

BACKGROUND NOTE ON ACTION PLANS

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption¹ and implementation² of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

Use of Information

Please refer to the [Disclaimer](#) published on the Compliance Program website.

ACTION PLAN

IFAC Member:	The Malaysian Institute of Certified Public Accountants (MICPA)
Original Publish Date:	October 2010
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¹ *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

² *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

GLOSSARY

AATC	Accounting and Auditing Technical Committee
AASB	Audit and Assurance Standards Board
AG	Auditor General
AOB	Audit Oversight Board
CPD	Continuing Professional Development
CSAP	Committee to Strengthen the Accountancy Profession in Malaysia
FRS	Financial Reporting Standards
FRSIC	Financial Reporting Standards Implementation Committee
GAC	Government Affairs Committee
IAASB	international Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
ICAA	The Institute of Chartered Accountants in Australia
IESBA	International Ethics Standards Board for Accountants
IES	International Education Standards
IFAC	International Federation of Accountants
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISQC 1	International Standard on Quality Control 1
MASB	Malaysian Accounting Standards Board
MIA	Malaysian Institute of Accountants
MICPA	The Malaysian Institute of Certified Public Accountants
QA	Quality Assurance

Action Plan Subject: SMO 1 - Quality Assurance (QA)

Action Plan Objective: Continue to Use Best Endeavors to Promote the Importance of a Quality Assurance Review System, which Incorporates the Requirements of SMO 1, Quality Assurance

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<p>MIA is a statutory body established under the Accountants Act 1967 (the Act). Section 6(c) of the Act states that one of the functions of MIA is to regulate the practice of the profession of accountancy in Malaysia. MIA has established the Auditing and Assurance Standards Board (AASB), an independent standard-setting body to set high quality standards for quality control, auditing, review, other assurance and related services; and to facilitate compliance with such standards. MIA authoritative pronouncements govern audit, review, other assurance and related services engagements that are conducted in accordance with the Malaysian Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services (Malaysian Approved Standards).</p> <p>The Malaysian Institute of Certified Public Accountants (MICPA) quality assurance system is operated by the Financial Statements Review Committee of MICPA under the MICPA Bye Law, which is tasked with the review of published financial statements of public listed entities audited by MICPA members to ensure compliance with standards. MICPA has also published an Audit Guide for Practitioners and an Illustrative Audit Working Papers to assist members in carrying out audits of financial statements in compliance with approved auditing standards, thereby maintaining quality control in audit work. The MICPA quality assurance system is in line with the requirements of SMO 1 IFAC quality assurance standard. In addition, all members are also required to comply with International Standard on Quality Control 1 (ISQC 1) with effect from July 1, 2006 and all firms of auditors are subject to the Practice Review Programme conducted by the Malaysian Institute of Accountants (MIA). For more information about the Practice Review Programme, please refer to the MIA Action Plan.</p> <p>On April 1, 2010, the Audit Oversight Board (AOB) was established under the auspices of the Securities Commission with the objective to overseeing the auditors of public interest entities and to protect the interest of investors by promoting confidence in the quality and reliability of the audited financial statements of public interest entities. AOB will work together with other regulatory agencies to ensure a holistic regulatory framework for auditors in Malaysia is in place, which will promote the growth of the Malaysian auditing profession with good governance. Please visit the AOB's website at www.sc.com.my for more information on the Audit Oversight Board. MICPA reviews financial statements of public interest entities audited by MICPA members, or MICPA members who are sitting in those companies as board of directors.</p> <p>The Committee to Strengthen the Accountancy Profession in Malaysia (the CSAP) was established as part of the country action plan to address issues raised in the Report on the Observance of Standards and Codes in Accounting and Auditing (ROSC AA) released by the World Bank in 2012. In December 2014, the CSAP has issued a Report on the Strengthening of the Accountancy Profession in Malaysia. The objective of the Report was to address the issues raised in the ROSC AA and as well as to identify ways to further strengthen the accountancy profession in</p>			

