Australian 2000 Olympic Team**

Dr. Ilan Kogus is noted for his work in inspiring organizations to "Win in the Global Game of Business" and famous for his innovations in applying NLP techniques, psychological and behavioural models for "peak individual and team performance". He holds B.A, M.A and Ph.D. degrees in Change Management and Sports Psychology.



## **Jamling Tenzing Norgay**

**Founder, Tenzing Norgay Adventures**

By age six Jamling had already shown a penchant for peaks, scaling mountains in Sikkim with his father, Tenzing Norgay, who with Sir Edmund Hillary, became the first men to reach the summit of Mount Everest. Jamling holds a Bachelor of Arts degree from Northland College in Ashland, Wisconsin, USA. Jamling followed his father's footsteps when he summited Mount Everest in 1996.



## **Jimmy Tan**

**Principal Consultant of  
Adageo Learning Corporation**

Jimmy is the only FISH! Master trainer outside the US, certified by Dr Lundin, author of FISH!. He is also the Founder and Principal Consultant of Adageo Learning Corporation, exclusive licensee for FISH! Training Programs in Asia. He holds a Masters degree in Business Analysis (Distinction) from the University of Lancaster, UK.



## **Dato' Lawrence Chan**

**Executive Chairman and Founder, P.D.L.  
Management Corporation (M) Sdn. Bhd**

Dato' Lawrence Chan is the first and only Asian Certified Speaking Professional, award-winning Training Consultant, best-selling author of 4 books, Hall-of-Fame Leader, Olympics & World Championship Peak Performance Coach since 1972. He has personally trained people from all walks of life in USA, Japan, England and South East Asia.





# *Profile of Distinguished* **Speakers**

## **Dr. Maliah Sulaiman**

*Deputy Dean of Academic Affairs at the Kulliyyah of Economics and Management Sciences, International Islamic University, Malaysia.*

Dr. Maliah is a Fellow of the Association of Chartered Certified Accountants (UK). She holds a Ph.D from Otago University, New Zealand. Her research interests include environmental accounting, management accounting, accounting education and accounting from an Islamic perspective.



## **Margaret Chin**

*Managing Director of Roots Consulting Sdn. Bhd.*

Margaret has many years of experience in specialist areas spanning commerce and banking. She has been the President and Advisor to the IIA Malaysia and is a Member of the Malaysian Institute of Accountants. Currently, she is a Board Member of the Malaysian Institute of Corporate Governance as well as the Treasurer of the Malaysian Australian Business Council.



## **Dato' Mustapa Mohamed**

*Executive Director of the National Economic Action Council*

Dato' Mustapa Mohamed assumed the post of Executive Director of the National Economic Action Council in July 2001. He was formerly Minister of Entrepreneur Development and Second Finance Minister. Dato' Mustapa became involved in active politics in 1987 when he was appointed Political Secretary to the Minister of Finance.

## **Nik Mohd Hasyudeen Yusoff**

*Executive Chairman of Khairuddin Hasyudeen & Razi*

Nik graduated from Curtin University of Technology, Australia and started his own accounting practice in 1994. Nik is presently a Council Member of MIA and chairs the Institute's Public Practice Committee and sits on the Investigation, Globalisation and Liberalisation and Ethics committees. He represents the Institute at the Asean Federation of Accountants and the Professional Service Development Corporation Sdn. Bhd. He is also a member of the National Professional Services Export Council.



## **YBhg Dato' Nordin Baharuddin**

*Joint Chairman of Ernst & Young Malaysia*

YBhg Dato' Nordin has overall responsibility for audit in Ernst & Young, Malaysia. He has over 29 years of experience in public accounting.

Dato' Nordin graduated with a Bachelor of Science (Econs) (Hons) from the London School of Economics and Political Science. He is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also a Council Member of MICPA and MIA, and a member of the Financial Reporting Foundation and Advisory Committee of the Malaysian Central Depository Sdn Bhd.



## **Roger Adams**

*Executive Director — Technical for the Association of Chartered Certified Accountants (ACCA), UK*

Roger Adams has a Master's degree in accounting and finance. His main areas of expertise and interest are in corporate governance and corporate sustainability. Roger has directed ACCA's work in the environmental, social and sustainability areas for over 10 years. Roger is also a Visiting Professor at the University of West England.

## **R. Sivanason**

*Head, Trade & Economics, Consumers International, Asia Pacific*

Siva is an Associate Member of the Institute of Financial Accountants (UK) and holds a Post Graduate Diploma in Management (Greenwich, UK) and a Masters in Business Administration from the University of Hull (UK).



## **Shirley Taylor**

*Training Consultant*

*Shirley Taylor Training and Consultancy*

Shirley spent several years as Training Consultant and Lecturer teaching secretarial and business studies courses. She has also been Head of Department and Senior Lecturer in Bahrain, the Arabian Gulf, as well as in the UK and Canada. Shirley is an accomplished author of several successful books on business communication, including *Essential Communication Skills*, *Communication for Business*, *Pocket Business Communicator* and *Guide to Effective E-mail*, as well as the international best-seller *Model Business Letters*.

## **Tony Fernandes**

*Chief Executive Officer, Air Asia Sdn Bhd*

Tony Fernandes, a qualified accountant leads AirAsia, Malaysia's second national airline established to create new aviation products in Malaysia. Prior to this, he was the Vice-President for Asean Region, Warner Music International.





# Exhibitors

- ACCA Malaysia Sdn Bhd
- Acctrak21Marketing Sdn Bhd
- Advance Infosys Sdn Bhd
- Biztrak Sdn Bhd
- Century Software (M) Sdn Bhd
- The Chartered Institute of Management Accountants
- CIMB Securities Sdn Bhd
- CODA Business Systems Sdn Bhd
- Commerce Clearing House (M) Sdn Bhd
- CPA Australia
- CWT Consulting Sdn Bhd
- Direct Access, A Division of Southern Bank Bhd
- The Edge Communications Sdn Bhd
- Karensoft Technology Berhad
- Labuan Offshore Financial Services Authority
- OBM Software Sdn Bhd
- Penovate Sdn Bhd
- Power Innovations Resources Group of Companies
- Rainwalker Tenzing Adventures Sdn Bhd
- SAP Malaysia Sdn Bhd
- Sweet & Maxwell Asia
- Takaful Ikhlas Sdn Bhd
- Technology One Corporation Sdn Bhd
- Tepat UBS Sdn Bhd



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MARKETING

**Advance Infosys**

**BizTrak**

**century software**

**CIMA**

**CIMB**

**CODA**  
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**Rainwalker Tenzing**  
ADVENTURES

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SWEET & MAXWELL ASIA

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We make the net work.

# 2004 Budget : What Else?

The theme for the 2004 Budget “Mitigating Destabilising External Environment and Ensuring Sustainable Growth” is indeed appropriate in the context of the various developments that have occurred this year. Amidst the global economic outlook, Malaysia needs to stay focused on its core competencies and look at the long-term perspective. It is imperative that an investor-friendly environment continues to be forged together with introducing clear, proactive measures to boost investor and consumer confidence.

By Dr Veerinderjeet Singh



*“... the granting of incentives should not involve bureaucratic red tape. More attractive industry-specific incentives are needed to make Malaysia the “first port of call” in the region for foreign direct investment ...”*

**T**he RM7.3 billion package of new strategies announced in May this year was an excellent move to stimulate economic growth and shore up consumer and investor confidence — it was really a mini-budget. However, like all announcements, the rules for implementing some of the proposals are still not out. It is hoped that the authorities do actually closely monitor the expeditious and effective implementation of the package. The question that remains is : What else will there be in the 2004 Budget? Some of the issues that could be addressed in the Budget are discussed below.

■ **Incentives** — there has been a lot of talk about improving incentives but we need to benchmark existing incentives against those offered by our competitors to see where we are at. We need to drop ineffective incentives — do we have the means to measure this? We should introduce new incentives for areas where we have an advantage — R&D is one such area where we have introduced generous incentives but the take up rate has been slow. Then again, the granting of incentives should not involve bureaucratic red tape. More attractive industry-specific incentives are needed to make Malaysia the “first port of call” in the region for foreign direct investment (FDI). Clear policies on FDI and common implementation of these policies by all Government agencies are needed. At present, it is often the case that one agency of the Government recognises the contribution that can be made by FDI while another agency might discourage this through lack of clear guidelines and bureaucracy. Perhaps we need an arbitrator to resolve such issues on a timely basis.

■ **Attracting FDI** — the Malaysian Industrial Development Authority (MIDA) has been playing an important role in this area but at times, it finds itself at cross-purposes with other agencies. It is perhaps time to have a “real” one-stop agency to handle FDI. There is a need to change focus from a processing centre to a marketing centre. We must seek the investor, we must go to them to place before them the whole menu on offer and negotiate an appropriate package with such desired inves-

tors. We can no longer wait for investors to knock on our doors. Trade missions/road-shows need to be monitored for effectiveness and follow-up action.

■ **Small and Medium Scale Enterprises (SMEs)** — we all know the importance of SMEs to the economy and various funds have been set up to assist SMEs. Are we doing enough to disseminate the availability of such resources? Is there more that can be done? Last year’s Budget provided a token measure by way of reducing the corporate tax rate to 20 per cent for the first RM100,000 of chargeable income. It was a start but we need to do more. It is suggested that a further reduction of corporate tax rates be introduced. Potentially, a scale rate ranging from 10 per cent for the first RM100,000 of chargeable income to a maximum of 20 per cent for amounts exceeding RM500,000 could provide the impetus.

■ **Reverse Investment** — it is about time that Malaysian companies shift their focus to tapping foreign markets as had been done previously. We need more companies to export their expertise to other developing and emerging markets. Profits from foreign ventures can then be brought back (tax free in Malaysia) for reinvestment, etc.

■ **Tax Rates** — to compete with other countries in the region, a reduction in both the corporate and personal tax rates needs to be seriously considered so as to create the impetus for both FDI and domestic investment. It is noted that, with tax incentives, the effective tax rate is much lower. But this is only for those who qualify for such incentives. A corporate tax rate cut would benefit all companies and should thus have greater impact. It has been seen that in the context of a growing economy, tax rate cuts have led to higher tax revenue collection. It is, however, proposed that the Government considers a reduction of the corporate tax rate over a period of time — perhaps a one per cent reduction annually so as to achieve a 25 per cent tax rate in 2006. Such a move must be announced in advance in order to provide clarity and certainty so that investors do take into account

*“With economic recovery and increased business activities, past trends have shown that tax revenue will increase despite a rate reduction”.*

the potential reduction in the tax rates.

