

## Response to the IFAC Part 2, SMO Self-Assessment Questionnaire

**Member Name:** Malaysian Institute of Accountants

**Country:** Malaysia

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| Number                                 | Question Title/Text/Help text  | Answer  | Comments |
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| <b>IFAC Part 2 SMO Self-Assessment</b> |  |   |          |
| 1.                                     | <b>SMO 1</b>   |   |          |
| 1.1.                                   | <b>Quality Assurance Program</b>   |   |          |
| 1.1.1.                                 | <i>Quality Assurance Review Program</i><br>In your jurisdiction is there a mandatory quality assurance review program in place for members of your organization performing audits of financial statements of listed companies?                                 | 1 <input checked="" type="radio"/> Yes<br><br>2 <input type="radio"/> No  |          |
| 1.2.                                   | <b>Responsibility for Quality Assurance - Overview</b>   |   |          |
| 1.2.1.                                 | <i>Responsibility for Quality Assurance</i><br>Within your jurisdiction, is your organization responsible for monitoring the quality of the work of your members performing audits of financial statements? Select the answer option that is most appropriate. | 1 <input checked="" type="radio"/> Yes - for all audits of financial statements<br><br>2 <input type="radio"/> Yes - for all audits except those of listed entities |          |

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|          |  | <p>3 <input type="radio"/> Our organization shares responsibility for the quality assurance program with another body</p> <p>4 <input type="radio"/> No, responsibility for quality assurance for all audits rests with another body</p> <p>5 <input type="radio"/> Other (please describe)</p> <p>6 <input type="radio"/> Not applicable - no members of our organization perform audits of listed entities</p> |          |
| 1.2.6.   | <p><i>Quality Assurance (Member Body) All Audits - Scope</i></p> <p>What types of engagements are included in the scope of the quality assurance review program? Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> Financial statement audit - listed entities (minimum requirement)</p> <p>2 <input checked="" type="checkbox"/> Financial statement audit - audit of other than listed entities</p> <p>3 <input type="checkbox"/> Other services (e.g., review, compilation)</p> <p>4 <input type="checkbox"/> Insolvency</p> <p>5 <input type="checkbox"/> Other (please specify)</p>   |          |
| 1.4.     | <b>Member - Benchmarking</b>   |  |          |
| 1.4.1.   | <b>Quality Control Standards and Guidance</b>  |  |          |
| 1.4.1.1. | <p><i>Quality Control Standards</i></p> <p>Has your organization established and published quality control standards requiring firms to implement a system of quality</p>  | <p>1 <input checked="" type="radio"/> Yes</p>  |          |

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|          | control in accordance with International Standard on Quality Control 1?  | 2 <input type="radio"/> No   |          |
| 1.4.1.3. | <i>Quality Control Standards - Name</i><br>State the name of the relevant quality control standards.   | International Standards on Auditing 220<br>International Standards on Quality Control 1  |          |
| 1.4.1.4. | <i>Other Quality Control Guidance</i><br>Has your organization established and published other quality control guidance to assist your members to understand the objectives of quality control and to implement and maintain appropriate systems of quality control? | 1 <input type="radio"/> Yes<br><br>2 <input checked="" type="radio"/> No   |          |
| 1.4.1.6. | <i>Other Quality Control Guidance Follow Up</i><br>What plans does your organization have for developing and issuing other quality control guidance for your members? If you do not have such plans, what special reasons or conditions for that fact exist?         | The Institute will soon be issuing a quality control manual which is designed as a guide to member firms in setting up or reviewing the quality control system of their firms to be in compliance with ISQC 1. |          |
| 1.4.2.   | <b>Design of the Quality Assurance Review Program</b>  |  |          |
| 1.4.2.1. | <i>Subject of the QA Review Program</i><br>Who is the subject of the quality assurance review program?   | 1 <input checked="" type="checkbox"/> Audit firm   |          |

| Number   | Question Title/Text/Help text   | Answer  | Comments |
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|          |   | 2 <input type="checkbox"/> Partner  |          |
| 1.4.2.2. | <p><i>Audit Firm</i></p> <p>As the audit firm is the subject of the quality assurance review program, the quality assurance program should be designed, as required by SMO 1, to obtain reasonable assurance that:</p> <ul style="list-style-type: none"> <li>- The firm has an adequate system of quality control relating to audits of financial statements of listed entities (and of other entities or engagements that are also included in the scope of the review).</li> <li>- The firm complies with that system.</li> <li>- The firm and engagement teams have adhered to professional standards and regulatory and legal requirements in performing audits of financial statements selected for review.</li> </ul> <p>Does the quality assurance program contain all three of these elements?</p> | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> |          |
| 1.4.2.5. | <p><i>Publication of Scope</i></p> <p>Does your organization publish a description of the scope and design of its quality assurance review program?</p>   | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> |          |

| Number   | Question Title/Text/Help text  | Answer   | Comments              |
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| 1.4.2.7. | <i>Name of Documents</i><br>Please name the published document(s) that describe the scope and design of the quality assurance review program.  | By-Law on Professional Conduct and Ethics (Part II) - B11 : Quality Assurance and Practice Review  |                       |
| 1.4.2.8. | <i>Location of Documents</i><br>Please indicate where the document(s) that include details on the scope and design of the quality assurance program can be located (e.g., provide internet address or indicate that documents are available from your organization). | www.mia.org.my   |                       |
| 1.4.3.   | <b>Review Cycle</b>  |  |                       |
| 1.4.3.1. | <i>Selection Approach</i><br>Please select the approach used to select subjects for quality assurance review. Select all the answer options that are appropriate.  | 1 <input checked="" type="checkbox"/> Cycle approach<br><br>2 <input type="checkbox"/> Risk-based approach   |                       |
| 1.4.3.2. | <i>Cycle Approach - Firm</i><br>As the audit firm is the subject of the review, please indicate the maximum number of years in the review cycle:   | 1 <input type="radio"/> 1 year<br><br>2 <input type="radio"/> 2 years<br>3 <input type="radio"/> 3 years<br>4 <input type="radio"/> 4 years<br>5 <input type="radio"/> 5 years | The cycle is 6 years. |

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|          |  | 6⊙ 6 or more years   |          |
| 1.4.3.4. | <i>Cycle Greater Than Three Years</i><br>As the review cycle is more than the three year cycle recommended by SMO1, please provide an explanation for adopting a longer cycle. | All member firms are subjected to the same review, regardless of whether they audit listed entities. Based on our current scope of review (which cover all audit firm) and resources available, the current cycle period is optimum. |          |
| 1.4.4.   | <b>Implementation of the Quality Assurance Program</b>   |  |          |
| 1.4.4.1. | <i>Date of Implementation</i><br>On what date did the quality assurance review program commence? (provide month/year)  | 4/1/2004   |          |
| 1.4.4.2. | <i>Number of Reviews - 2005</i><br>How many quality assurance reviews were completed during the year ended December 31, 2005 (or other 12 month period ending in 2005)?        | 51   |          |
| 1.4.4.3. | <i>Number of Reviews - 2004</i><br>How many quality assurance reviews were completed during the year ended December 31, 2004 (or other 12 month period ending in 2004)?        | 25   |          |
| 1.4.4.4. | <i>Number of Reviews - 2003</i>  |  |          |

| Number   | Question Title/Text/Help text   | Answer  | Comments |
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|          | How many quality assurance reviews were completed during the year ended December 31, 2003 (or other 12 month period ending in 2003)?  | 0   |          |
| 1.4.5.   | <b>Quality Assurance Review Team Procedures</b>   |   |          |
| 1.4.5.1. | <i>Publication of Review Guidelines</i><br>Does your organization publish guidelines for procedures to be followed by quality assurance review teams?   | 1 <input checked="" type="radio"/> Yes<br><br>2 <input type="radio"/> No                          |          |
| 1.4.5.2. | <i>Name of Guidelines</i><br>State the name of the published document(s) that include the procedures required to be followed by quality assurance review teams.   | By-Law on Professional Conduct and Ethics (Part II) - B11 : Quality Assurance and Practice Review |          |
| 1.4.5.4. | <i>Location of Guidelines</i><br>How can the document(s) that include the procedures required to be followed by quality assurance review teams be located (e.g., provide internet address or indicate that documents are available from your organization)? | www.mia.org.my  |          |
| 1.4.5.5. | <i>Content of Guidelines</i><br>SMO 1 requires that the procedures to be performed during the quality assurance   | 1 <input checked="" type="radio"/> Yes  |          |