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Malaysia. In December 2016, the MICPA was appointed as a member of the CSAP Implementation Committee. The CSAP Implementation Committee was set up to examine and approve an operational model for the implementation of the CSAP Report for submission to the Securities Commission and to review the draft of the amended Accountants Act for submission to the Securities Commission. Please visit the AOB's website at www.sc.com.my for more information on the Report.</p>					
<i>Maintaining Ongoing Processes</i>					
1.	Ongoing	Continue to monitor the quality of audit work performed by members by carrying out a programme of review of published financial statements audited by members.	Ongoing	FSRC & Head of Technical Department	MICPA Staff
2.	June 2010	Continuous engagement with the AOB to monitor and enhance the quality of the audit work of members.	Ongoing	Executive Committee & Executive Director	Council Members and MICPA Staff
3.	December 2016	Appointed as a member of the CSAP Implementation Committee that was set up to examine and approve an operational model for the implementation of the CSAP Report for submission to the Securities Commission and to review the draft of the amended Accountants Act for submission to the Securities Commission.	Ongoing	Immediate Past President	Council Members and MICPA Staff
<i>Education & Training</i>					
4.	Ongoing	Organize training courses to enhance members' knowledge of the newly issued/revised/redrafted International Auditing and Assurance Standards Board (IAASB) Standards and ISQC 1.	Ongoing	Head of Education & Training and Head of Technical Department	MICPA Staff
5.	January 2014	The 3 rd version of the <i>Audit Guide for Practitioners</i> , incorporating all the newly issued/revised/redrafted	July 2017	Public Practice Committee and	MICPA Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
		International Standards on Auditing (ISA) and ISQC 1 published by the IAASB of the IFAC, was published in July 2017.		Head of Technical Department	
6.	October 2016	An Illustrative Audit Working Paper was published in July 2017.	July 2017	Public Practice Committee and Head of Technical Department	MICPA Staff
7.	April 2017	Quality Assessment Programme was launched in April 2017, where audit practitioners voluntarily participate in the reviewing of their audit file by MICPA's appointed representatives. The review also includes quality review.	On-going	Public Practice Committee and Head of Technical Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
8.	Ongoing	MICPA will review regularly the MICPA SMO Action Plan and update the SMO 1 when necessary.	Ongoing	Head of Technical Department	MICPA Staff

Assessment of QA SMO 1

Requirements	Y	N	Partially	Comments
Scope of the system 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.			P	Mandatory QA review was done by MIA as the national accountancy body in Malaysia. MICPA only performs quality assurance review based on voluntarily basis.
Quality Control Standards and Other Quality Control Guidance	Y			

Requirements	Y	N	Partially	Comments
2. Firms are required to implement a system of quality control in accordance with the quality control standards.				
3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.	Y			
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Y			
Review cycle				
5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.		N		Review done on voluntarily basis
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).		N		
QA Review Team				
7. Independence of the QA Team is assessed and documented.	Y			
8. QA Team possesses appropriate levels of expertise.	Y			
Reporting				
9. Documentation of evidence supporting the quality control review report is required.	Y			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	Y			

Requirements	Y	N	Partially	Comments
<p>Corrective and disciplinary actions</p> <p>11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.</p>	Y			
<p>12. QA review system is linked to the Investigation and Discipline system.</p>		N		
<p>Consideration of Public Oversight</p> <p>13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.</p>		N		
<p>Regular review of implementation and effectiveness</p> <p>14. Regular reviews of implementation and effectiveness of the system are performed.</p>	Y			

Action Plan Subject: SMO 2 - International Education Standards (IESs)
Action Plan Objective: Continue to Monitor Work Programme of International Accounting Education Standards Board to Ensure all IES Requirements are Implemented in the MICPA's Professional Accountancy Education Programme