Similarly, personal tax rates would also need to be adjusted i.e. the top marginal rate should match the corporate tax rate. The number of income bands could be reduced as well.

With economic recovery and increased business activities, past trends have shown that tax revenue will increase despite a rate reduction.

■ **Revenue Generation** — the need for effective enforcement by the tax agencies is an important component of the whole framework. We have heard of many instances of tax and duty evasion as well as lapses in enforcement. With technology, we can do a lot to ensure that tax officers are free to concentrate on enforcement be it via audits, inspections or investigations. There have been a number of instances where we have heard or known about millions being spent on computerisation exercises but we do not reap the benefits of such investments. It is time that the tax agencies be transformed into truly “service-oriented” entities, which use information technology effectively and efficiently. Yes, there will be a need to budget for such expenditure but we must move along this road and it requires a holistic approach i.e. the whole agency must be wired, trained and have a service-oriented mindset.

In addition, there is scope to increase “sin taxes” to make up for any loss in direct taxes. There is scope to widen the ambit of service tax and sales tax but this should be done together with a reduction in direct taxes. Needless to say, a regime similar to a Goods & Services Tax (as has been implemented in many countries around the world) is a ready answer but it would still require effective enforcement.



■ **Tax Administration** — there is a need for the tax authorities to be more forthcoming with the issuance of clear guidelines to ensure transparency in the tax system. Speedier and more efficient processing of applications as well as refunds of overpaid taxes would promote confidence in the system. Hence, as pointed out earlier, a holistic technological transformation is absolutely essential especially since self-assessment of income tax will be fully operational in 2005.

With the transformation, it is hoped that the tax authorities could be more proactive/responsive in issuing timely clarifications on relevant areas which will assist taxpayers in making their financial decisions. One area that requires guidelines/clarifications is that on the tax treatment of e-commerce transactions. Another aspect is the need to introduce an advance tax rulings process — again, this may be feasible once the tax staff are freed from the mundane processing aspects of their work.

Clarity and consistent application of the law is essential so that business is not hindered. The tax system must be business-friendly rather than being seen as a bureaucratic system. To be fair, the Inland Revenue Board (IRB) has made some advances in terms of improving efficiency but more needs to be done and with the current reform-minded leadership, this augurs well for taxpayers in general.

Self-assessment would possibly lead to the need for more tax agents to assist taxpayers in meeting their compliance obligations. In view of the multitude of qualifications that are recognised for purposes of being able to practice as a tax agent, there is a need for a professional body to regulate such practitioners. Such a body could be similar to the Malaysian Institute of Accountants and relevant stakeholders could be represented. This is essential so as to ensure that professionalism, ethics and technical competence of such practitioners can be enhanced.

■ **Group Relief** — The 1999 Budget introduced group relief for resident companies involved in approved food production projects. The package in May 2003 extended this to certain types of products. Group relief recognises a group of companies as a single economic entity and is common in most developed tax jurisdictions. It

can be a strong motivation for companies to venture into new businesses as there could be immediate relief for any losses incurred. It is suggested that group relief be extended to all sectors. If abuse is a concern, the authorities could, for a start, limit group relief to wholly owned subsidiaries.

■ **Promotional Expenses** — for too long, the term “entertainment” in the Income Tax Act 1967 has led to the disallowance of deductions in respect of what should properly be categorised as promotional expenses. Such expenses are incurred to promote the sale of products/services and should be treated as tax-deductible expenses. An amendment to the law appears to be the only way to go in terms of narrowing the ambit of the term “entertainment”.

■ **Intellectual Property** — the tax deduction currently available applies to Malaysian companies involved in the manufacturing sector. This should be extended to non-manufacturing businesses so as to encourage the acquisition of new technologies and to evolve into innovation-driven, knowledge-based companies. Tax deduction for patenting costs should also be allowed.

■ **Individual Taxpayers** — the scope of charge to income tax could be changed to a territorial basis so that income derived from outside Malaysia and remitted into Malaysia would not be taxable. A condition for this change could be that the foreign income should have been subjected to tax in the overseas jurisdiction. With regard to non-resident individuals working in Malaysia, it is proposed that, instead of a flat 28 per cent tax rate, the Malaysian income of such individuals could be taxed at scale rates as is done for resident individuals. This will assist in lowering the tax cost to companies who engage such non-residents. Alternatively, the non-resident could be taxed at a flat rate of 15 per cent.

■ **Tax Reliefs** — it is probably time to review some of the personal reliefs and rebates so as to bring them in line with inflation and to provide an impetus for a knowledge-based economy. The rebate for the purchase of a personal computer could be increased to RM1,000 and should be allowed once every two years as computer

technology becomes obsolete quickly. The relief for purchase of books should be increased to RM1,000 to further encourage the creation of a knowledgeable society.

The relief for technical courses undertaken by individuals should be increased to RM10,000 per annum and could be expanded to include certain management courses as well.

Child relief should be increased to take into account the increased costs and inflationary adjustments. Similarly, the reliefs for insurance premiums in respect of education or medical insurance could be RM3,000 for each category whereas the relief for life insurance premiums and contributions to approved schemes could be RM5,000 for each category. These increases would greatly assist individuals as such life, education and medical policies as well as saving for retirement are essential for all and recognising this by way of increasing tax reliefs is indeed appropriate.

The above outlines some of the areas that could be addressed in the 2004 Budget. Other areas that would need to be focused on are human resource development — increasing productivity and ensuring technical competence through continuing education programmes, aggressively marketing our tourism industry, reducing the cost of doing business in Malaysia, looking into tailor-made incentives as one size does not fit all, etc. The social aspects of the economy will continue to be an important part of the Budget as rural development, housing and education are crucial. As the economy recovers, we will see less of the pump-priming exercises and the private sector should play its rightful role in driving the economy. **AT**

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# Estate Planning

## *at different stages of your life*

By Jenny Tan

Good estate planning allows the freedom to plan for yourself and your loved ones without giving up control of your affairs. Your estate plan should include an element of contingency in planning for the possibility of your own disability. A well-drafted estate plan should save or minimise on every tax dollar, court fees and professional fees.

Regardless of the value of your estate, whether it is one or a million ringgit, it is part of your estate and whether you like it or not, transferring of ownership is imminent after your death. Hence, almost everyone needs to have estate planning to ensure whatever that you have will be distributed and inherited by your loved ones. If your estate value is small, you may only focus upon who will be the recipient/beneficiary in your estate plan. On the other hand, if you have a large estate, you may need to think not only about who will be the recipient but you will also have to consider various ways to manage the assets enabling it to grow continuously and to preserve them before passing them to your heirs.

As mentioned in the first series of Estate Planning, there are various tools to be considered when planning your estate. These include Wills, Trusts, Power of Attorney (PA), Life insurance, Nomination, Assignment and Buy-Sell agreement.

Setting up a proper and detailed estate plan can sometimes be frustrating. Many individuals are not always aware of their options or the questions that they need to think about. Determining the right estate planning tool requires you to balance the advantages and disadvantages in light of the other choices which may also help you achieve your goals. Depending on your age group and family situation, following are some guidelines in broad categories on application of estate planning tools.



### Are You Young & Single?

When in this age group, you may ponder whether you need to know about estate planning? You would probably be partying until dawn and having a few dates. Nevertheless, you might want to have a good start at this stage, which leads you to have comprehensive financial planning.

If you are filthy rich at this age, you can write a Will. By doing so, you can leave your possessions to someone you're fond of. If you do not write a Will, whatever you leave behind will go to your parents according to the *Distribution Act 1958 as amended by the Distribution (Amendment) Act 1997*.

Think of life insurance as a form of wealth preservation and protection. Unless your lifestyle is unusually risky or you have a serious illness, you are likely to live on for a long time. By buying insurance at your age in a healthy condition, you will enjoy a lower premium and a higher coverage that will eventually increase the total distribution of your estate.

### Are You Attached But Not Married?

If you have a life partner but are not married, a Will is important to ensure that your partner is not left out in the cold after your death. This forms a direct protection for your partner should you have joint assets and decide to allocate your share for him/her to inherit such as a house bought under joint names with a borrowing from the bank.

Without a Will, the law (*Distribution Act 1958 as amended by the Distribution (Amendment) Act 1997*) will dictate where your assets go after your death, and your partner will get nothing. Instead, only spouses, children, parents will inherit everything.

If you have an insurance policy and your intention is for your partner to receive the policy benefits, you have to assign your insurance policy (absolute assignment) nominating your partner to have him/her to solely receive the insurance proceeds.

Statutory trusts are created by operation of law such as Section 166 of the Insurance Act 1996 where by virtue of the nomination of spouse or children or parents (where there is no spouse or children at the date of nomination), a trust is automatically created to protect the interests of the

nominee in the insurance policy. Such a statutory trust cannot be created for your partner, as the partner does not fall within the Section 166 category of nominees.

### You Are Married with Young Children?

Having children is a great responsibility hence estate planning becomes very important. Here is what you may want to consider.

Firstly, you should have a Will. It is a legal and formal document that specifies the distribution of your estate to whom you desire and also an arrangement of the guardianship and custody of your young children. In the event of a common disaster where both the parents are gone, the appointed guardian will take over the custodianship of the children and be responsible for the daily welfare of your children. If you fail to name a guardian, the court will appoint someone to act in the child's best interests when there is someone applying for the guardianship of the child. A Will can be drawn up by a Professional Will Writer e.g. from Rockwills Corporation Sdn. Bhd. or by a lawyer.

Without a Will, a portion (2/3 according to the *Distribution Act 1958 as amended by the Distribution (Amendment) Act 1997*) of your property will go directly to your children. This may create problems for the surviving parent who will need to go through the court process to get permission to get the money if the children inherit the property directly. This is a waste of time and money, and is stressful.

Second, buy a life insurance policy to replace your earnings to maintain your spouse and children upon your death. As life insurance can turn into liquid cash immediately upon your demise hence the need for life insurance in such a case is obvious. If the family breadwinner dies, the life insurance proceeds will be available to the beneficiary (usually the surviving spouse) to continue paying the loan or mortgage instalments. If both parents die, the insurance fund is created for the support of your children. Most often, the parents will name the children as beneficiaries if there is no surviving spouse. It is very important to take advantage of Section 166 of the Insurance Act 1996 to enable your spouse/children to receive the money quickly and without hassle.