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|          | <p>review include:</p> <p>a. An assessment of the system of quality control relating to audits of financial statements of listed entities (minimum requirement)</p> <p>b. Sufficient review of the quality control policies and procedures and reviews of engagement working papers to evaluate:</p> <ul style="list-style-type: none"> <li>- The functioning of that system of quality control, and compliance with it; and</li> <li>- The compliance with professional standards and regulatory and legal requirements in respect of audits of financial statements</li> </ul> <p>c. Review of engagement working papers</p> <p>d. Specific requirements regarding documentation of the review</p> <p>Does your quality assurance review program include requirements for all of these procedures?</p> | <p>2 <input type="radio"/> No</p>             |          |
| 1.4.5.7. | <p><i>Review of Engagement Working Papers</i></p> <p>SMO 1 requires procedures to be performed for the review of engagement working papers, including the evaluation of:</p> <ul style="list-style-type: none"> <li>- The existence and effectiveness of the system of quality control implemented by</li> </ul>   | <p>1 <input checked="" type="radio"/> Yes</p> |          |



| Number   | Question Title/Text/Help text  | Answer                                 | Comments |
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|          | <p>the subject of the review;<br/>                     - Compliance with professional standards and regulatory and legal requirements in performing the engagement;<br/>                     - The sufficiency and appropriateness of evidence documented in the working papers;<br/>                     and<br/>                     - Whether the auditor's reports are appropriate in the circumstances.</p> <p>Does your quality assurance review program include requirements for all of these procedures?</p> | 2 <input type="radio"/> No             |          |
| 1.4.5.9. | <p><i>Documentation</i><br/>                     Do the procedures to be performed by the quality assurance review team require documentation:</p> <p>- of evidence supporting the quality assurance review report; and<br/>                     - that establishes that the quality assurance review was carried out in accordance with the established guidelines.</p> <p>Are both of these requirements included in the quality assurance review program?</p>   | 1 <input checked="" type="radio"/> Yes |          |
|          |  | 2 <input type="radio"/> No             |          |
| 1.4.6.   | <b>The Quality Assurance Review Team</b>   |  |          |
| 1.4.6.1. | <i>Skills and Competence</i>   |  |          |

| Number   | Question Title/Text/Help text  | Answer  | Comments  |
|----------|--|---|---|
|          | <p>Members of the quality assurance review team should have the necessary competencies to perform expected work. As required by SMO 1, these competencies should include:</p> <ul style="list-style-type: none"> <li>- Appropriate professional education</li> <li>- Relevant professional experience</li> <li>- Specific training on performing quality assurance reviews</li> </ul> <p>Does the quality assurance review program require members of the quality assurance review team to have all three of these competencies?</p> | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> |   |
| 1.4.6.3. | <p><i>Certification/Credentials</i></p> <p>Are members of the quality assurance review team required to possess certification or credentials issued by your organization to be eligible to serve as team members?</p>  | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> | All our reviewers are qualified audit executives with atleast 7 years of relevant experience. |
| 1.4.6.5. | <p><i>Quality Assurance Review Team Leader</i></p> <p>Where more than one reviewer is used to conduct a review, is a quality assurance review team leader assigned for each quality assurance review assignment?</p>   | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> |   |
| 1.4.6.7. | <p><i>QA Review Team Leader - Responsibilities</i></p>   |   |   |

| Number   | Question Title/Text/Help text   | Answer  | Comments                                  |
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|          | <p>As required by SMO 1, the responsibilities of the quality assurance review team leader should include:</p> <ul style="list-style-type: none"> <li>- Supervision of the quality assurance review.</li> <li>- Communication of the quality assurance review team's conclusions to the subject of the review.</li> <li>- Preparation of the quality assurance review report.</li> </ul> <p>Does the quality assurance program place all these responsibilities on the review team leader?</p> | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> |   |
| 1.4.6.9. | <p><i>Size of Quality Assurance Review Team</i><br/>Please estimate the average number of reviewers included on a review team.</p>  | 2   | For large firms, the team size is bigger. |
| 1.4.7.   | <b>Quality Assurance Confidentiality - QA Review Team</b>   |   |   |
| 1.4.7.1. | <p><i>Exemption for QA Reviewers</i><br/>Does your organization exempt members from professional client confidentiality requirements concerning audit engagement working papers for the purpose of quality assurance reviews?</p>   | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> |   |

| Number   | Question Title/Text/Help text  | Answer   | Comments |
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| 1.4.7.3. | <i>Confidentiality Requirements</i><br>Is the quality assurance review team required to follow professional confidentiality requirements similar to those established for professional accountants performing audits of financial statements?  | 1 <input checked="" type="radio"/> Yes<br>2 <input type="radio"/> No |          |
| 1.4.8.   | <b>Ethical Requirements and QA Review Team</b>   |  |          |
| 1.4.8.1. | <i>Fundamental Principles</i><br>Are the fundamental principles set out in the IFAC Code of Ethics (relevant national ethical requirements) considered in relation to the quality assurance review team's conduct of a review?   | 1 <input checked="" type="radio"/> Yes<br>2 <input type="radio"/> No |          |
| 1.4.8.3. | <i>Consideration of Independence</i><br>Quality assurance review team members are expected to be independent of the member (i.e., the accountant or firm being reviewed) and the member's clients selected for review.<br><br>Do those who select and approve a review team determine whether the independence of the quality assurance review team leader and each member of the quality assurance review team has been reasonably assured? | 1 <input checked="" type="radio"/> Yes<br>2 <input type="radio"/> No |          |
| 1.4.8.5. | <i>Reciprocal Reviews</i><br>Where the review is performed by team   | 1 <input type="radio"/> Yes, reciprocal reviews are                  |          |

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|          | members from a single firm (e.g., a "peer review"), please indicate whether firms are permitted to perform reciprocal quality assurance reviews.  | permitted   |          |
|          |   | <input checked="" type="radio"/> No, reciprocal reviews are not permitted<br><input type="radio"/> Not applicable - peer review is not used |          |
| 1.4.9.   | <b>Reporting</b>  |   |          |
| 1.4.9.1. | <i>Quality Assurance Review Report</i><br>Is the quality assurance review team leader required to issue a written quality assurance review report to the reviewed firm or partner upon completion of each quality assurance review assignment?  | <input checked="" type="radio"/> Yes<br><br><input type="radio"/> No  |          |
| 1.4.9.3. | <i>Contents of Report</i><br>As required by SMO 1, the quality assurance review report should include the following elements:<br><br><ul style="list-style-type: none"> <li>- The review guidelines (referred to in Question 1.4.5.1) utilized by the quality assurance review team.</li> <li>- Recommendations for areas of improvement at both firm wide and engagement level.</li> </ul><br>Does the quality assurance program require | <input checked="" type="radio"/> Yes  |          |