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Members of the MICPA are required to observe the rules and regulations in the Articles of Association and Bye-laws of MICPA. Please visit the MICPA's website at www.micpa.com.my on the Articles of Association and Bye-laws.</i></p> <p>MICPA has developed a professional accountancy education programme that addresses the requirements set out in the International Education Standards. Candidates for MICPA membership are required to complete the professional accountancy education programme and satisfy the practical experience requirements.</p> <p>Members are required to submit an annual declaration of Continuing Professional Development (CPD) requirements to MICPA at the time of their annual membership renewal. An annual audit of members' compliance with the CPD requirements will be conducted by MICPA on a random sample of members.</p> <p>Members selected will be required to submit to MICPA their CPD records for each CPD year of the rolling three-year period, together with all relevant documentary evidence, to support attendance or completion of the CPD activities stated in their CPD records.</p> <p>Please visit the MICPA's website at www.micpa.com.my on the professional accountancy education programme.</p> <p>MICPA's professional accountancy education programme was revised in July 2009 and is administered under the MICPA Bye-Law. Under the revised programme, MICPA will adopt the examination papers of The Institute of Chartered Accountants in Australia with the exception of Taxation which is still assessed by the MICPA as it based on Malaysia tax law. Substantially, the admission requirements of membership remained unchanged except that candidates who complete the revised programme would be eligible for membership of MICPA and The Institute of Chartered Accountants in Australia (ICAA). MICPA program is developed in line with IES.</p> <p>MICPA also participates in the various working group and dialogue of the development and review of the syllabus and curriculum of the public universities and institutions in Malaysia. Seminars related to updates of financial reporting and auditing standards were organised by the Institute for academicians.</p>					
<p><i>Continuing Professional Development</i></p>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
9.	January 2007	MICPA has issued a Statement on Continuing Professional Development in January 2007 for members' compliance. The requirements of the Statement are effective for CPD reporting periods beginning on or after January 1, 2007. Hence, the first rolling three-year period for which the requirements of the Statement are applicable runs from January 1, 2007 to December 31, 2009.	Ongoing	Head of Education and Training Department	MICPA Staff
10.	January 2009	Yearly declaration of compliance with the CPD requirements by members of the Institute. Members were selected randomly to provide documentation of compliance with the CPD requirements.	Ongoing	Head of Education and Training Department	MICPA Staff
<i>Maintaining Ongoing Processes</i>					
11.	Ongoing	Maintain an Ongoing process to ensure that members are informed of all relevant International Accounting Education Standards Board (IAESB) standards.	Ongoing	Head of Education and Training Department	MICPA Staff
12.	Ongoing	Maintain an Ongoing process to ensure that new and revised standards on auditing, financial reporting and ethics are incorporated into the MICPA's professional accountancy education programme.	Ongoing	Head of Education and Training Department	MICPA Staff
13.	Ongoing	Maintain an Ongoing process to ensure that the MICPA's professional accountancy education programme is in full compliance with all the IAESB's standards.	Ongoing	Head of Education and Training Department	MICPA Staff
14.	Ongoing	MICPA participates in the various working group and dialogue organised by the relevant agencies in the development and review of syllabus and curriculum of universities and institutions in Malaysia.	Ongoing	Executive Director and EXCO members	MICPA Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
15.	Ongoing	MICPA conducts quality assurance audit/review of universities and institutions in the delivery of the undergraduate accounting programmes in Malaysia.	Ongoing	Education and Training Department	MICPA Staff
<i>Education & Training</i>					
16.	Ongoing	Seminars relating to financial reporting and auditing standards were organised by the MICPA for academicians in order to update them on the latest developments in the profession.	Ongoing	Education and Training Department	MICPA Staff
17.	August 2017	MICPA and MIA jointly organise audit training based on the Audit Guide for Practitioners and Illustrative Audit Working Papers publications.	Ongoing	Head of Education & Training Department	Staff of MICPA and MIA
<i>Review of MICPA's Compliance Information</i>					
18.	Ongoing	MICPA will review regularly the MICPA's SMO Action Plan and update the SMO 2 when necessary.	Ongoing	Executive Director	MICPA Staff