The other advantage of life insurance is that the proceeds are creditor proof (but not the cash value) and this helps you to preserve the assets from any creditors' claims. This is a very secure way to leave behind money to beneficiaries (nominees under Section 166) without reduction in the value of the estate. Understanding this concept is not difficult, however, getting your insurance correctly passed to the beneficiaries requires more thought.

There are certain issues to be addressed when naming young children as life insurance beneficiaries. The first issue is that a guardian has to be named to manage the insurance money if the children are under age 18. You will need to appoint a trustee in the life insurance policy to manage the fund. Ordinarily, a minor will receive his or her entire inheritance upon reaching age 18. When you know that the life insurance fund may be a substantial amount, such a sum may not be appropriate for any young children or teenagers to handle. To ensure that an immature or incapable beneficiary does not waste your wealth, you can establish a trust (living trust) for the beneficiaries to enjoy upon attaining a certain age or for having to control the fund distribution for a particular purpose.

Hence, you might want to spend some time to figure out the apportionment and ages at which you think the beneficiaries would be ready to inherit their share. Also, consider any special conditions for inheritance or enjoyment of the income from the trust.

You can choose to distribute your wealth to your beneficiaries in certain amounts and over the period of time you desire. The appointed trustee, usually a trusted relative or trust corporation, such as BHLB Trustee Bhd, will manage the estate and will use discretion to distribute the money for the child's health, maintenance and education. Depending on your provision in the trust, the trustee is either given the discretion or directed to distribute the trust fund at different age intervals. Example, 20 per cent shall be payable at age 21, 40 per cent at 25, and the rest at age 30. The terms and conditions of the trust are at your discretion with the intention that the fund will be managed for the benefit of the child until such time as he or she is more mature.



### Are You in the Mid-Aged Zone?

At this age, you have either accumulated some form of material wealth or/and also debts and you should have enough wisdom to know that estate planning is very important.

At this stage, there is a high possibility of changes needed in the original estate plan (if you had one earlier) with changes in circumstances and financial status. Having to reconsider a well-structured estate plan for the next 30 to 40 years, you probably want to take some time to reflect on what you want to eventually leave behind; what you want to remain in control of and to whom you want your assets transferred to before and after death.

Depending on your goal, size of estate, family relationships, minor or disabled children, charitable intentions, consider creating a trust in your estate plan. A trust is a legal instrument where the legal title is transferred and held by the trustee for your benefit, your spouse, and your heirs.

Despite how it sounds, you do not lose control of the assets you transfer to the trust. Technically, your property is no longer in your name but this is placed in the name of a trustee and you remain in complete control as the trust could be structured to allow you to give advice to your trustee in the management of your assets. Upon you and your wife's incapacitation or death, the rights will be transferred to the successor to manage the assets in accordance to the terms that have been established within the trust. It is virtually impossible to create a trust for the whole estate, as it would mean that you need to transfer your entire estate to the trustee.

As a result, those assets under trust will not need to go through probate because ownership has been assigned and control has been given to the trustee through your trust. A trust can be revocable and it has the flexibility to be changed or cancelled by you as long as you are alive and competent. A revocable trust enables you to retain ultimate control over your assets and is particularly useful for asset management. After death, the trust property can be transferred quickly in accordance to the trust document. However, this form of trust cannot protect you from the claims of creditors or bankruptcy as you retain a vested interest in the assets. In addition,

income derived from this trust is taxable.

If you consider some tax-savings, a trust can be formed to pass over a property to a beneficiary with a lower income tax bracket where the income generated is not held for your own benefit.

The other form of trust you may want to consider is irrevocable trust — asset protection trust where trust assets do not form part of the estate. Once created, your property is passed over to the trustee and it is irrevocable hence protected against creditor claims. This is a form of a complete gift.

Finally, ensure a proper nomination is made for your Employees' Provident Fund (EPF) and life insurance as the proceeds do not form part of the estate and hence are creditor proof.

### Do You Qualify as a Senior Citizen?

You are either heading for retirement or have retired. This is a crucial time to take concrete steps to review and establish a serious estate plan if you still do not have one.

No one likes to think about the unpleasant possibility that one day you might become physically or mentally incapacitated and unable to handle day-to-day matters, financial decisions or even personal healthcare. Many of us assume that should disability strike us, the married spouse, parents or close relatives will automatically act on our behalf. This is not reflected in the law. If you have not prepared for this, a judge may have to appoint someone to make such decisions for you. No one wants a court intervention in personal matters, but someone must have legal authority to act on your behalf in such circumstances.

Firstly, review your Will or update the old one. Then consider a trust or another option, Power of Attorney (PA). PA is an authority given by one person (the Donor) to another (the Attorney/Donnee) to act for him in his absence e.g. to collect/receive debts, to deal with the property etc.

### Advantages of PA :

- For an irrevocable PA, the donee can protect the interest of the donor when the donor is of old age or becomes physically or mentally too frail to act;
- Convenient for a short period of time to enable the donee to deal with assets specified in the PA for purposes of sale

or collection or even to sign important documentation;

- Good estate planning tool to prevent delay in dealing with the asset(s) named in the PA.

### Disadvantages of PA :

- An irrevocable PA can only be revoked by mutual consent. The donor loses control of the assets if the donee refuses to give consent to revoke the PA.
- Not too suitable when the PA covers the entire estate of the donor because terms may be too wide allowing the donee to misuse his power.
- The donee chosen by the donor must be a trustworthy person so that the donor's interest is protected. This is especially so if it is an irrevocable PA.

If you have a large estate, a living trust may be considered to minimise publicity. Unlike a Will, it is a public document upon death. It is also another instrument that can be designed to manage your assets for you if stated in the trust deed in the event you are disabled or incapacitated.

If you own a business, whether as a sole proprietor, partnership or private limited company, you will need to consider a business continuation plan. In the event of retirement, illness or death, a proper funding solution and legal arrangement ensuring the continuity or smooth transfer of your business is worth considering. You would not want to see your business decline in value or dissolve upon your departure. We will discuss further on the Business Continuation Planning in the next issue.

A well-designed estate plan keeps you in control of your own affairs, allows you to create protective trusts for your young children, disabled children, adult children, and grandchildren and leaves explicit instructions for care to your family members in the event of your disability or death. Ensure reviewing your estate plan if you move to or own property in another country. Control and preserve all your assets, including your retirement fund and life insurance to ensure the smooth process of wealth distribution. **AT**

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# Doing Business in Japan



The role of the consultant as a chartered accountant, or any other professional, is not identical all over the world. Despite this fact and despite all efforts to move closer to a single global set of accounting standards, the necessary communication with the international client is still and will always remain subject to a different set of rules.

*By Sergey Frank*

**D**espite the recent economic recession in the country, Japan is one of the world's most important markets with many global brands and manufacturers. It plays a vital role in global business. In the next two articles, we will focus attention upon what specifically has to be taken into account when doing business and communicating with the Japanese.

doing business there. In summary, the following three key concepts are of particular importance. First, one has to maintain a positive climate and establish trust during the communication and negotiating process with the Japanese. Secondly, whatever the subject matter during the talks, they should be kept clear and transparent. And thirdly, it is vital never to lose control of the development of the negotiation bearing in mind that 'patience is a virtue'.



## **What are the important factors when doing business in Japan?**

In a nutshell, doing business in Japan is different to many other places in the world. It requires much more consideration than any-

where else because it simply is not comparable to any other business region in the world. The Japanese have a style of negotiating which is distinctly their own. Many negotiators working there find out the hard way that their natural negotiating patterns, which achieve good results at home, may become considerably counter productive in Japan. This applies especially to negotiators from the US and Europe, and also to business people from all other parts of the world

## **A Question of Face**

One of the most crucial aspects of communication in Japan is the importance of face and the absolute necessity in any communication to save face for every participant.

So when crucial subjects are discussed, perhaps the Japanese partner may either paraphrase a negative with polite and possibly non-committing words, change the subject or delegate this part of the negotiation to lower-level negotiators to say 'no' in informal gatherings. Moreover, one should bear one particular distinction in mind, which the anthropologist Masao Kunihiro describes thus : "English is intended strictly for communication. Japanese is primarily used to feel out the other person's mood."

Because of this cultural background, a Japanese collaborator will most likely refrain from saying a clear 'no'. 'Wa', mean-

"English is intended strictly for communication. Japanese is primarily used to feel out the other person's mood."



ing the maintenance of harmony within a negotiation, is one of the central values of Japanese culture. Negative responses to proposals during the negotiation practically do not exist. In case they do appear, they are paraphrased in a very sophisticated way such as, “we will think it over”. A blunt negation however, as used, for example, in English is virtually unheard of. There are approximately 16 ways in Japanese to avoid saying the word “no”.

### **How do communication patterns differ?**

In general, business relationships in Japan are established through the right connections, who arrange the appropriate introductions. Cold calls, as used for example in the US, are simply not done and would most likely lead to failure. Instead, a third party coming frequently from the service or finance sector or a local agent, initiates and co-ordinates a first meeting.

It is not only the first introductory meeting, which is of crucial importance. The key word for success in Japan is finding the right means of communication. If this

is achieved, much is gained. However, the concept of suitable communication is rather complex — communication is not only the technical exchange of words and sentences. In Japan, it goes beyond such definitions including also the non-verbal understanding, the so-called ‘*haragei*’. In its original context ‘*hara*’ means stomach, ‘*haragei*’ means communication without using words. It rather necessitates communicating one’s purpose, desire, demand, intention, advice or similar concepts by means of psychology, intuition, the knowledge of the other party’s personality, background, ambitions, priorities, personal background and so forth. It requires considerable patience and nerve to communicate through ‘*haragei*’ since such a technique seems to be unique to Japan, but it is rather frequently used to convey and solve problems.

Communication starts with establishing ‘the right waves’ for a positive climate and the creation of trust and mutual understanding between the parties. At the initial stage it is not at all advisable to start with business discussions too quickly, as one can

appear to be rather arrogant or pushy. For the Japanese, trust is a major component of all long-term relationships. This is evident, for example, in the low significance of contracts in Japan and in the enormous amount of time and money spent to get to know each other during informal socialising. You have to win trust in order to gain the business. The first step towards this goal is to become familiar with the principles, which underpin Japanese business philosophy.