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|          | both of these elements to be included in the report?   | 2○ No  |          |
| 1.4.9.5. | <p><i>Contents of Report - Firm</i></p> <p>As required by SMO 1, the quality assurance review report should include the following conclusions:</p> <ul style="list-style-type: none"> <li>- Whether the firm's system of quality control has been designed to meet the requirements of the applicable quality control standards;</li> <li>- Whether the firm has complied with its system of quality control during the period under review; and</li> <li>- Reasons for reaching negative conclusions on either or both of the above.</li> </ul> <p>Does the quality assurance program require all of these elements to be included in the report?</p> | 1⓪ Yes |          |
|          |  | 2○ No  |          |
| 1.4.9.8. | <p><i>Response to Reporting</i></p> <p>Is the subject of the review required to provide a timely written response to the recommendations and conclusions of the quality assurance review report, including planned actions and expected time of completion or implementation?</p>  | 1⓪ Yes |          |
|          |  | 2○ No  |          |

| Number    | Question Title/Text/Help text  | Answer  | Comments   |
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| 1.4.9.10. | <i>Reporting to the Public</i><br>Does your organization prepare and make available to the public (and upon request from regulatory authorities) an annual report summarizing the results of the quality assurance review program? | 1 <input type="radio"/> Yes<br><br>2 <input checked="" type="radio"/> No  |  |
| 1.4.9.11. | <i>Reporting to the Public Follow Up</i><br>Please explain why your organization does not prepare an annual report summarizing the results of the quality assurance review program available to the public?                        | During the first cycle of the review which is principally aimed at raising the overall quality of member firms, it is in the best interest of the profession that the results are not made available to the public. | Result of review (eg no of reviews, type of review opinion rendered) are reported periodically to the Council. On general findings of the reviews completed, it is reported to the members of the Institute. |
| 1.4.10.   | <b>Corrective and Disciplinary Actions</b>   |   |  |
| 1.4.10.1. | <i>Corrective Actions Required</i><br>Does your organization require each of its members to make appropriate corrections to its system of quality control, or in its compliance with policies and procedures?                      | 1 <input checked="" type="radio"/> Yes<br><br>2 <input type="radio"/> No  |  |
| 1.4.10.3. | <i>Disciplinary Actions</i><br>If one of your members subsequently fails to demonstrate compliance with professional standards and regulatory and legal requirements, do you take appropriate disciplinary action?                 | 1 <input checked="" type="radio"/> Yes  |  |

| Number    | Question Title/Text/Help text  | Answer  | Comments  |
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|           |  | 2○ No   |   |
| 1.4.10.5. | <i>Linkage with Disciplinary Actions</i><br>Does your organization clearly establish a link between less than satisfactory results of quality assurance reviews and the initiation of corrective and disciplinary actions under its disciplinary system? | 1⊙ Yes<br><br>2○ No   |   |
| 2.        | <b>SMO 2</b>   |   |   |
| 2.1.      | <i>MB Membership Requirements</i><br>Which of the following are required for individuals to be admitted as members in your organization? Select all the options that are appropriate.  | 1☑ Complete a program of professional accountancy education | MIA as regulatory body in Malaysia admits members who are already members of the other professional accounting bodies and also who has completed accounting degree from the universities recognized under the Accountants Act 1967. Members from other professional accounting bodies must fulfill requirements set by the professional accounting bodies whereas members who has completed accounting degree from the recognized universities, must obtained 3 years working experience in |



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|        |  | <p>2<input checked="" type="checkbox"/> Complete a practical experience requirement</p> <p>3<input type="checkbox"/> Complete a final assessment of the individual's professional capabilities and competencies</p> <p>4<input type="checkbox"/> None of the above</p>  | accounting or accounting related works. |
| 2.2.   | <i>Continuous Professional Development</i><br>Is there a requirement for your members to develop and maintain competence through continuous professional development (CPD)?            | <p>1<input checked="" type="radio"/> Yes</p> <p>2<input type="radio"/> No</p>   |   |
| 2.3.   | <b>Professional Accountancy Education</b>  |   |   |
| 2.3.1. | <i>Professional Accountancy Education Program</i><br>Who delivers the professional accountancy education program for your members? Select all the answer options that are appropriate. | <p>1<input type="checkbox"/> Our organization</p> <p>2<input checked="" type="checkbox"/> Another IFAC member body</p> <p>3<input checked="" type="checkbox"/> Universities</p> <p>4<input type="checkbox"/> Approved training institutions</p> <p>5<input type="checkbox"/> Government bodies</p> <p>6<input type="checkbox"/> Other organizations</p> |   |
| 2.3.2. | <i>Describe Other Organizations</i><br>Where your response in question 2.3.1 indicates another IFAC member body,   | List of recognized Universities from the First Schedule of the  |   |

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|---------------|--|--|----------|
|               | <p>universities, approved training institutions, and / or other organizations deliver the professional accountancy education program, describe these organizations and their legal authority to deliver the program. (Include the name of the other IFAC member body where relevant).</p>  | <p>Accountants Act. Other IFAC member bodies namely ACCA, CIMA, ICAEW, CPA(A), ICAA, MICPA</p>   |          |
| <p>2.3.3.</p> | <p><i>Prof Accountancy Education Program Follow Up</i><br/>Please describe how your organization ensures the professional accountancy education program, delivered by the organization in response to question 2.3.1., meets the required content.</p> <p>Include in your description the specific activities your organization undertakes with regards to the necessary content requirements.</p> | <p>For universiites, the syllabus is benchmark to IFAC IES and other IFAC bodies through their compliance to IFAC requirements.</p>  |          |
| <p>2.4.</p>   | <p><b>Final Assessment Follow Up</b></p>   |  |          |
| <p>2.4.1.</p> | <p><i>Final Assessment Approach Follow Up</i><br/>Since your organization does not require completion of a final assessment, please describe how your organization assesses whether an individual has the required professional capabilities and competencies.</p>   | <p>Individual needs to obtain 3 years of working experience in accounting or accounting related works. For members who obtained MIA membership from other professional accounting bodies, they are all subject to other bodies</p> |          |

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|---------|--|---|--|
|         |  | assessment requirements. For degree holder from recognized universities, MIA reviews the summary of working experience submitted by them which verified by their superiors. |  |
| 2.4.2.  | <i>Plans for Final Assessment</i><br>Are there plans to introduce a final assessment of professional capabilities and competence?  | 1 <input checked="" type="radio"/> Yes<br><br>2 <input type="radio"/> No  | The discussion is at the Committee level which comprised of MIA Council, academicians and practitioners. |
| 2.4.3.  | <i>Describe Plans for Final Assessment</i><br>Please describe the proposals to introduce a final assessment of professional capabilities and competence, including how the final assessment will be undertaken and when your organization intends to implement the final assessment requirement. | still in the earlier stage, no proposal is drafted yet.   |  |
| 2.11.   | <b>IES 5 Practical Experience Requirement</b>  |   |  |
| 2.11.1. | <i>Approved Provider</i><br>Section 2.11 deals with the practical experience requirement established by your organization.<br><br>Does the practical experience requirement have to be obtained with approved providers  | 1 <input type="radio"/> Yes   |  |

| Number    | Question Title/Text/Help text  | Answer   | Comments |
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|           | or employers?  | 2Ⓐ No  |          |
| 2.11.3.   | <i>Provider Follow Up</i><br>How does your organization determine whether a provider or employer is able to provide the candidate with the practical experience necessary?   | candidate needs to submit a testimonial from the employer. It describe work done and experienced obtained. |          |
| 2.11.4.   | <i>Length of Practical Experience</i><br>What is the required length of pre-qualification practical experience? Select the answer option that is most appropriate.   | 1Ⓐ Three years<br>2Ⓐ Less than three years<br>3Ⓐ More than three years                                     |          |
| 2.11.6.   | <b>Practical Application SMO 2</b>   |  |          |
| 2.11.6.1. | <i>Practical Application</i><br>Where relevant graduate (beyond undergraduate, e.g., masters) professional education has a strong element of practical accounting application, may any portion of the professional education be contributed to the practical experience requirement? | 1Ⓐ Yes<br>2Ⓐ No  |          |
| 2.11.6.2. | <i>Practical Application Recognized</i><br>How many months of the practical accounting component may be contributed towards the practical experience requirement?  | 1Ⓐ One to twelve months<br>2Ⓐ Thirteen or more months<br>3Ⓐ Other  |          |