Action Plan Subject: SMO 3 - International Auditing and Assurance Standards Board (IAASB) Pronouncements

Action Plan Objective: Continue to Use Best Endeavors to Support Ongoing Convergence with IAASB Pronouncements in Malaysia

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>MIA is a statutory body established under the Accountants Act 1967 (the Act). Section 6(c) of the Act states that one of the functions of MIA is to regulate the practice of the profession of accountancy in Malaysia. MIA has established the Auditing and Assurance Standards Board (AASB), an independent standard-setting body to set high quality standards for quality control, auditing, review, other assurance and related services; and to facilitate compliance with such standards. MIA authoritative pronouncements govern audit, review, other assurance and related services engagements that are conducted in accordance with the Malaysian Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services (Malaysian Approved Standards).</p> <p>The Audit and Assurance Standards Board (AASB) is a functionally independent standard-setting body designated by, and operating under the auspices of the Malaysian Institute of Accountants (MIA). Standards and technical pronouncement issued by the IAASB are reviewed by the AASB through its rigorous process on standard-setting. Information about AASB and its activities is published on the MIA website (www.mia.org.my).</p> <p>MICPA plays an instrumental role in this standard-setting process through representation on the AASB and support of ongoing implementation of the standards issued.</p> <p>The MICPA being a member of IFAC has also adopted all the International Standards of Auditing issued by the IAASB.</p>					
<i>Maintaining Ongoing Convergence with IAASB's Standards</i>					
19.	Ongoing	Update of Members Handbook for adoption of new/revised/redrafted IAASB's standards.	Ongoing	Head of Technical Department	MICPA Staff
20.	Ongoing	Review of IAASB agenda materials, exposure drafts and make submission where necessary.	Ongoing	Head of Technical Department	MICPA Staff
<i>Education & Training</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
21.	Ongoing	Organise training courses to enhance members' knowledge of newly issued/revised/redrafted IAASB Standards.	Ongoing	Head of Education & Training and Head of Technical Department	MICPA Staff
22.	August 2017	MICPA and MIA jointly organise audit training based on the Audit Guide for Practitioners and Illustrative Audit Working Papers publications.	Ongoing	Head of Education & Training Department	Staff of MICPA and MIA
<i>Technical Support</i>					
23.	Ongoing	Development of guidance such as Auditing Technical Releases and Circulars.	Ongoing	Accounting and Auditing Technical Committee (AATC) & Head of Technical Department	MICPA Staff
24.	January 2014	The 3 rd version of the <i>Audit Guide for Practitioners</i> , incorporating all the newly issued/revised/redrafted International Standards on Auditing (ISA) and ISQC 1 published by the IAASB of the IFAC, was published in July 2017.	July 2017	Public Practice Committee and Head of Technical Department	MICPA Staff
25.	October 2016	An Illustrative Audit Working Paper was published in July 2017.	July 2017	Public Practice Committee and Head of Technical Department	MICPA Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
26.	April 2017	Quality Assessment Programme was launched in April 2017, where audit practitioners voluntarily participate in the reviewing of their audit file by MICPA's appointed representatives. The review also includes quality review.	On-going	Public Practice Committee and Head of Technical Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
27.	Ongoing	MICPA will review regularly the SMO Action Plan and update the SMO 3 when necessary.	Ongoing	Head of Technical Department	MICPA Staff