### **How can we recognise and overcome communication problems?**

Unlike some other countries, it is very worthwhile to have face-to-face discussions with your Japanese partner rather than use other channels of communication, at least in the beginning of a business relationship. Therefore, verbal communication becomes very significant but translation may be rather difficult, since not all Japanese speak English. Those who do may be familiar with technical but not necessarily business terms. Here, one may encounter two kinds of communication problems of conception and language. The latter may be overcome

*The Capital of Japan — Tokyo*



by paraphrasing the meaning or using different words. But in case of conceptual problems, i.e. when the other side does not understand the concept of what is said, one has to explain it precisely, not just verbally, but ideally in writing and possibly drawing some visual structures on the board to make things clearer. Therefore, it is absolutely essential to have a bilingual member of the team who may be either an interpreter or, in addition, a member of the negotiating team.

### How to Behave

In addition to the considerations described above, the following may be relevant in negotiating with the Japanese.

The negotiating style of the Japanese may be non-individualistic, impersonal and rather unemotional. Having said that, emotion, i.e. trust, is very important but less apparent. Logic and consistent argumentation as such will not persuade your partners. There has to be a feeling of trust and harmony. The Japanese normally negotiate in teams, with each member performing a different function, and they may outnumber opposing teams. The Japanese highly value status and hierarchies and feel that the negotiation process has to take place at the appropriate level. The relationship between the teams and a long-term benefit of this are as important as the negotiation results themselves. The entire negotiation is a single process aimed at reaching an agreement and building a relationship.

The preparation is usually executed meticulously. Japanese partners will ask for details about every aspect and will take extensive notes. Try to be consistent in your attitude and avoid radical changes in your proposals and in your negotiating strategy unless they are clearly justified. Being too flexible could make you appear insincere. Questions from the Japanese side are usually for information gathering purposes. They are not focused on making a decision while listening to your answers. In subsequent meetings they will go over the same ground as in the first but the questions will be more profound. There may be little flexibility on their side during the actual negotiations. It may be more evident between meetings when they have checked with the head office.

Japanese negotiators are cautious, skilled in holding tactics and do not want to be



rushed into decisions. They need time to reach consensus. They will be willing to go over the same amount of information many times to avoid later misunderstandings and to achieve clarity, although the ambiguities of their own use of English may leave western businessmen far from clear about their intentions. Therefore, it is important to define the key terms of business during the first stages of the negotiating process.

The Japanese may also bring to the meeting a very senior person not necessarily working for their company but being a consultant who commands great respect and whose opinion should be considered.

### The Interpreter

Apart from exceptional cases, it may be very important in Japan to involve an interpreter. In order to do this effectively one should take the following into consideration :

- Be prepared in advance to provide an interpreter whom you know, who has been recommended personally and who has already used his services for business negotiations. The interpreter should have your confidence and should be familiar not only with the languages involved but also the specific subject matter.
- It should be clear that circumstances other than the business in hand must also be taken into account. This applies to all international negotiations where the atmosphere in which it is con-

ducted is of such crucial importance.

- Maintain a pleasant ambience and use breaks every hour to give the interpreter a rest. Find out how interpreters are used in Japan and what their concrete role in the communication process usually is.
- Brief the interpreter in advance; give him the agenda if available. The basic rule is: 'The more specific the preparation, the better the performance.'
- Speak loudly, clearly and slowly. Avoid superfluous and little-known concepts or slang words. Avoid double negatives. Explain the major idea in two or three different ways, as the point may be lost if discussed only once. Particularly relevant to interpreters is the fact that the human brain is not able to concentrate for a long time without neglecting and forgetting details. This is especially applicable to lengthy negotiations. So, do not talk for more than one or two minutes. This gives the interpreter a chance to speak. Generally have in mind: the easier the message to be translated, the better the translation.
- A concept is easier to comprehend if it is also in writing rather than just verbal. Let the interpreter make notes and ask questions. Write out the main points and results discussed during the negotiation. Let the interpreter clarify such points though only with your assistance.
- And finally, after a partial or total agreement has been reached, confirm in writing what has been agreed. **AT**

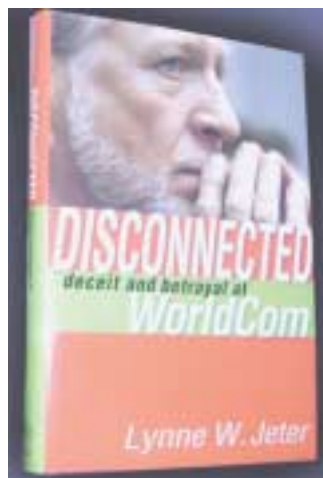
*Note :* Sergey Frank is a partner of Kienbaum Executive Consultants and Managing Director of Kienbaum Ltd., the London office of the Kienbaum Group. He is a worldwide acknowledged author and speaker on international communication issues. [www.kienbaum.co.uk](http://www.kienbaum.co.uk)

The ideas put forward in this article apply for actual international consultation regardless of where it is taking place. The article aims to educate on different ways of doing business in different countries. This is important since it helps to understand international business. And this conclusion is vital because nowhere in business, especially in international consulting, can so much be gained and lost so quickly as in international transactions and projects. This article was first published in *Accounting & Business*, ACCA's monthly publication.



## DISCONNECTED: Deceit and Betrayal at Worldcom

By Lynne W. Jeter



Pages 248

Publisher John Wiley

ISBN 0-47142997-X

Price RM79.80

BY any account, the accounting shenanigans at WorldCom Inc were eye-popping. The tele-

communication giant had wrongly claimed US\$9 billion in expenses as capital expenditures. The figure, according to on-going investigations, could go as high as US\$11 billion. That's one-fifth of Malaysia's gross domestic product and far dwarfing Enron's US\$680 million bookkeeping deception.

Naturally, the WorldCom story makes an interesting read. Imagine the behind-the-scenes operations to keep things under wrap. Some key people would have had to go to great lengths to ensure the deception never leaked out. The end in mind: inflating WorldCom's earnings by postponing costs, which under accounting rules should have been deducted from income

immediately.

The rise and fall of the US giant is captured vividly in *Disconnected: Deceit and Betrayal at WorldCom*. To begin with, the book makes a good read because of the author's intimate knowledge of the people and the company. Lynne W. Jeter has been the primary WorldCom reporter for the only statewide business journal in Mississippi, home to WorldCom before the meltdown.

True, the subsequent fallout was simply too big and too fast-paced for a state reporter. WorldCom's revelations in July 2002 saw a reluctant White House and congressional Republicans backing a wide-ranging package of corporate and accounting reforms. However, Jeter had the unique opportunity of tapping into her contacts to capture the unfolding drama.

The earlier chapters trace the beginnings of WorldCom.

If you're a budding entrepreneur, it may be of interest. It's a story of how a couple of small time players made it big.

But if you're more interested into what brought about the downfall of a world giant, then zoom on into the later chapters.

What you do not get in this book is the in-depth description of the accounting scandal. To chew on that, perhaps the ongoing criminal case against WorldCom's former chief financial officer, Scott Sullivan may be the better avenue. Yes, that's the CFO who took home \$45 million in stock options and bonuses from 1999 to 2001.

Today, WorldCom is known as MCI. Its new management, name abandonment and a new corporate home in Washington's Virginia suburbs is a clear indication of MCI's attempts to put the accounting debacle behind it as quickly as possible. But the past is a story worth reading. **AT**

## The Portable MBA in Management

By Allan R. Cohen



Pages 402

Publisher John Wiley

ISBN 0-471-20455-2

Price RM111.80

MANAGING is never easy. It's an art of combining all the right elements in the right doses. To be on top of things, for as long and as far as possible, one cannot run away from continuously keeping abreast with all

sorts of developments. *The Portable MBA in Management* is one such self-help book.

This second edition of the book explores issues in leadership, organisational design, strategic negotiation, influence, and change management.

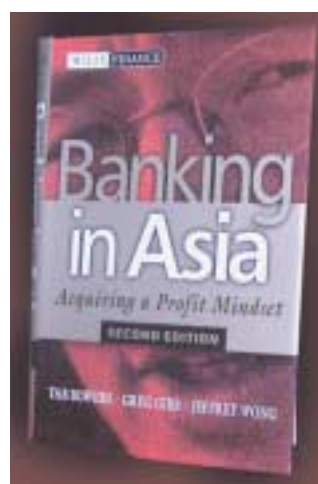
Edited by Allan R. Cohen, the collection of articles reflects pressing management concerns in an environment characterised by accelerated technology, and ever more sophisticated employees.

Among the areas covered are articulating and selling your business vision, responding to workforce diversity, building a powerful and effective management team, and, using power and influence in the workplace.

The book is no breezy read. Be prepared to engage in an internal debate. What do you expect with chapters like 'Managing Individual Behaviour' and 'Power, Politics and Influence: Savvy and Substance in Organisations'. **AT**

## BANKING IN ASIA : Acquiring a Profit Mindset

By Tab Bowers, Greg Gibb and Jeffrey Wong



Pages 384

Publisher John Wiley

ISBN 0-470-82099-3

Price RM239.80

BANKING today is a regional business. At least, that's the way things are moving. Some observers see the banking market of Asia containing some of the great-

est opportunities in the world.

So, how does the Asian banking landscape look like? *Banking in Asia: Acquiring a Profit Mindset* is an attempt to address that very question.

This book, a cleaner and leaner version of McKinsey & Company's research, tries to look beyond the day-to-day headlines. The research team attempts to draw lessons from client work and research to paint a picture of how Asian banking is likely to evolve in the coming decade. It also looks at what it will take for local and global banks to capture the most attractive opportunities.

If you're looking for material on Malaysia alone, this book, as the title suggests, is not the best of avenues. But it allows those involved in the local banking scene to compare how Malaysian banks are faring against regional competitors. **AT**



# Be Competitive to Move Ahead



By Donald Appleby

## Mindset

There are two basic responses to competition.

1 One is a reaction of anger, tension and anxiety. From this viewpoint, competition is seen as a threat. This attitude sometimes finds expression in the following ways :

- "It's him or me"; "One of us has to go."
- "There isn't enough room in the town for both our companies."
- "She is highly competitive."
- "He will just cut these prices to the bone to grab the business."