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| 2.11.7.   | <b>Timing of Experience</b>  |  |                       |
| 2.11.7.1. | <i>Pre or Post Qualification Experience</i><br>The practical experience for accountants may be obtained (select all the answer options that are appropriate):                            | 1 <input type="checkbox"/> Before the professional accountancy education program of study<br>2 <input checked="" type="checkbox"/> At the same time as the professional accountancy education program of study<br>3 <input type="checkbox"/> After the professional accountancy education program of study |                       |
| 2.12.     | <b>IES 5 Monitoring of Practical Experience Requirement</b>  |  |                       |
| 2.12.1.   | <i>Monitoring of Practical Experience</i><br>Is the period of practical experience monitored?  | 1 <input type="radio"/> Yes<br>2 <input checked="" type="radio"/> No   |                       |
| 2.12.2.   | <i>Monitoring of Practical Experience Follow Up</i><br>Please indicate whether there are plans to begin monitoring of practical experience and if not, a description of the reasons why. | as long as candidate fulfill the 3 years work experience then he/she may submit application for membership   |                       |
| 2.14.     | <b>IES 7 Continuing Professional Development - CPD</b>   |  |                       |
| 2.14.1.   | <i>Responsibility for CPD Requirements</i><br>Section 2.14 deals with the continuous professional development requirements established by your organization.                             | 1 <input checked="" type="checkbox"/> Our organization   | By-Laws issued by MIA |

| Number  | Question Title/Text/Help text   | Answer  | Comments |
|---------|---|---|----------|
|         | <p>Who establishes the continuous professional development requirements applicable to your members? Select all the answer options that are appropriate.</p>   | <p>2 <input type="checkbox"/> Another organization (state the name of the organization including whether it is an IFAC member body)</p> <p>3 <input type="checkbox"/> Law and / or regulation (state the name of the law / regulation)</p> <p>4 <input type="checkbox"/> Other (please describe)</p>  |          |
| 2.14.2. | <p><i>CPD and Professional Accountants</i></p> <p>Which membership categories are required to maintain professional competence through continuous professional development? Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> All our qualified members</p> <p>2 <input type="checkbox"/> Qualified members who perform audits of listed entities</p> <p>3 <input type="checkbox"/> Qualified members who perform audits of entities other than listed entities</p> <p>4 <input type="checkbox"/> Qualified members who provide services (other than audit) to the public</p> <p>5 <input type="checkbox"/> Qualified members who are employed in business</p> |          |

| Number    | Question Title/Text/Help text  | Answer   | Comments   |
|-----------|--|--|--|
|           |  | 6 <input type="checkbox"/>   | Other (please describe)  |
| 2.14.3.   | <b>Requirement - CPD</b>   |  |  |
| 2.14.3.1. | <i>Type of CPD Requirement</i><br>Which of the following answer options describes the way the continuous professional development is structured? Select all the answer options that are appropriate. | 1 <input checked="" type="checkbox"/> Members must satisfy a number of hours of continuous professional development a year or over a number of years<br>2 <input type="checkbox"/> All members are to satisfy specified content requirements (e.g. specified courses or knowledge content)<br>3 <input type="checkbox"/> Members working in specialist areas or areas of high risk to the public are to satisfy specified content requirements (e.g. specified courses or knowledge content)<br>4 <input type="checkbox"/> Other |  |
| 2.14.3.3. | <i>Hours of Continuous Professional Development</i><br>Which one of the following answer options best describes the continuous professional development hours required?                              | 1 <input checked="" type="radio"/>   | Members have to complete a minimum of 120 hours or equivalent learning units of relevant professional development activity over a three-year rolling period. |

| Number    | Question Title/Text/Help text   | Answer   | Comments |
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|           |   | 2 <input type="radio"/> Members have to complete a minimum of 20 hours or equivalent learning units in each year<br>3 <input type="radio"/> Other  |          |
| 2.14.3.8. | <i>Monitoring of CPD</i><br>Is there a process to monitor whether your members who are qualified as professional accountants meet the continuous professional development requirements? | 1 <input checked="" type="radio"/> Yes, there is a monitoring process for CPD requirements<br>2 <input type="radio"/> No, there is no monitoring process for CPD requirements  |          |
| 2.14.4.   | <b>Monitoring of CPD Requirement</b>  |  |          |
| 2.14.4.1. | <i>Monitoring Process SMO 2</i><br>Which of the following elements does the monitoring process include? Select all the answer options that are appropriate.                             | 1 <input type="checkbox"/> Professional accountants are required to submit a declaration<br>2 <input checked="" type="checkbox"/> Professional accountants are required to submit evidence<br>3 <input checked="" type="checkbox"/> Our organization audits a sample of professional accountants to check compliance<br>4 <input type="checkbox"/> Compliance is monitored through firm quality control standards<br>5 <input type="checkbox"/> Compliance is monitored through a quality assurance review program<br>6 <input type="checkbox"/> Other (please describe) |          |



| Number    | Question Title/Text/Help text   | Answer                             | Comments  |
|-----------|---|------------------------------------|---|
|           |   | 7 <input type="checkbox"/>         | None of the above   |
| 2.14.4.3. | <i>Sanctions SMO 2</i><br>Where a professional accountant does not satisfy the CPD requirements (within a reasonable period of encouraging the professional accountant to meet the requirements), are sanctions or other non-compliance actions, such as expulsion or denial of the right to practice, imposed? | 1 <input checked="" type="radio"/> | Yes, sanctions or actions for non-compliance are imposed                              |
|           |   | 2 <input type="radio"/>            | No, sanctions or other non-compliance actions are not imposed                         |
| 2.14.4.4. | <i>Sanction Types and CPD</i><br>Describe the nature and extent of the sanction, expulsions or denial of the right to practice.   |                                    | members are subject to the Disciplinary actions decided by the Disciplinary Committee |
| 2.15.     | <i>Activities to Promote IESs SMO 2</i><br>Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements issued by IFAC's International Accounting Education Standards Board.  |                                    | organised Forum, Roundtable discussion and Talks                                      |
| 3.        | <b>SMO 3</b>  |                                    |   |
| 3.1.      | <i>Auditing Standards in Law/Regulation</i><br>Does law or regulation establish the set of auditing standards to be used in the audit of private sector listed entities and non-listed entities? Select all the answer options that   | 1 <input type="checkbox"/>         | Yes for audits of listed entities   |

| Number | Question Title/Text/Help text  | Answer  | Comments |
|--------|--|---|----------|
|        | <p>are appropriate.</p> <p>Where the law / regulation establishes the auditing standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 3.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the auditing standards, please respond "no". Section 3.2. of this module includes questions about the standard-setter and the auditing standards that are established.</p> | <p>2 <input type="checkbox"/> Yes for audits of non-listed entities</p> <p>3 <input checked="" type="checkbox"/> No for audits of listed entities</p> <p>4 <input checked="" type="checkbox"/> No for audits of non-listed entities</p> |          |
| 3.2.   | <b>Responsibility for Private Sector Auditing Standards</b>  |   |          |
| 3.2.1. | <p><i>Auditing Standards - Private Sector</i></p> <p>Is there only one set of auditing standards or are the auditing standards applicable to listed entities different from non-listed entities?</p>   | <p>1 <input checked="" type="radio"/> The auditing standards for listed entities and non-listed entities are the same set of standards</p> <p>2 <input type="radio"/> The auditing standards for</p>                                    |          |