Action Plan Subject: SMO 4 - International Ethics Standards Board for Accountants (IESBA) Code of Ethics
Action Plan Objective: To Raise Awareness about the Code of Ethics and Educate Members on its Requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
MICPA first adopted the IESBA Code of Ethics in November, 2007 as under the MICPA Bye-Law. Parts A, B and C of MICPA's Code of Ethics are identical to the IESBA Code of Ethics. MICPA has included a Part D in the MICPA Code of Ethics which outlines additional ethical requirements and provides guidance on specific matters relevant to members in public practice.					
<i>MICPA Code of Ethics, Based on the 2016 Edition of IESBA Code of Ethics</i>					
28.	Q3 2017	Review of the 2016 Edition of IESBA Code of Ethics.	Q1 2018	Head of Technical Department	MICPA Staff
29.	November 2017	Adoption of 2016 Edition of IESBA Code of Ethics as the new MICPA Code of Ethics.	November 2017	Head of Technical Department	MICPA Staff
30.	December 2017	Exposure to members of the new MICPA Code of Ethics.	March 2018	Head of Technical Department	MICPA Staff
<i>Raise Awareness of the MICPA's Code of Ethics</i>					
31.	March 2018	Update members on the new MICPA's Code of Ethics.	March 2018	Head of Technical Department	MICPA Staff
32.	March 2018	Upload of the new MICPA's Code of Ethics in the MICPA's website.	March 2018	Head of Technical Department	MICPA Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
33.	Ongoing	Organise training to enhance members' knowledge on ethical requirements as well as inform members on current and topical issues on ethics.	Ongoing	Head of Education & Training and Head of Technical Department	MICPA Staff
<i>Maintaining Ongoing Processes</i>					
34.	Ongoing	Review of IESBA agenda materials and exposure drafts and make submission where applicable.	Ongoing	Head of Technical Department	MICPA Staff
35.	Ongoing	Update members' Handbook for adoption of newly issued/revised Code of Ethics by the IFAC.	Ongoing	Head of Technical Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
36.	Ongoing	MICPA will review regularly the MICPA SMO Action Plan and update the SMO 4 when necessary.	Ongoing	Head of Technical Department	MICPA Staff

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards (IPSAS)
Action Plan Objective: Continue to Use Best Endeavors to Assist in the Implementation of IPSASs

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background:</i>					
<p>The Accountant General’s Department, which is entrusted with the accounting functions of both Federal and State governments in Malaysia, endeavors to comply with the requirement of IPSAS where possible. The AG’s Department has drawn up a road map and implementation plan to adopt IPSAS issued by the International Public Sector Accounting Standards (IPSASB) of the IFAC by January 2016. The implementation of full accrual accounting forms part of the Federal Government’s policy measure in its public sector transformation initiatives of the New Economic Model. Accrual-based accounting using accounting policies which are identical to those to be adopted by the Federal Government will also be extended to all State Governments, local authorities, as well as statutory bodies.</p> <p>Government Accounting Standards Advisory Committee (“GASAC”) is a committee established under the Accountant General’s Department to develop Malaysian Public Sector Accounting Standards (MPSAS). MPSAS have been adopted by converging with IPSAS. MPSAS are endorsed by GASAC and approved by the Accrual Accounting Steering Committee (AASC).</p> <p>MICPA played a key role in the work to develop a roadmap to transition to the accruals basis of accounting in the Malaysian public sector. MICPA continues to use best endeavors to support the implementation of IPSAS and is represented on the relevant Government Accounting Standards Advisory Committee.</p>					
<i>Maintaining Ongoing Processes</i>					
37.	Ongoing	Continue to promote the IPSAS to the Government.	Ongoing	Executive Committee & Head of Technical Department	MICPA Staff
38.	Ongoing	Continue to publish IPSASB pronouncements on the MICPA’s website to promote IPSAS.	Ongoing	Head of Technical Department	MICPA Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
39.	October 2011	Appointed as a member of the Government Accounting Standard Advisory Committee to advise the Accountant General's Office on the adoption of IPSAS.	Ongoing	Executive Director	MICPA Staff
<i>Education & Training</i>					
40.	Ongoing	Conducted training on IPSAS for some Ministries and State Accounting Departments of Malaysia.	Ongoing	Head of Education & Training And Head of Technical Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
41.	Ongoing	MICPA will review regularly the MICPA SMO Action Plan and update the SMO 5 when necessary.	Ongoing	Head of Technical Department	MICPA Staff