*"How you value yourself ... how you feel about yourself, are reflected in how others see you too!"*

In other words, one reaction to competition is negative. People who have this pessimistic view usually are unhappy, with those who characterise negative attitude. Such people end up doing poorly : in running their business or when they chase after a job, prize, sale, award, promotion

or new account.

They suffer because of their negativity or ill feelings regarding competition. Their attitude may do much to short-circuit what might have been a winning performance or work. Inner resentment and even bitterness toward competition may destroy and prevent them from doing their best.

A positive frame of mind is essential to dispel negative elements.

2 The positive reaction to reputation is certainly healthier. In this response, competition is viewed differently :

- "May the best person win." "The company that can deliver more will get the business."
- "I do not fear any competition be-

*cause I know I have got the best product/service for the money."*

- "The spirit of competition is alive and well." "My competitive edge brings out my best."

In other words, competition is seen as an incentive. This keeps a person on his

What does it take to be competitive? How does one position oneself in the face of competition? Can attitudes toward competition regulate opportunity for advancement? How do feelings about competitors affect the success of your business? Yes attitudes certainly hold sway on career advancement and business success!

or her toes. If there existed no competition, and if everything in life was cut and dry, it would be awfully dull! Lack of competition or rivalry will stagnate growth and development, which are vital to real success.

Few people really go places, or climb the ladder of success quickly, by casual thoughts on ...

- what they may want OR
- by doing so only when the spirit moves them on.

It's when what you want becomes a burning desire, when you're restless until you have it, that events really shape out and start to happen.

As the old saying goes : "If you want something badly enough and think about it hard enough, you are likely to get it — assuming of course, that you have taken the right steps to attain it."

All these mean welcoming competition and viewing it as something that will keep you sharp. You need to continue working and producing at your best; and seeing it as a catalyst to give it all you got ... turning in your maximum performance for what you want — whatever it may be.

*"The real professionals in life welcome and thrive on competition; it adds more flavour, challenge, excitement and fervour to life!"*

Reflect on your past for work values and other criteria as they unfold. These make a true picture, not a series of accidents! By careful analysis you could identify likes and dislikes, and differentiate your particular strengths and weaknesses.

The ideal mindset has to be a synergy of all of these elements and you have to nurture the right attitude to enjoy the workplace.

#### Choice of Language

The choice of language also characterises the individual and gives the person competitive edge. Ask yourself, *"Do I like the language at my workplace?"* Very often despite successful job portfolios, you are not happy with the type of language or communication used.

Unless you are able to have a shared value system and similar ethics, you could have a sticky problem — one that is not about to 'go away'. Whilst you may not lose the job, by not being comfortable with the language spoken, you lose your competitive skills — you are not likely to advance in your career! Your self-image is of paramount importance in your career growth. To fulfil your true potential you have to question your own self-esteem, your vulnerability — just as much as what is revealed in your biodata about your experiences and qualifications.

Take the responsibility in projecting your correct self-image. Displaced modesty about your ability is just as bad as negative self-image. They do not reflect a true you! Your self-esteem is the foundation of the image you project to others and you have to constantly take stock of your skills and appreciate your competence. Accept compliments gracefully and never self-efface or put your self down! **AT**

# Replace Complacency with Initiative

By Davis Sharp

Leaders are expected to be initiators and of all the things a leader should fear, complacency heads the list. Leaders should not only be responsible for initiating connection with their followers, but they need also to always look for opportunities and be ready to take action.

**W**hat qualities do leaders possess that enable them to make things happen? There are arguably hundreds but I see at least four that embraces the most attributes you need :

#### ONE

##### Leaders Know What They Want

The famous pianist, Oscar Levant, used to joke : "Once I make up my mind, I'm full of indecision." Humorous as his statement may seem, unfortunately that's the way many people actually operate. No one can be both indecisive and effective. The starting point of all achievement is desire, and you have got to know what you want if you are looking to be an effective leader. That is the only way you will recognise opportunity when it comes your way.

#### TWO

##### Leaders Push Themselves to Act

There is a very old saying : "You can if you will." Initiators do not wait for other people to motivate them. They appear to know it's their responsibility to push themselves beyond their comfort zone. And they make a regular habit of this quality. One of the 20th century's great leaders, American President Theodore Roosevelt was acclaimed as an initiator and his modest remark sums up this virtue correctly : "There's nothing brilliant or outstanding in my record, except perhaps one thing : I do the things I believe ought to be done ... And when I make up my mind to do a thing, I act."

*"There are risks and costs to a program of action, but they are far less than the long-range risks and costs of comfortable inaction".*

— John F. Kennedy

### THREE

#### Leaders are Prepared to Take More Risks

When leaders realise what they want and have pushed themselves to act, they have one other hurdle to cross — that's the willingness to take risks. Proactive people are constantly taking risks. But one of the outstanding reasons good leaders are willing to take risks is that "they recognise there is a price to be paid for not initiating too". 'There are risks and costs to a program of action, but they are far less than the long-range risks and costs of comfortable inaction'. (John F. Kennedy)

### FOUR

#### Leaders Make More Mistakes

There is good news and bad news for initiators. The good news is that they make things happen, whilst the bad news is that they make a lot of mistakes. Even though initiating leaders experience more mistakes, they do not let those mistakes bother them. They realise two things :

- 1 the greater the potential, the greater the chance for failure;
- 2 the way to succeed is to double your failure rate.

In other words you have to dare to fail in order to achieve handsomely — you must be willing to initiate and put yourself on the line.

#### Are You an Initiator?

Where do you fit in? Are you constantly on the lookout for fresh opportunities, or do you wait for them to come to you? Are you willing to take steps based on your best instincts? Or do you endlessly stretch your time to analyse everything? Remember even the right decision is wrong when

*"It will take a bold step from you today to reach your potential tomorrow!"*

*"There's nothing brilliant or outstanding in my record, except perhaps one thing : I do the things I believe ought to be done ... And when I make up my mind to do a thing, I act." — American President Theodore Roosevelt*



it is made too late. Reflect on when was the last occasion that you initiated something significant in your life. Finally, if you have not been pushing yourself and are still languishing in your comfort zone, you should jump-start your initiative.

#### How to Improve Your Initiative

##### ■ Change Your Mind-Set

If you are short on initiative, recognise the problem yourself, not from others.

The feeling must come from deep within you ... determine why you hesitate to take action. Does risk scare you or are

you put off by past failures? Do you not see the potential that opportunity offers? Find the source of your hesitation, and address the problem. Note that you will not be able to move forward on the outside until you can move forward on the inside.

##### ■ Don't Wait for Opportunity to Knock

Opportunity does not usually come knocking and never twice on your door. Ideally you have to go out and look for it! Muster your assets, talents, and resources — taking stock will give you an idea of your potential. Examine closely for opportunities and identify where you see needs. Who is looking for expertise that you have? What unreached sector of your community is impatiently awaiting what you have to offer? Opportunity is everywhere ... you have to reach out.

##### ■ Take the Next Eventful Step

Seeing opportunity alone is not enough ... you have to do something about it. It is like the analogy that a lot of people have brilliant ideas in the shower; very few step out, and after drying themselves, do something about them. Always pick the best opportunity you see, and take that as far as you can go — do not stop until you have done everything you can to make that opportunity happen.

Here is food for thought : "It will take a bold step from you today to reach your potential tomorrow!" **AT**

*Note :* For additional information please e-mail : muhammadzubir@hotmail.com



## Income Tax Audit & Investigations Seminar

Ninety one people sat enthralled at the Income Tax Audit & Investigations seminar held at Armada Hotel, Petaling Jaya from 12-13 August.

At the seminar, the speaker, Choong Kwai Fatt gave sound advice and guidance on the issue of income tax audits and investigations and also brought participants up to date on tax law precedents to resolve disputes.

Day one kicked-off to a great start with the speaker covering a series of topics with some of them touching on the penalties and offences under tax audit as well as the argument, settlement and procedures for appeal.

Among the topics covered in day two were an introduction to the scope of tax investigations as well as a step by step guide on preparing capital statements.

The seminar attendees, comprising finance managers and accountants to company secretaries and directors, learnt much from the seminar which gave them a comprehensive view of the auditing and investigative methods used in the country.

Another session of this seminar, organised by the Malaysian Institute of Accountants was also held from 27-28 August at the Pan Pacific Hotel, Kuala Lumpur. **AT**



*Choong Kwai Fatt gave an animated and interesting presentation that kept participants enthralled*



*Ninety one participants attended the first two-day seminar with another 70 attending the second session*

## Learning the Art of Speaking Like a Leader

Chief Financial Officers (CFOs) and senior managers were recently given insights on how to fine-tune their leadership, presentation and inter-personal communication skills at the Communication Skills For CFOs, a one-day workshop session on 29 July at the Pan Pacific Hotel, Kuala Lumpur.

Conducted by Shamala Kandiah, Managing Partner of Indigo Media, the highly interactive programme consisted of a series of five workshops using mix theory, audio-visual aids and realistic role-play.

The workshops were, 'Speechmaking to Motivate', 'Persuasive Business Communications', 'Learning to be an Effective Communicator', 'Quick Thinking Skills' and

'Making the Right Impression'.

Ms. Kandiah showed participants that conducting effective meetings had as much to do with effective body language as creating the right business image and shaping social perceptions.

All workshop presentations were video-taped so playback for instant visual feedback could be conducted for the benefit of all participants.

Ms. Kandiah has 14 years experience in broadcasting, public policy making and strategic media consultancy. She has worked with the Ministry of Foreign Affairs in Singapore, as Assistant Director for External Affairs at the ASEAN Secretariat in Jakarta and at Newsweek, CNBC and CNN in New York. **AT**



*Shamala Kandiah gave some valuable tips on how to speak with authority and walk with confidence*



*All workshop sessions were highly interactive with much role-playing as part of course work*



## MIA Toastmasters Club Activities — September/October 2003

**W**e are happy to announce that the MIA Toastmasters Club has received tremendous participation from both members and guests alike in the month of August. We're even happier to say that this includes support from our sister clubs as well. These sister clubs have always been there for us, offering us lots of moral support for which we are greatly thankful.

On behalf of the MIA Toastmasters Club, we also wish to register our appreciation and heartfelt thanks to our mentors namely, Dominic Joseph (ATM-G), Kim Chow (ATM-G) and Lum Woon Foong (ATM-S) for their untiring contributions. We certainly do hope you continue with your assistance for as long as we need it.