| Number | Question Title/Text/Help text   | Answer  | Comments   |
|--------|---|---|--|
|        |   | listed entities and non-listed entities are not the same set of standards   |  |
| 3.2.6. | <i>Responsibility for Auditing Standards</i><br>Who has the authority for establishing the auditing standards for listed and non-listed entities?   | <p>1 <input checked="" type="radio"/> Our organization</p> <p>2 <input type="radio"/> Another IFAC member body</p> <p>3 <input type="radio"/> Joint process between our organization and another IFAC member body or other organization</p> <p>4 <input type="radio"/> Another organization</p> |  |
| 3.3.   | <b>Member Body SMO 3</b>  |   |  |
| 3.3.1. | <i>MB Convergence Objective SMO 3</i><br>Has convergence with IAASB pronouncements been established as an objective?  | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>   |  |
| 3.3.3. | <i>MB Convergence Implemented SMO 3</i><br>Has the convergence objective for auditing standards been implemented?   | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>   |  |
| 3.6.   | <b>Incorporation of Auditing Standards</b>  |   |  |
| 3.6.1. | <i>Incorporation Approach SMO 3</i><br>Where your response indicates that convergence with IAASB pronouncements has been implemented, which of the following best describes the approach is used to incorporate the IAASB | <p>1 <input checked="" type="radio"/> IAASB pronouncements are adopted as drafted without amendments (refer Help Text)</p>  | The main text of the standard is not amended. However, if there is any matters that need to be highlighted, the foreword to the standard |

| Number | Question Title/Text/Help text   | Answer  | Comments                          |
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|        | <p>pronouncements into national standards?<br/>Select the answer option that is most appropriate.</p> <p><b>Help text:</b><br/>Answer Option 1 and reference to "adopted without amendment"<br/>Select this option where IAASB pronouncements are adopted as drafted except for changes to:<br/>Rename the IAASB pronouncement to a national standard name;<br/>Translate the IAASB pronouncement into another language;<br/>Apply an effective date that differs from the IAASB pronouncement.</p> <p>Answer Option 2 and 3 reference to "Differences"<br/>In responding to this question, "differences" may include:<br/>Requirements in addition to those specified in the IAASB pronouncement or ISA;<br/>Deletion of a basic principle, essential procedure, and / or related guidance specified in the IAASB pronouncement or ISA;<br/>Modification of a requirement specified in the IAASB pronouncement or ISA (e.g. an ISA requirement was not deleted in full because a similar requirement was</p> | <p>2○ IAASB pronouncements are adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements (refer Help Text)</p> | <p>would address the matters.</p> |

| Number   | Question Title/Text/Help text   | Answer   | Comments  |
|----------|---|--|---|
|          | included).  | <p>3○ Existing national standards are compared with IAASB pronouncements to eliminate to the extent possible differences between the national standard and the IAASB pronouncement (refer Help Text)</p> <p>4○ Other</p>   |   |
| 3.6.2.   | <b>Adoption SMO 3</b>   |  |   |
| 3.6.2.1. | <i>IAASB Pronouncements Adopted</i><br>Which of the following IAASB pronouncements have been adopted? Select all the answer options that are appropriate.   | <p>1☑ International Standard on Quality Control 1</p> <p>2☑ International Standards on Auditing</p> <p>3☑ International Auditing Practices Statements</p> <p>4☑ International Standards on Assurance Engagements</p> <p>5☑ International Standards on Review Engagements</p> <p>6☑ International Standards on Related Services</p> |   |
| 3.6.2.2. | <i>Name of Standards SMO 3</i><br>When the IAASB pronouncements are adopted, are the IAASB pronouncements renamed as national standards and pronouncements? | 1○ IAASB pronouncements are adopted without changes to the pronouncement's name  | In Malaysia, the auditing standards is known as Malaysian Approved Standards on Auditing. |

| Number   | Question Title/Text/Help text   | Answer   | Comments   |
|----------|---|--|--|
|          |   | 2☉ IAASB pronouncements are adopted with changes to their names                          | However, no change is made to the title of each pronouncement adopted. |
| 3.6.2.3. | <i>Name of National Auditing Standards</i><br>State the name of the national auditing standards and pronouncements.   | Malaysian Approved Standards on Auditing   |  |
| 3.6.2.4. | <i>Information - Adopted Standards SMO 3</i><br>Is information publicly available describing:<br>The IAASB pronouncements that have been adopted;<br>Whether the adopted IAASB pronouncement is the version in effect as at September 30, 2005;<br>The effective date set by your organization where it differs from the IAASB pronouncement? | 1☉ Yes<br><br><br><br><br><br><br><br><br><br>2☉ No                                      |  |
| 3.6.2.5. | <i>Submit Information - Adopted SMO 3</i><br>If the standard-setter has issued information about the status of adopted ISAs and other IAASB pronouncements and it is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.<br><br>If this information is not available, complete     | 1☉ The information is available and in English and will be submitted to Compliance Staff |  |

| Number  | Question Title/Text/Help text   | Answer   | Comments |
|---------|---|--|----------|
|         | <p>the &lt;a href="SMO 3 Comparison with IAASB Pronouncements.doc"&gt;SMO 3: Comparison with IAASB Pronouncements&lt;/a&gt; report by clicking on the link and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report.</p> <p><b>Help text:</b></p> | <p>2Ⓞ The "SMO 3: Comparison with IAASB Pronouncements" report will be completed and submitted to Compliance Staff</p>   |          |
| 3.10.   | <b>Translation SMO 3</b>  |  |          |
| 3.10.1. | <p><i>Translation of IAASB Pronouncements</i></p> <p>Are the IAASB pronouncements translated into a national language?</p>  | <p>1Ⓞ No as English is the national language or a widely spoken language</p> <p>2Ⓞ Yes, the IAASB pronouncements are translated</p> <p>3Ⓞ No and English is not an official language or is not widely spoken</p> |          |
| 3.11.   | <p><i>Activities to Promote IAASB Pronouncements</i></p>  |  |          |

| <b>Number</b> | <b>Question Title/Text/Help text</b>   | <b>Answer</b>   | <b>Comments</b> |
|---------------|--|---|-----------------|
|               | <p>Please describe the activities your organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities.</p> | <p>We undertake the following activities in promoting and assisting the implementation of IAASB pronouncements and other IAASB activities:</p> <ul style="list-style-type: none"> <li>- Dissemination of information to members on issuance of exposure drafts, standards and other pronouncement issued by IAASB through the Institute's web site, journal and technical news bulletin.</li> <li>- Issuance of guidance in implementing the requirements of the pronouncements issued by IAASB e.g. Recommended Practice Guide (RPG)</li> <li>- Issuance of manual to assist members implementing requirements of ISQC 1.</li> <li>- Conducting courses on auditing areas for example of on audit documentation etc. as part of our continuing professional education programme</li> </ul> |                 |
| 4.            | <b>SMO 4</b>   |   |                 |



| Number | Question Title/Text/Help text  | Answer  | Comments  |
|--------|--|---|---|
| 4.1.   | <b>Responsibility and National Ethical Requirements</b>  |   |   |
| 4.1.1. | <p><i>IFAC MB and Ethical Requirements</i><br/>Does your organization establish ethical requirements (e.g. code of ethics, code of conduct, ethics rules, member regulations, etc.) to be complied with by your members?</p> <p><b>Help text:</b><br/>In some countries, ethical requirements may be established on a regional, provincial, or state basis. Where this is the case in your country for the ethical requirements that apply to your members, please contact Compliance Staff for further instruction.</p> | <p>1 <input checked="" type="radio"/> Yes, our organization does establish ethical requirements</p> <p>2 <input type="radio"/> No, our organization does not establish ethical requirements</p> | The Institute's By-Laws (On Professional Conduct and Ethics) set out the ethical requirements that all members of the Institute should adhere to. |
| 4.1.2. | <p><i>IFAC MB and Convergence with IFAC Code</i><br/>Has your organization implemented convergence with the IFAC Code of Ethics as an objective?</p>   | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>   |   |
| 4.1.9. | <p><i>IFAC MB Approach to Ethics</i><br/>Which of the following options best describes your organization's activities to incorporate the IFAC Code?</p> <p>For the purposes of the Part 2 SMO 4 module, modifications include:<br/>Deletion/omission of concepts, principles, or guidance that are established in the IFAC</p>   | <p>1 <input type="radio"/> Our organization adopted the IFAC Code as issued without modifications</p>   |   |