Action Plan Subject: SMO 6 - Investigations and Discipline

Action Plan Objective: Continue to Maintain Investigation and Disciplinary Processes in Compliance with SMO 6

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>The MICPA investigation and disciplinary system is authorized under MICPA Bye Law and is inline with SMO 6 IFAC standards.</p> <p>On admission to membership, each member is provided a copy of the Institute's constitution which includes the provisions and processes for the investigation and disciplinary proceedings, the Code of Ethics and the Members Handbook which contain the full set of approved accounting and auditing standards. These pronouncements are also accessible from the MICPA websites.</p> <p>The MICPA's investigation and disciplinary process is instigated following a complaint from the public or an observation by a MICPA staff or Council member. The member against whom the complaint is lodged is advised and should evidence be sufficient, the Investigation Committee looks into the matter and requests a response from the member. Should the matter be upheld it is referred to the Disciplinary Committee which looks at the case and decides on the appropriate sanction from a range that differ depending on the severity of the matter.</p> <p>The Investigation Committee consists of seven members of the Council while the Disciplinary Committee consists of five members of the Council and two lay persons who are members of a national body.</p>					
<i>Maintaining Ongoing Processes</i>					
42.	Ongoing	Continue to ensure MICPA's investigation and disciplinary process is functioning as intended.	Ongoing	Executive Director	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
43.	Ongoing	MICPA will review regularly the IFAC SMO Action Plan and update the SMO 6 when necessary.	Ongoing	Executive Director	MICPA Staff

Table to conduct SMO 6 self-assessment

Requirements	Y	N	Partially	Comments
Scope of the system				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	Y			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	Y			
Initiation of Proceedings				
3. Both a “complaints-based” and an “information-based” approach are adopted.	Y			
4. Link with the results of QA reviews has been established.	Y			
Investigative process				
5. A committee or similar body exists for performing investigations.	Y			
6. Members of a committee are independent of the subject of the investigation and other related parties.	Y			
Disciplinary process				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	Y			

Requirements	Y	N	Partially	Comments
8. Members of the committee/entity include professional accountants as well as non-accountants.	Y			
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	Y			
Sanctions 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	Y			
Rights of representation and appeal 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	Y			
Administrative Processes 12. Timeframe targets for disposal of all cases are set.	Y			
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	Y			
14. Records of investigations and disciplinary processes are established.	Y			
Public Interest Considerations	Y			

Requirements	Y	N	Partially	Comments
15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.				
16. A process for the independent review of complaints on which there was no follow-up is established.	Y			
17. The results of the investigative and disciplinary proceedings are made available to the public.	Y			
Liaison with Outside Bodies				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	Y			
Regular review of implementation and effectiveness				
19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	Y			

Action Plan Subject: SMO 7 - International Financial Reporting Standards (IFRSs)

Action Plan Objective: Continue to Play an Active Role in the Standard Setting Process and to Promote Convergence with International Accounting Standards Board (IASB) Standards