Furthermore, we would like to acknowledge the IGB Toastmasters Club, especially the Vice-President of Education, Lydia Ng (ATM-B) for her continuous contributions. Lydia has participated in our club activities on numerous occasions and we are exceedingly grateful for her participation. Our gratitude also goes to their President, Richard Ngau for his unwavering support. To reciprocate their kind gestures, our Club President, Raymond Liew and fellow members attended their club activities.

For your information, the MIA Toastmasters Club is in the district of W5 and we are happy to announce that the Area Governor of W5, Lourdes Chandramohan (ATM-G) paid a visit to our club recently. His purpose was to share ideas with us on how to incorporate more inspirational and education aspects into our activities so that the club could progress further. As an infant club, we are encouraged to partake in the various activities of Toastmasters International and to this end, we were selected to host the Humorous Speech and Evaluation Contest in the month of September 2003. We graciously obliged. As such we appeal to members and guests alike to partake in this event, as your attendance will certainly boost the morale of the contest speakers.

In our last Toastmasters Meetings, we had

two charming lady members, Grace Tan and Renuka Devi who took up the challenge to be Toastmasters of the Evening. Both performed exceedingly well almost like seasoned Toastmasters! Another interesting observation was that members and guests were spontaneous in tackling the table topic sessions. This was especially entertaining as it gave each and everyone present the opportunity to impress the audience with their impromptu speaking skills. The assignment speakers were moving in their speeches and definitely awesome!

Our Club President, Raymond Liew in his opening remarks did comment that members and guests alike must always maintain an "open attitude" when attending such activities. Considering that A equals 1%; B equals 2% ... with Z equalling 26%, ATTITUDE totals 100% (i.e. 1 + 20 + 20 + 9 + 20 + 21 + 4 + 5) while HARDWORK totals 94% and KNOWLEDGE, 96%. Hence maintaining an open ATTITUDE is extremely important for the success of the club or any club for that matter.

As to a question regarding the mission and vision of our club, our President, Raymond Liew responded by highlighting that "The mission of the MIA Toastmasters Club is to provide a mutually supportive and positive environment in which every member has the opportunity to develop communication and leadership skills, which in turn fosters self-confidence and personal growth." The saying, **"Our club is where accountants of MIA help fellow friends excel!"** means the club's mission "goes beyond enhancing one's communication and leadership skills."

Our Vice-President of Education, Johnny Yong indicated that different clubs have different sets of objectives and goals. He said, "If you are only interested in sharpening your basic communication skills then you should consider joining a brand new club where members are beginners." Similarly, our Vice-President for Public Relations,



Karunanithi had this to say — "Every club requires a cohesive bunch of members comprising of compatible individuals."

As fellow accountants at the MIA Toastmasters Club, it is important to sharpen not only your communication and leadership skills you should also be able to articulate your professional ideas as business advisors. In fulfilling one of the strategic blue prints of the Institute, the MIA Toastmasters Club was chartered on 16 June 2003 as a platform to assist in catapulting the branding of MIA. Indeed, the image of the accountancy profession is further enhanced with members of MIA actively "participating" in this club, thereby not only driving the branding of the Institute but procuring additional value-added services for oneself!

Having said this, we call on all MIA members once again to come join us on **4 & 18 September**, the first & third Thursday of the month. We meet again in October on the **2<sup>nd</sup> & the 16<sup>th</sup>**. As a move to enlarge the club's membership base, participation is still free of charge so take advantage of it!

Meetings begin at 6.30 p.m. with light refreshments. The meeting proper begins thereafter at 7 p.m. sharp. For further queries, please call Cik Shuhairah at MIA's Secretariat at 03-2279 9200, extension 323.

We look forward to seeing all our friends, colleagues and fellow MIA members at the meeting! **AT**

# The Business Plan Workbook

Reviewer : G. Mahadevan

Publishers : Kogan Page Limited-London

Most of our members are people with experience. People with experience think of great ideas but implementation, in my opinion, if not properly done, will prevent the idea from being a success. I too have thought of great ideas but never took the initiative to put these ideas to action. Usually before even expanding on the

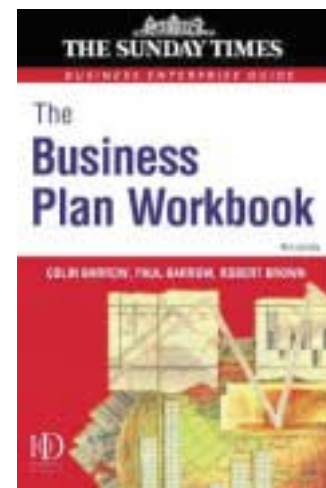
idea, someone else would have thought it up and probably done something useful.

Many of your ideas may have been implemented but did they all succeed? I am sure, like me, there are many of us who would have experienced the lack of planning that has contributed to the many failed businesses.

What did the failed businesses lack? I do not have a straight answer for this. BUT having myself seconded to a team trying to develop a new business, I must recommend this book, which I read recently. It is not a new release in the market but like me, most of us buy books but never have the time to read them. I found this book in my library. It was published in 1988.


The book titled *The Business Plan Workbook*, written by Colin Barrow, Paul Barrow and Robert Brown, is an effort of the Cranfield School of Management Enterprise Faculty.

It is a boring book to read like many management books



but it is a must if you have any intention to start a business or develop an idea into reality.

However small your business plan is, it is worth having a go at this book. It explains seven phases of a business plan.



**INCORPORATION AND AIM**

The Malaysian Association of Accounting Administrators (MAAA) was incorporated in 1990 with limited liability under Section 16(4) of the Companies Act, 1965 in recognition of the two-tiered nature of the accountancy profession. MAAA (previously known as Malaysian Association of Accounting Technicians) is a company sponsored by the Malaysian Institute of Accountants (MIA).

**Main Objectives**

- To provide a qualification to be known as Accounting Technicians/Administrators for persons employed on duties customarily undertaken by assistants to accountants registered with the MIA.
- To provide an organisation and membership for such persons who are desirous of acquiring such qualification and persons who are granted such qualification.
- To promote in the public interest the technical competence of such persons engaged in positions and performing the functions of accounting technicians/administrators.

**Council Members (2003 Term)**

**Elected Members**  
Izhar Abd Kahar (*President*); Koo Yew Fook, Allan (*Vice-President*)  
Cheah Foo Seong; Chin Wah Yin; Kasim Darus; Lim Ah Leck; Low Han Men, Aric; Mahadevan s/o Gengadaram; Mok Kam Seng; Panneer Selvam; YM Raja Noorhana bt Raja Harun; Wong Chee Kheong; Yong Yoon Kee

**MIA Nominated Members**  
Manjeet Singh s/o Santokh Singh; Mohd Sarif bin Ibrahim; Assoc. Prof. Dr. Nafsiah bt. Mohamed

**Secretariat Office**  
Malaysian Association of Accounting Administrators, Dewan Akauntan, 2 Jalan Tun Sambanthan 3, Brickfields, 50470 Kuala Lumpur  
Tel : 03-2279 9200 Fax : 03-2274 1783 e-mail : maaa@mia.org.my

**Announcement to Members**

Please notify the Association in writing (by mail, fax or e-mail) of any changes in respect of postal and business addresses, contact numbers, e-mail, etc.

## Phase 1 History and position to date

Describe your business or business idea, i.e. your aims, your objectives and your aspirations

## Phase 2 Market Research

Data required in validating your business. It allows you to decide start-up strategy or growth strategy.

## Phase 3 Competitive business strategy

The market segment you are going to serve, competitive situation in that segment which covers price, promotion, location and channels of distribution.

## Phase 4 Operations

Project planning — manufacturing, purchasing, selling, employing people, legal matters and insurance.

## Phase 5 Forecasting results


Forecast and expected results of your business. Sales volume, value, pro forma profit and loss, cash flow forecast, balance sheet and a break-even analysis. Though there seems to be a sequence of events, as the idea progresses you may have to go back to the phases at various times to correct, improve and expand the data collected and/or decisions made.

## Phase 6 Business controls

You must demonstrate that all of the above is tracked. It allows you to stay on the right track.

## Phase 7 Writing up and presenting your Business Plan

All the above put together in a format becomes a blueprint of your business. This will give you immense confidence if you are seeking partners, finance, venture capital etc.

All seven phases are done in an assignment format. The book has 20 assignments, which if you complete will give you all the material you need to implement a great business plan. **Happy Reading.** 



## Negeri Sembilan Branch Promotes Accountancy

The Negeri Sembilan Branch was recently invited by Kolej Matrikulasi Negeri Sembilan to give a talk to its students currently pursuing the matriculation programme. The college located in Kuala Pilah, Negeri Sembilan is a beautiful place with many facilities

About 220 students from the matriculation accounting faculty and their lecturers were enlightened on the procedures to become an accountant, the qualifications needed for membership to the Institute, and job prospects and opportunities. The moment the formalities ended, the students eagerly asked questions concerning the accounting qualifications and the profession.

Negeri Sembilan Branch chairman, Tony Chan was present to give a personal insight into his career experiences and to highlight the various demands of the profession.

Both the presentation and question and answer sessions took up about 30 minutes each.

Chan added that accountants were very special people with many hidden talents apart from getting the finances of an organisation right. Whether it was the slight humor thrown in between, or the well-prepared questions and answers, everyone left the hall with smiling faces and were, hopefully, reassured of their futures.

AT



Tony Chan receiving a token of appreciation from a representative of Kolej Matrikulasi Negeri Sembilan

## 5th Asia-Pacific Journal of Accounting & Economics Symposium

Kuala Lumpur Malaysia

5-6 January 2004

The Department of Accountancy and the Accounting and Corporate Governance Centre at City University of Hong Kong will co-organise the *5th Asia-Pacific Journal of Accounting & Economics Symposium* at the Mutiara Hotel, Kuala Lumpur, Malaysia on 5-6 January 2004, with the School of Accounting and Finance, Faculty of Business, the Hong Kong Polytechnic University and the School of Accountancy, Universiti Utara Malaysia. The annual Symposium is regarded as one of the best academic accounting conferences in the Asia-Pacific region.

The Symposium is organised into four main parts :

- ① Corporate Governance Forum;
- ② Research Forum;
- ③ Plenary Paper Presentations; and
- ④ A Forum Paper session.