| Number  | Question Title/Text/Help text  | Answer   | Comments |
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|         | <p>Code;<br/>Inclusion of concepts, principles, or guidance that are not in the IFAC Code;<br/>Other amendments that give rise to differences between your organization's ethical requirements and the IFAC Code.</p>        | <p>2⓪ Our organization adopted the IFAC Code but with modifications<br/>3⓪ Our organization has developed our own ethical requirements with a process to eliminate differences between our ethical requirements and the IFAC Code<br/>4⓪ Our organization develops our own ethical requirements and uses another approach to incorporate the IFAC Code of Ethics</p> |          |
| 4.1.10. | <p><i>IFAC MB and Code - Eliminate Differences</i><br/>Describe the process used to adopt the IFAC Code or the process used to eliminate differences between your organization's ethical requirements and the IFAC Code.</p> | <p>The Ethics Committee reviews the IFAC Code of Ethics and considers the appropriateness of adopting the said provisions for inclusion in the Institute's By-Laws. In situations where a provision is inconsistent with national laws and regulations,</p>  |          |

| Number | Question Title/Text/Help text  | Answer   | Comments   |
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|        |  | <p>the said provision is amended. The Institute's By-Laws are currently being revised to achieve full convergence with the revised IFAC Code of Ethics expect in minor areas where the national laws and regulation provide differently.</p>                       |  |
| 4.2.   | <b>MB and Version of IFAC Code</b>   |  |  |
| 4.2.1. | <p><i>Version of IFAC Code</i><br/>Which version of the IFAC Code was adopted or used as the basis for your organization's ethical requirements?</p> | <p>1 <input checked="" type="radio"/> The IFAC Code currently in effect, revised and issued in June 2004</p> <p>2 <input type="radio"/> A version issued prior to 2004</p> <p>3 <input type="radio"/> The revised IFAC Code issued and in effect June 30, 2006</p> | <p>The Institute had amended the Institute's By-Laws dealing with Professional Independence to reflect the changes made by IFAC in 2004.</p> <p>The Institute through its Ethics Committee is in the process of adopting the revised IFAC Code of Ethics which was issued on 2005. The Institute is adopting the revised IFAC Code of Ethics with minor modifications.</p> |

| Number | Question Title/Text/Help text   | Answer  | Comments  |
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| 4.2.3. | <p><i>MB and Revised Code</i><br/>Does your organization have plans to adopt the revised IFAC Code (effective June 30, 2006) or revise your ethical requirements to incorporate the revised IFAC Code? Select the option that is the most relevant.</p> | <p>1 <input type="radio"/> Our organization has already amended our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>2 <input checked="" type="radio"/> Our organization is in the process of amending or has included a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>3 <input type="radio"/> Our organization currently has not included in our work program a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>4 <input type="radio"/> Other (please describe)</p> | <p>The Institute through its Ethics Committee has incorporated the revised IFAC Code of Ethics in its By-Laws and has issued an Exposure Draft on the same to members and other stakeholders for comments. Consultation on the Exposure Draft ended 31 March 2006 (but was unofficially extended to 30 April 2006).</p> |
| 4.2.5. | <p><i>MB and Revision Plans</i><br/>Please describe the work program timetable.</p>   | <p>The Exposure Draft consultation period ended 31 March 2006 and the Ethics Committee plans to issue</p>   |   |

| Number | Question Title/Text/Help text   | Answer   | Comments   |
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|        |   | the Institute's revised By-Laws with an effective date of 1 July 2006.   |  |
| 4.3.   | <p><i>Ethical Requirements by Gov / Reg Bodies</i><br/>In addition to the ethical requirements established by your organization, are there also laws or regulations that set out ethical requirements to be complied with by your members?</p>                              | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>  | Example would be Section 9 of the Companies Act, 1965. |
| 4.4.   | <p><b>Gov / Reg Bodies and Ethical Requirements</b></p>   |  |  |
| 4.4.1. | <p><i>Gov/Reg Bodies - Ethical Requirements</i><br/>Where ethical requirements applicable to your members are established in law or regulation, do they include any of the following types of laws and regulations? Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> There is a law / regulation (e.g. Audit Law, Accountants Law) that sets out ethical requirements to be complied with by all professional accountants</p> <p>2 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit listed entities</p> <p>3 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied</p> |  |

| Number | Question Title/Text/Help text   | Answer  | Comments |
|--------|---|---|----------|
|        |   | <p>with by professional accountants who audit entities other than listed entities</p> <p>4 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who provide services to the public (other than as auditors of listed or other entities)</p> <p>5 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements for professional accountants employed in business</p> <p>6 <input type="checkbox"/> None of the above</p> |          |
| 4.4.3. | <p><i>Describe Law / Reg - Prof Accountants</i><br/>Regarding your response to question 4.4.1 and the law / regulation for professional accountants, please:<br/>State the law / regulation's name;<br/>Provide a general description of the law / regulation;<br/>Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p> | <p>The Companies Act 1965, the Accountant's Act 1967 and the Institute's By-Laws (On Professional Conduct and Ethics) made thereunder.</p>  |          |
| 4.4.4. | <p><i>Describe Law / Reg - Audit</i><br/>Regarding your response to question 4.4.1</p>  | <p>By-Law B-1 of the Institute's By-</p>  |          |

| Number | Question Title/Text/Help text   | Answer   | Comments |
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|        | <p>and professional accountants who audit listed entities and / or other entities, please:<br/>State the law / regulation's name;<br/>Provide a general description of the law / regulation;<br/>Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p>   | <p>Laws (On Professional Conduct and Ethics) made under the Accountant's Act, 1967 which deals with Professional Independence has certain provisions which are applicable for members who audit listed and public interest entities.</p> |          |
| 4.4.5. | <p><i>Describe Law / Reg - Other Services</i><br/>Regarding your response to question 4.4.1 and professional accountants who provide services to the public (other than as auditors or listed or other entities) please:<br/>State the law / regulation's name;<br/>Provide a general description of the law / regulation;<br/>Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p> | <p>The Institute' By-Laws (On Professional Conduct and Ethics) made under the Accountant's Act, 1967 which is applicable to all members of the Institute.</p>  |          |
| 4.4.6. | <p><i>Describe Law / Reg - Employed</i><br/>Regarding your response to question 4.4.1 and professional accountants who are employed in business, please:<br/>State the law / regulation's name;<br/>Provide a general description of the law / regulation<br/>Describe how the law / regulation sets out the scope of professional accountants that it</p>  | <p>Part A of the Institute's By-Laws, which is applicable to all members of the Institute.</p>   |          |

| Number | Question Title/Text/Help text  | Answer   | Comments |
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|        | applies to.  |  |          |
| 4.4.7. | <p><i>Gov/Reg and Convergence</i><br/>Please explain whether your organization has undertaken any activities to promote the IFAC Code of Ethics to the relevant government or regulatory body that sets ethical requirements. Include in your explanation descriptions of any specific activities and the outcome or the reasons why such activities have not been undertaken.</p>   | <p>This is done through meetings and dialogues with the relevant government bodies and regulatory bodies. The Institute also invites comments from government bodies and other regulatory bodies on any proposed changes to the Institute's existing By-Laws (On Professional Conduct and Ethics).</p> |          |
| 4.5.   | <p><i>Comparison of Requirements SMO 4</i><br/>Does your organization have information that identifies any differences between the IFAC Code of Ethics currently in effect or the revised Code and the national ethical requirements? In responding to this question, differences include:</p> <p>Principles, concepts, and guidance in the IFAC Code that are not addressed in the national ethical requirements;<br/>Principles, concepts, and guidance in the IFAC Code that are not equivalent to the national ethical requirements;<br/>Principles, concepts, rules, regulations, laws, or other mandatory ethical requirements in national ethical requirements that are not</p> | <p>1 ☉ Yes, our organization has this information and it will be submitted</p>   |          |