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>The Malaysian Accounting Standards Board (MASB) is established under the Financial Reporting Act 1997 as an independent authority to develop and issue accounting and financial reporting standards for both private entities and non-private entities (public entities) in Malaysia.</p> <p>The set of accounting standards for non-private entities are called Financial Reporting Standards. In 2008, the MASB has adopted the policy of converging all Financial Reporting Standards with the International Financial Reporting Standards issued by the IASB by January 2012. The converged standards are named as Malaysian Financial Reporting Standards. All non-private entities with the exception of transitioning entities shall apply the Malaysian Financial Reporting Standards for annual periods beginning on or after January 1, 2012. Transitioning entities comprise entities that are within the scope of MFRS 141 <i>Agriculture</i> and/or IC Interpretation 15 <i>Agreements for the Construction of Real Estate</i>, including the parent, significant investor(s) and joint venturer(s) would be required to adopt MFRSs latest by January 1, 2018.</p> <p>The set of accounting standards for private entities are called Private Entity Reporting Standards (PERS). Private entities may also applied MFRSs. In February 2014, the MASB issued the Malaysian Private Entity Reporting Standards (MPERS) that are the word for word of the <i>IFRS for SMEs</i> (International Financial Reporting Standards for Small and Medium-sized Entities) issued by the IASB except for Section 29, <i>Income Tax</i> and Section 34, <i>Specialised Activities (Property Development Activities)</i>. The MPERS is effective for annual periods beginning on or after January 1, 2016. In October 2015, the MASB issued <i>2015 Amendments to the MPERS</i> which is equivalent to the IASB's <i>2015 Amendments to the IFRS for SMEs</i>. With this issuance, the accounting requirements for Income Tax of the MPERS are word-for-word <i>IFRS for SMEs</i> have been aligned. The <i>2015 Amendments to the MPERS</i> is effective for annual periods beginning on or after January 1, 2017, with early application permitted. A private entity that has in the alternative applied FRSs as its financial reporting framework shall disclose when it will first present financial statements in accordance with the MFRS Framework or the MPERS. The entity shall not revert to apply FRSs if it has adopted the MFRS Framework or the MPERS even if it meets the criteria to do so. Private entities that have applied FRSs shall apply either MFRS or the MPERS for annual periods beginning on or after January 1, 2018.</p> <p>MICPA participates in the standard setting process through representation on the MASB's Working Groups. MICPA supports implementation of the standards in Malaysia.</p>					
<i>Maintain Ongoing Convergence with IFRS</i>					
44.	Ongoing	Review and submit comments on MASB as well as IASB discussion papers and exposure drafts. MICPA also participate in the MASB's working groups.	Ongoing	AATC & Head of Technical Department	MICPA Staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
45.	Ongoing	Update of Members' Handbook for adoption of newly issued/revised Standards and Interpretations.	Ongoing	Head of Technical Department	MICPA Staff
46.	Ongoing	Disseminate emerging issues and updates on Financial Reporting Standards (FRSs), Malaysian Private Financial Reporting Standards (MPERs) and Malaysian Financial Reporting Standards (MFRSs) to members through the MICPA's e-newsletter, circular and bimonthly Malaysian Accountant journal.	Ongoing	Head of Technical Department	MICPA Staff
47.	Ongoing	Participate in the MIA's Financial Reporting Standards Implementation Committee (FRSIC) discussion on implementation issues related to FRSs and MFRSs.	Ongoing	AATC & Head of Technical Department	MICPA Staff
<i>Education and Training</i>					
48.	Ongoing	Organise training courses to enhance members' knowledge of newly issued/revised FRSs, MPERs and MFRSs.	Ongoing	Head of Educational and Training	MICPA Staff
<i>Technical Support</i>					
49.	Ongoing	Provide guidance and technical support to members on the adoption of FRSs, MPERs and MFRSs.	Ongoing	Technical Support Panel & Head of Technical Department	MICPA Staff
<i>Review of MICPA's Compliance Information</i>					
50.	Ongoing	MICPA will review regularly the SMO Action Plan and update the SMO 7 when necessary.	Ongoing	Executive Director	MICPA Staff

March 28, 2018

Alta Prinsloo
Executive Director, Quality & Development
International Federation of Accountants

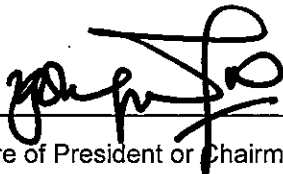
Dear Ms. Prinsloo,

Subject: Letter to Confirm Institutional Support for the SMO Action Plan

This letter is to confirm that the leadership of The Malaysian Institute of Certified Public Accountants has reviewed the information contained in the SMO Action Plan prepared by The Malaysian Institute of Certified Public Accountants as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of The Malaysian Institute of Certified Public Accountants, I endorse publication of the SMO Action Plan on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Sincerely,



EXECUTIVE DIRECTOR

(Signature of President or Chairman of the Board or equivalent)

(Title)

THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

(Name of Organization)

MARCH 28, 2018

(Date)