The Symposium provides an ideal setting for scholars, academics, and practitioners to discuss and exchange views on high quality submitted papers. In addition, in the Research Forum, prominent speakers will be invited to present talks on a broad range of accounting issues of current and future importance.

Papers submitted for the Symposium should contain original research, which rigorously apply economic or legal theory to accounting and auditing issues. Papers which address any relevant issue in accounting or auditing will be considered. Empirical papers are particularly encouraged. Submitted papers should follow the format guidelines of *Asia-Pacific Journal of Accounting & Economics*, which are detailed under Format Guidelines at the Symposium website : [http://fbweb.cityu.edu.hk/ac/apja/apjae\\_04.htm](http://fbweb.cityu.edu.hk/ac/apja/apjae_04.htm)

The Symposium will provide accommodation (single occupancy) for three days, waiver of registration fees and reimbursements for the cheapest return economy airfare up to a maximum of US\$1,200 for one author of each accepted paper. Accepted papers will be published in the *Asia-Pacific Journal of Accounting & Economics*, subject to the Editors' approval. Authors who do not wish to commit their papers to the journal are invited to submit their papers for consideration at the Forum Presentation. No sponsorship will be provided.

Submissions must be received no later than **10 September 2003**. Authors submitting papers to the Plenary Paper Sessions can expect to be notified of the Editors' decision by **15 November 2003**. Rejected papers will be automatically considered for Forum Presentation. Please note that authors who do not wish for their papers to be considered for the Forum Presentation should clearly state this in their submission.

For further information and registration details, please visit the Symposium website or send an email to [acapjae@cityu.edu.hk](mailto:acapjae@cityu.edu.hk) or [padmini@uum.edu.my](mailto:padmini@uum.edu.my) AT

## IAASB Proposes Auditors Take a More Active Role in Seeking Out Fraud

At its meeting in New York 21-25 July, the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) addressed one of the most important issues facing auditors today : responsibility for detecting fraud. The IAASB approved the release of an exposure draft (ED) of an International Standard of Auditing (ISA) entitled *The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements* (ISA 240).

At the same meeting, the IAASB took actions to strengthen and clarify the IAASB'S international standard-setting role and process by issuing amended terms of reference and a Preface to its standards. It also approved the release of a second exposure draft entitled *Planning the Audit*.

### Proposed ISA Expands Guidance for Fraud Detection

The ED of the proposed ISA on fraud sets out the auditor's responsibility to consider fraud in an audit of financial statements. The ED also explains that the primary responsibility for the prevention and detection of fraud rests with both those charged with governance and management of the entity and describes the responsibilities of these parties.

This ED also alerts auditors to risks of material misstatement due to fraud they may encounter in the conduct of an audit and requires the auditor to assess the risks of material misstatement due to fraud and to respond to the assessed risk. The new proposed ISA requires the auditor to respond to the presumed risk of improper revenue recognition and the risk of management override of controls. This response includes testing the appropriateness of journal entries, reviewing the accounting estimates for biases and obtaining an understanding of the business rationale of significant transactions that are outside of the normal course of business for the entity. It also discusses auditor communications with management and those charged with governance, as well as auditor communications to regulatory and en-

forcement authorities.

"This new ED is designed to help reduce the incidents of financial statement fraud by outlining the responsibilities of all those involved in the financial reporting process and by encouraging auditors to act with increased professional scepticism," said IAASB Chair Dietz Mertin. **AT**

## New Preface Emphasises IAASB's Independence

The IAASB issued a new *Preface to International Standards on Quality Control, Auditing, Assurance and Related Services*, which includes new terms of reference for the Board. The Preface clarifies the IAASB's role as an independent standard-setting body under the auspices of IFAC, highlights its public-interest responsibilities and emphasises its objective of achieving convergence of standards by working closely with national standard setters. **AT**

## Audit Planning ED Includes New Guidance

The ED of proposed ISA 300, *Planning the Audit*, complements the IAASB's proposed guidance on audit risk issued in October 2002. It includes basic principles and essential procedures on the considerations and activities applicable to planning an audit of financial statements. In particular, it provides new guidance on matters the auditor should consider prior to performing significant planning activities : client acceptance and retention; ethical requirements including independence and communications with prior auditors; and the terms of the audit engagement. The ED also incorporates more specific guidance regarding planning considerations in initial audits and includes a discussion of the planning considerations related to the direction, supervision and review of the work of engagement team members. **AT**

*Note :* The exposure drafts may be viewed by going to [www.ifac.org/EDs](http://www.ifac.org/EDs). Comments must be submitted by 15 November 2003 to [edcomments@ifac.org](mailto:edcomments@ifac.org), faxed to the IAASB Technical Director at +1-212-286-9570 or mailed to the IAASB Technical Director at IFAC, 545 Fifth Avenue, 14th Floor, NY, NY 10017.

## New Report Presents International Perspective on Strengthening the Financial Reporting Process

*"Rebuilding Public Confidence in Financial Reporting: An International Perspective,"* a report from an independent task force that was commissioned by the International Federation of Accountants (IFAC) and released recently, includes recommendations for strengthening corporate governance, improving audit effectiveness, and raising the standard of regulation of issuers. It also presents an international perspective on the challenges facing not only the accountancy profession, but also those involved in regulating a profession that has such a significant involvement in capital markets worldwide.

"Rebuilding Public Confidence in Financial Reporting" was developed by a Task Force chaired by John Crow, former Governor of the Bank of Canada. It included individuals with backgrounds in commercial banking, international economics, academia and law, as well as accounting and auditing, from six countries : Australia, Canada, France, Japan, the UK, and the US.

The report's recommendations are built on three basic assumptions :

- 1 The credibility of financial reporting is both an issue in each country and an international issue, with action required at both levels.
- 2 To improve credibility in financial reporting, action will be necessary at all points in the supply chain that delivers financial information.
- 3 Integrity — both individual and institutional — is essential for building confidence in financial reporting, and, therefore, needs to be fostered.

"Failure to recognise the fundamental responsibility to report fairly has been a major contributor to the financial scandals of recent years," states John Crow, chair of the Task Force on Rebuilding Confidence in Financial Reporting (Credibility Task Force).

"In crafting our recommendations, we have kept in mind that public reporting is intrinsically a public-interest activity. So, our

report addresses the roles of all those who are involved in the process, including groups such as lawyers, bankers, brokers, analysts, and public relations advisors. All parties, besides the management, board of directors, and independent auditors, have an unavoidable duty to ensure that public reporting presents the information fairly, and the rules and regulations surrounding corporate reporting should clearly reinforce them."

Specific recommendations include the following :

- Effective corporate ethics codes need to be in place and actively monitored; such codes should be supported by training.
- Codes of conduct need to be put in place for other participants in the financial reporting process — such as investment analysts and lawyers — and their compliance should be monitored.
- Incentives to misstate financial information need to be reduced, and companies must refrain from forecasting profits with an unrealistic level of precision.
- Audit effectiveness needs to be raised, primarily through greater attention to audit quality control processes. **AT**

Note : The full report and complete list of recommendations can be accessed online by going to [www.ifac.org/credibility](http://www.ifac.org/credibility). A database of relevant articles and speeches may also be accessed through this area of the website. Comments on the report may be submitted to [credibility@ifac.org](mailto:credibility@ifac.org).

## IFAC Proposes New Member Obligations to Strengthen International Profession

Seeking to clarify and strengthen its membership obligations and enhance the performance of accountants worldwide, the International Federation of Accountants (IFAC) has released exposure drafts of seven *Statements of Membership Obligations (SMOs)*. These SMOs will help IFAC to assess three critical areas :

- ① the extent to which its 155 member organisations are implementing IFAC standards and International Financial Reporting Standards (IFRSs);
- ② whether member bodies have the structures in place to ensure that its members are complying with these standards; and

- ③ whether member bodies have appropriate investigative and disciplinary processes for their members. Where IFAC member bodies do not have responsibility for these areas, they will be required to describe how they use their best endeavours to encourage those entrusted with such functions to implement the provisions of the SMOs.

The seven SMOs are on the following topics :

- ① Quality Assurance
- ② Auditing Standards and other International Auditing and Assurance Standards Board (IAASB) pronouncements
- ③ Ethics Standards
- ④ Education Standards
- ⑤ Public Sector Accounting Standards
- ⑥ Investigation and Discipline
- ⑦ International Financial Reporting Standards

"The SMOs will serve as the foundation of IFAC's new compliance program. The program will help us to identify barriers and other obstacles to convergence towards international standards and regulation. They also will provide us with the information we need to be of real assistance to member bodies who need support in achieving compliance or help in removing barriers to convergence," states IFAC President René Ricol.

The compliance program will be based on a process of strict self-assessment and gap analysis. Member bodies will be required to report on the extent to which they are complying with the SMOs in each of the areas mentioned above. In areas where they are not complying, member bodies will be asked to develop actions plan outlining how and when they plan to meet their compliance responsibilities. The effective dates for the SMOs will vary, with those relating to professional standards having a proposed effective date of 31 March 2004.

In the interests of full disclosure and transparency, the results of the compliance program will be made public through IFAC's website. **AT**

Note : The exposure drafts of the SMOs may be accessed by going to [www.ifac.org/EDs](http://www.ifac.org/EDs). Comments on these SMOs are requested by November 30, 2003. They may be submitted to [EDComments@IFAC.org](mailto:EDComments@IFAC.org) or sent to the attention of IFAC's Chief Executive by fax +1-212-286-9570 or by mail, 545 Fifth Avenue, 14th Floor, New York, NY 10017

## IFAC issues Exposure Draft on the IFAC Code of Ethics for Professional Accountants

The IFAC is recommending significant changes to its *Code of Ethics for Professional Accountants*, expanding both the guidance and authority of the Code, which is applicable to all member bodies and to accountants worldwide.

The exposure draft proposes that the Code be elevated from a 'model code' on which to base national requirements to a 'standard', requiring IFAC member body compliance. This change is part of IFAC's overall efforts to work with its member bodies to raise the quality of practice by accountants worldwide.

The proposed revised Code specifically expands guidance for all individual accountants addressing integrity, objectivity, professional competence, confidentiality, and professional behaviour. Clearer identification of threats and safeguards are set out for professional accountants in public practice in the areas of second opinions, fees and remuneration, and custody of client assets.

The revised Code also provides new and in-depth guidance for professional accountants in business by addressing issues such as potential conflicts, preparing and reporting information, financial interests, inducements, and disclosing of information.