| Number | Question Title/Text/Help text   | Answer   | Comments |
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|        | <p>addressed in the IFAC Code.</p> <p>The phrase "national ethical requirements" as used in this questionnaire refers to the totality of ethical requirements established by your organization and others including government and regulatory bodies that are applicable to your members.</p> | <p>2○ This information will be submitted by another IFAC member body</p> <p>3○ No, the information is not available</p>  |          |
| 4.11.  | <p><i>Translation of IFAC Code</i></p> <p>Has your organization or others (e.g. government or regulatory body) translated the IFAC Code (in effect) or earlier versions of the Code? Select all the answer options that are appropriate.</p>  | <p>1<input checked="" type="checkbox"/> No, as English is an official language or widely spoken language</p> <p>2<input type="checkbox"/> Yes, our organization has translated the IFAC Code</p> <p>3<input type="checkbox"/> Yes, a government, regulatory, or other body has translated the IFAC Code</p> <p>4<input type="checkbox"/> No, the IFAC Code has not been translated and English is not an official language or widely spoken language</p> |          |
| 4.15.  | <p><i>Activities to Promote IFAC Code of Ethics</i></p> <p>Please describe the activities your</p>  | The Institute conducts Members   |          |

| Number | Question Title/Text/Help text  | Answer   | Comments                         |
|--------|--|--|----------------------------------|
|        | organization undertakes to promote and assist in implementing the pronouncements (e.g. IFAC Code of Ethics) and work of IFAC's International Ethics Standards Board for Accountants.   | <p>Induction Course for new members to make them aware of the ethical requirements as set out in the Institute's By-Laws.</p> <p>The Institute also conducts forums to update members about the latest developments affecting the profession. This includes updates on any guidance and standards issued by IFAC.</p> <p>The Institute also disseminates information to members through the Institute's journal, circulars and technical bulletins which are sent through e-mail once a month.</p> |                                  |
| 5.     | <b>SMO 5</b>   |  |                                  |
| 5.1.   | <p><i>Public Sector Accounting Standards - Objective</i></p> <p>Has the federal government / national government established convergence with International Public Sector Accounting Standards (IPSASs) as an objective?</p> | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> <p>3 <input type="radio"/> Information is not available or not known</p>   | IPSAS - Cash Basis of Accounting |
| 5.3.   | <b>Convergence and IPSASs</b>  |  |                                  |
| 5.3.1. | <i>Convergence Approach - IPSASs</i>   |  |                                  |

| Number | Question Title/Text/Help text   | Answer  | Comments |
|--------|---|---|----------|
|        | Which of the following best describes government's convergence objective? Select the answer option that is the most appropriate.  | <p>1 <input checked="" type="checkbox"/> IPSASs are adopted as drafted without amendments</p> <p>2 <input type="checkbox"/> IPSASs are adopted with amendments</p> <p>3 <input type="checkbox"/> National public sector accounting standards are developed with a process to eliminate differences between the national standards and IPSASs</p> <p>4 <input type="checkbox"/> IPSASs are incorporated using another approach</p> |          |
| 5.3.3. | <p><i>Comparison Information SMO 5</i></p> <p>Is information about the IPSASs that have been incorporated (e.g. by adoption or other approaches) publicly available? Information should include the IPSASs issued and in effect that have been incorporated and differences between the IPSASs and national public sector accounting standards where differences exist.</p> | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> <p>3 <input type="radio"/> Our organization is not aware of such information</p>  |          |
| 5.3.4. | <p><i>Submit Comparison Information SMO 5</i></p> <p>If the comparison information is current and in English, please submit it to Compliance staff.</p>   | <p>1 <input checked="" type="radio"/> The comparison information will be submitted</p>  |          |

| Number | Question Title/Text/Help text  | Answer   | Comments |
|--------|--|--|----------|
|        |  | 2○ The comparison information is not current or is not available in English  |          |
| 5.4.   | <p><i>Activities to Promote IPSASB Pronouncements</i></p> <p>Please describe the activities your organization undertakes to promote pronouncements issued by the International Public Sector Accounting Standards Board. Please provide an explanation where such activities have not been undertaken because they are not within the scope of your organization's objectives or work program.</p> | Talks given by our Council Members in various conferences and seminars eg. State Governments, Local Authority conference, Statutory Body Conference etc. |          |
| 6.     | <b>SMO 6</b>   |  |          |
| 6.1.   | <p><i>Investigation and Discipline Program</i></p> <p>In your jurisdiction is there a program for investigating and disciplining members of your organization for misconduct, including breaches of professional standards and rules?</p>  | 1⓪ Yes   |          |
| 6.3.   | <b>Responsibility for Investigation and Discipline</b>   | 2○ No  |          |
| 6.3.1. | <p><i>Body Responsible for Investigation and Discipline</i></p> <p>Is your organization responsible for investigation and discipline of misconduct,</p>  | 1⓪ Yes, our organization has this responsibility   |          |

| Number   | Question Title/Text/Help text   | Answer   | Comments  |
|----------|---|--|---|
|          | <p>including breaches of professional standards and rules by its individual members (and, if local laws and practices permit, by firms)?<br/>Select the answer option that is most appropriate.</p> | <p>2○ No, responsibility for investigation and discipline rests solely with an external body<br/>3○ Our organization shares responsibility for investigation and discipline with an external body<br/>4○ Other</p> |   |
| 6.5.     | <b>SMO 6 - Detailed Assessment</b>  |  |   |
| 6.5.1.   | <b>Rules and Procedures for Investigation and Discipline</b>  |  |   |
| 6.5.1.1. | <p><i>Rules and Procedures</i><br/>Does your organization establish in its constitution or rules the provisions and processes for the investigating and disciplining your members?</p>              | <p>1⊙ Yes</p>  | <p>The Institute's Investigation, Disciplinary and Disciplinary Appeal Boards are statutory committees established under the Accountants Act 1967. Section 7 of the Accountants Act 1967, empowers the Institute to formulate rules to govern the processes of these committees.</p> <p>Therefore, the processes of</p> |

| Number   | Question Title/Text/Help text  | Answer  | Comments  |
|----------|--|---|---|
|          |  | 20 No   | these statutory committees are governed by the Malaysian Institute of Accountants (Disciplinary) Rules 2002.  |
| 6.5.1.3. | <p><i>Misconduct</i><br/>In your jurisdiction, which of the following are considered "misconduct" as described in SMO 6 paragraph 4? Select all the answer options that are appropriate.</p> | 1 <input checked="" type="checkbox"/> Criminal activity | <p>The Malaysian Institute of Accountants (Disciplinary) Rules 2002 provide for the definition of "unprofessional conduct" ie. conduct which is discreditable to the accountancy profession and includes gross carelessness, neglect and incapacity in the performance of professional duties, impropriety in professional conduct and conduct unbecoming of an accountant.</p> <p>A member who has become a bankrupt or has assigned substantially the whole of his estate for the benefit of his creditors or has made any arrangements for payment of a composition to his creditors may also be guilty of</p> |

| Number | Question Title/Text/Help text  | Answer  | Comments  |
|--------|--|---|---|
|        |  | 2 <input checked="" type="checkbox"/> Acts or omissions likely to bring the accountancy profession into disrepute<br>3 <input checked="" type="checkbox"/> Breaches of professional standards<br>4 <input checked="" type="checkbox"/> Breaches of ethical requirements<br>5 <input checked="" type="checkbox"/> Gross professional negligence<br>6 <input checked="" type="checkbox"/> A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights<br>7 <input checked="" type="checkbox"/> Unsatisfactory work<br>8 <input type="checkbox"/> Other (please describe) | unprofessional conduct.   |
| 6.5.2. | <i>Types of Sanctions</i><br>Which of the following actions can be imposed by those who judge such issues: Select all the answer options that are appropriate. | 1 <input checked="" type="checkbox"/> Reprimand<br><br>2 <input checked="" type="checkbox"/> Loss or restriction of practice rights<br>3 <input checked="" type="checkbox"/> Fine/payment of costs<br>4 <input checked="" type="checkbox"/> Loss of professional title (designation)<br>5 <input checked="" type="checkbox"/> Exclusion from membership   | Another action that can be imposed is to order the member to attend a course of instruction approved by the disciplinary committee for a period of time to be determined by them. |