The exposure draft extends the principles-based approach, consistent with that used in Section 8 on Independence issued in November 2001, to the entire Code, addressing accountants both in practice and in business.

"It provides a conceptual framework to assist professional accountants in identifying, evaluating and responding to threats to compliance with fundamental principles," explains Marilyn Pendergast, chair of the IFAC's Ethics Committee. "We believe that this threats-and-safeguards approach better serves the public interest than a rules-based approach which cannot provide for all circumstances."

Because these proposals call for significant changes for member bodies and individual accountants, the exposure period has been extended to 30 November 2003. **AT**

The Exposure Draft on the revisions to the Code which was released on 21 July 2003 can be downloaded from IFAC's website, [www.ifac.org/EDs](http://www.ifac.org/EDs)



**ACCA**

## ACCA Launches New Certified Accounting Technician Scheme

ACCA (the Association of Chartered Certified Accountants) has relaunched its technician level syllabus, the Certified Accounting Technician (CAT) qualification, with new initiatives, which will enable students to take greater control of their studies.

Tay Kay Luan, ACCA's Head of Malaysia, said: "Building on the strengths of the existing qualification, the new scheme, which becomes effective for students registering from 16 August 2003, will enable students to decide the number of examinations they wish to take at each session and the order in which they sit them.

exam sessions. CAT's new, more flexible nature will permit students to study in a way which suits them best," said Tay.

Further changes to the scheme include the addition of a separate International Financial Reporting Standards (IFRS) stream, which will, for the first time, allow students to choose in advance whether to sit for a question paper in accordance with IFRS.

Tay added: "The inclusion of a separate IFRS-dedicated stream will enable students to provide invaluable support to their future employers during the complex transition to International Financial Reporting



*Tay Kay Luan*

"The new scheme has been specifically designed to take account of students' personal circumstances, such as work pressures and the fact that students will come to the qualifications with different levels of experience and expertise. Students will also have the added flexibility of choosing between paper-based and computer-based exams (CBEs); the latter allow them to sit for papers outside the set June and December

Standards (IFRS).

"The CAT qualification has been tremendously successful since its launch in 1998 and has been adopted in 120 countries worldwide since its inception. It continues to be the ideal fast track route to ACCA's professional scheme, as students who have completed all CAT examinations are automatically awarded certain exemptions from exams in the ACCA Professional scheme." **AT**

**CIMA**

## Aspiring Accountants Face Global Challenges

It was an unprecedented crowd — 1,000 participants made their way to Dewan Sri Budiman at Universiti Teknologi MARA (UiTM), Shah Alam, Selangor, to attend the CIMA-UiTM Students Conference on 26 July 2003. Some of the students came from as far as Terengganu, Kelantan and Johor to find out what "management accounting" is all about and to understand the conference theme, *Accountants in Business — Facing Global Challenges*. They went away with the understanding that "management accountants" and "accountants in business" are synonymous. Management accountants focus on developing financial forecasts and business strategies and play a central role in

planning and decision-making.

Deputy Accountant-General Malaysia (Operations), Othman Abdullah, who presented the Keynote Address on behalf of the Accountant-General Malaysia, YBhg Datuk Siti Maslamah Osman FCMA, cited three interlocking driving forces that are changing the rules of business and national competitiveness. These are globalisation, information and communication technology (ICT) and the knowledge-based economy. YBhg Datuk Siti's message was, "The global challenges facing accountants are numerous and what is certain is that accountants have to change their traditional roles as bookkeepers or bean counters. We no longer need bean-counters as we have



*Deputy Accountant-General (Operations), Othman Abdullah greeted by Sopia Suid of CIMA Malaysia*



*Among the guests and participants*

computerised accounting systems to perform such mundane jobs. Businesses want their accountants to help spur plans, make forecasts and strategise on the way forward so that they can stay ahead of their competitors."

Othman also urged students to develop soft skills such as communication skills, leadership skills, analytical and inter-personal skills to ensure effectiveness in their jobs.

Deputy Vice-Chancellor of UiTM, YBhg Dato' Professor Dr Ahmad Haji Zainuddin, in his welcome address said that accountants must adopt a world view of their profession as international transactions become the norm due to globalisation. "Malaysian accountants need to have global qualities and they must continuously improve themselves to develop the necessary resilience to face foreign competition, and to operate in a more open environment with world-class standards. While professional accountancy bodies basically focus upon the regulatory aspects of the profession, the process of globalisation and liberalisation are dictating new roles for such organisations, which go beyond the setting of rules and discipline of members."

Commenting on the future of management accounting education, CIMA Education Director, Robert Jelly, said that the demand for management accountants in the world will continue unabated. Of the 2.25 million members of the International Federation of Accountants (IFAC), 60 per cent of them or 1.35 million members are working as management accountants or in management roles.

Other distinguished speakers at the conference included senior CIMA members such as Lee Yee Chong FCMA, Michael Eow FCMA, Rathimalar Gnanasundram ACMA and visiting professor from Butler University, US, Assoc. Prof. Dr. Sakthi Mahenthiran ACMA. Another speaker was Adznir Mokhtar, Managing Partner of Prima Consulting Malaysia.

In concluding the conference, YBhg Dato' Lee Ow Kim FCMA, President of CIMA Malaysia Division, urged students to embrace the changes in the business environment or be left behind. He quoted John F. Kennedy as saying, "Change is the law of life and those who look only to the past or the present are certain to miss the future." **AT**

## Non-Audit Firms Registered with MIA

FROM 1 JULY UNTIL 31 JULY 2003

NON-AUDIT FIRM NAME	NF NO
JOHOR DARUL TAKZIM	

<b>C.M.Tang &amp; Associate</b>	<b>0400</b>
No. 238A, Jalan Besar 83700 Yong Peng Tel : 07-467 1213 Fax : 07-467 3488 e-mail : llyee@tm.net.my	

PERAK DARUL RIDZUAN	
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<b>Toh &amp; Associates</b>	<b>0402</b>
40A, 1st Floor, Pesara Ipoh 1 Ipoh Garden, 31400 Ipoh Tel : 05-546 8606 Fax : 05-546 8062	

SARAWAK	
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<b>Loke Yee Seng &amp; Associates</b>	<b>0403</b>
No. 15, 1st Floor, Jalan Green Hill 93100 Kuching Tel : 082-333 423 Fax : 082-333 327 e-mail : kelvin_loke2001@hotmail.com	

SELANGOR DARUL EHSAN	
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<b>TK &amp; Associate</b>	<b>0393</b>
<i>(Changed firm name from C.L. Tan &amp; Associate)</i> No. 10A, 1st Floor, Jalan SS 2/67 47300 Petaling Jaya Tel : 03-7877 3388 Fax : 03-7876 3366	

<b>L.S. Lim &amp; Co.</b>	<b>0401</b>
208-B, Jalan Batu Unjur 7 Taman Bayu Perdana 41200 Klang Tel : 012-280 5228 Fax : 03-3372 0505 e-mail : letterlim@yahoo.com	

<b>Azmi &amp; Co</b>	<b>0404</b>
97A, Jalan SS 25/2 Taman Bukit Emas 47301 Petaling Jaya Tel : 03-7803 6637 Fax : 03-7803 5767 e-mail : imsak@tm.net.my	

<b>Seah Partners</b>	<b>0407</b>
2-16, 2nd Floor, KLH Business Centre Menara KLH, 47100 Bandar Puchong Jaya Tel : 012-297 6555 Fax : 03-5891 7388 e-mail : cheong_yong@yahoo.com	

WILAYAH PERSEKUTUAN	
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<b>L M Tam &amp; Co</b>	<b>0405</b>
Lot 2-2-41J, 2nd Floor, Wisma Rampai Jalan 34/26, Rampai Town Centre, Setapak 53300 Kuala Lumpur Tel : 03-4142 9778 Fax : 03-4143 8246 e-mail : lmtam@accamail.com	

NON-AUDIT FIRM NAME	NF NO
WILAYAH PERSEKUTUAN	

<b>GTC Associates</b>	<b>0406</b>
25-3-5, Plaza Prima, Jalan Klang Lama 58200 Kuala Lumpur Tel : 03-7987 7233 Fax : 03-7987 1277 e-mail : gtc71@hotmail.com	

## Audit Firms Registered with MIA

FROM 1 JULY UNTIL 31 JULY 2003

AUDIT FIRM NAME	AF NO
JOHOR DARUL TAKZIM	

<b>Ing Wang &amp; Co.</b>	<b>1499</b>
23A, Jalan Sulam, Taman Sentosa 80150 Johor Bahru Tel : 07-338 1184 Fax : 07-333 1323 e-mail : ingwang@tm.net.my	

NEGERI SEMBILAN DARUL KHUSUS	
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<b>Loi Ting &amp; Co.</b>	<b>1502</b>
No. 423, Jalan Haruan 4 Oakland Commercial Centre 70200 Seremban Tel : 06-601 4493 Fax : 06-601 4495	

SARAWAK	
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<b>Francis Ting &amp; Co</b>	<b>1497</b>
No. 7, 1st Floor Lorong Bengkel 1, Jalan Bengkel, P. O. Box 1683, 96008 Sibul Tel : 084-344 941 Fax : 084-344 941	

SELANGOR DARUL EHSAN	
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<b>Hanifah Noordin &amp; Co.</b>	<b>1498</b>
No. 55, 2nd Floor, Jalan SS 15/4 47500 Subang Jaya e-mail : dhanin@pc.jaring.my	

<b>CF Kok, Chow &amp; Ng</b>	<b>1245</b>
<i>(Changed firm name from CF Kok, Chow &amp; Co.)</i> 10-B, Jalan 54, Desa Jaya 52100 Kepong Tel : 03-6277 6826 Fax : 03-6277 9626	

WILAYAH PERSEKUTUAN	
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<b>AI &amp; Partners</b>	<b>1503</b>
18-3, Jalan 15/48A Sentul Raya Boulevard, 51000 Kuala Lumpur Tel : 03-4045 6205 Fax : 03-4045 2401	

<b>K.L. Yap &amp; Co</b>	<b>1501</b>
No. 1, Jalan Hujan Emas 12 Overseas Union Garden 58200 Kuala Lumpur Tel : 03-7984 2460 Fax : 03-7982 2142 e-mail : stanley@yap.com.my	