| Number   | Question Title/Text/Help text   | Answer   | Comments |
|----------|---|--|----------|
|          |   | 6 <input checked="" type="checkbox"/> Other (please describe)  |          |
| 6.5.3.   | <b>Provision of Information and Guidance to Members</b>   |  |          |
| 6.5.3.1. | <p><i>Information and Guidance</i><br/>Does your organization make each member fully aware of:</p> <ul style="list-style-type: none"> <li>- All provisions of the ethical code and other applicable professional standards, rules and requirements (and any amendments), whether issued by IFAC or at the national level by the member body and</li> <li>- Consequences of non-compliance?</li> </ul> | 1 <input checked="" type="radio"/> Yes   |          |
|          |   | 2 <input type="radio"/> No   |          |
| 6.5.3.2. | <p><i>Information and Guidance Description</i><br/>Provide a brief description of how your organization meets this requirement of SMO 6.</p>  | <ul style="list-style-type: none"> <li>1) Conduct mandatory induction courses for new members where members are briefed of the MIA By-Laws (On Professional Conduct and Ethics) and its investigation and disciplinary processes.</li> <li>2) Conduct forums and dialogues annually to update members on recent updates that deal with applicable professional standards, rules and requirements (and any amendments) issued by IFAC or by MIA.</li> <li>3) Publish related articles in MIA's</li> </ul> |          |



| <b>Number</b> | <b>Question Title/Text/Help text</b>  | <b>Answer</b>   | <b>Comments</b>  |
|---------------|---|---|--|
|               |   | official journal<br>4) Issue circulars to members<br>5) Monthly electronic updates to subscribed members                  |  |
| 6.5.4.        | <b>Obligations to Report to Outside Bodies</b>  |   |  |
| 6.5.4.1.      | <i>Reporting to Outside Bodies</i><br>Is your organization obligated under local laws to report possible involvement in serious crimes and offences by its individual members or member firms to the appropriate public authority and disclose related information to that authority? | 1 <input checked="" type="radio"/> Yes<br><br><br><br><br><br><br><br><br><br><br><br>2 <input type="radio"/> No          | Where the Disciplinary Committee exercises its powers under the Malaysian Institute of Accountants (Disciplinary) Rules 2002 against a member which results in a punishment being imposed upon the said member, the Institute has the power to inform all the relevant government licensing authorities, any other association of accountants that the member may be related to and any other regulatory body. |
| 6.5.5.        | <i>Approach to Proceedings</i><br>What type of approach does your organization use to initiate investigation and discipline proceedings? Select all the answer options that are appropriate.  | 1 <input checked="" type="checkbox"/> Information-based<br><br><br>2 <input checked="" type="checkbox"/> Complaints-based |  |

| Number   | Question Title/Text/Help text   | Answer  | Comments  |
|----------|---|---|---|
|          |   | 3 <input type="checkbox"/> Other (please describe)<br>4 <input type="checkbox"/> None of the above  |   |
| 6.5.6.   | <b>Investigative Powers and Processes</b>   |   |   |
| 6.5.6.1. | <i>Powers</i><br>Does your organization have all required powers so that authorized personnel can carry out an effective investigation?   | 1 <input checked="" type="radio"/> Yes<br><br>2 <input type="radio"/> No  |   |
| 6.5.6.3. | <i>Cooperation of Members</i><br>Do the powers to carry out an effective investigation include:<br>Select all the answer options that are appropriate.                                    | 1 <input checked="" type="checkbox"/> A requirement for members (and member firms) to co-operate in the investigation of complaints and to respond promptly to all communications from the member body<br>2 <input checked="" type="checkbox"/> Provision for sanctions in the event of failure to comply<br>3 <input type="checkbox"/> None of the above |   |
| 6.5.6.6. | <i>Expertise and Resource</i><br>Does your organization maintain appropriate expertise and adequate financial and other resources to enable timely investigative and disciplinary action? | 1 <input checked="" type="radio"/> Yes (please describe)<br><br>2 <input type="radio"/> No  | The Institute plans to further improve the process by increasing manpower and ensuring that the existing staff are provided with adequate training. |
| 6.5.6.8. | <i>Independence and Subject of Investigation</i>  |   |   |

| Number    | Question Title/Text/Help text  | Answer  | Comments  |
|-----------|--|---|---|
|           | <p>Does your organization in all cases, confirm at the start of the investigation that any individual chosen to assist in an investigation is independent from (a) the subject of the investigation, and (b) anyone connected with or interested in the matter investigated?</p> <p><b>Help text:</b><br/>If a conflict exists at the start of an investigation, or arises during the investigation, the chosen individual should immediately withdraw. Similar considerations apply equally to anyone else connected with the investigation and hearing of cases.</p> | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>   |   |
| 6.5.6.10. | <p><i>Infrastructure</i><br/>Which of the following best describes your organization's investigation and discipline infrastructure? Select all the answer options that are appropriate.</p>  | <p>1 <input checked="" type="radio"/> One committee/panel to investigate the complaint and a separate committee/tribunal to administer disciplinary action</p> <p>2 <input type="radio"/> A single committee/panel to conduct the investigation and administer disciplinary action.</p> | <p>In addition to the Investigation and Disciplinary Committee, the Institute's investigation and disciplinary infrastructure includes a Disciplinary Appeal Board. These committees are statutory committees established under the Accountant's Act, 1967.</p> |

| Number    | Question Title/Text/Help text   | Answer  | Comments |
|-----------|---|---|----------|
|           |   | 3 <input type="radio"/> Other   |          |
| 6.5.6.12. | <i>Independent Review</i><br>Has your organization established and does it maintain a process for the independent review of complaints by clients and others where it has been decided by the investigation committee that the matter will not be referred to a disciplinary hearing? | 1 <input type="radio"/> Yes   |          |
|           |   | 2 <input checked="" type="radio"/> No   |          |
| 6.5.6.13. | <i>Independent Review Follow Up</i><br>Please explain why your organization has not established and maintained such a process.  | The Accountants Act 1967 and the Rules do not require the establishment of such a process   |          |
| 6.5.7.    | <b>The Disciplinary Process</b>   |   |          |
| 6.5.7.1.  | <i>Composition of Tribunal</i><br>Does the tribunal responsible for the disciplinary hearing contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?  | 1 <input type="radio"/> Yes (please describe)   |          |
|           |   | 2 <input checked="" type="radio"/> No   |          |
| 6.5.7.2.  | <i>Composition of Tribunal Follow Up</i><br>Please explain why the tribunal responsible for the disciplinary hearing does not contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?                                   | All members of the Disciplinary Committee as provided in the Accountants Act 1967 are required to be members of the Council of Malaysian Institute of Accountants |          |

| Number   | Question Title/Text/Help text   | Answer  | Comments        |
|----------|---|---|-----------------|
|          |   |   | ie accountants. |
| 6.5.7.3. | <p><i>Conflicts</i><br/>Are members of the investigation committee or the disciplinary tribunal permitted to serve on both at the same time, or in relation to the same case?</p> | <p>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p>   |                 |
| 6.5.7.5. | <p><i>Independence of Tribunal</i><br/>Briefly describe how the disciplinary tribunal exhibits independence.</p>  | <p>Members of the Disciplinary Committee hearing a particular case must be free of any conflict of interest, perceived or actual.</p>   |                 |
| 6.5.7.6. | <p><i>Appeals Process</i><br/>Does your organization's rules:</p> <p>Select all the answer options that are appropriate.</p>  | <p>1 <input checked="" type="checkbox"/> Permit a qualified lawyer or other person chosen by the defendant to accompany and represent the defendant at all disciplinary hearings and to advise him or her throughout the investigative and disciplinary process</p> <p>2 <input checked="" type="checkbox"/> Permit the defendant to appeal the conviction and any imposed sanction</p> <p>3 <input checked="" type="checkbox"/> Permit any order made against the defendant to be suspended by the tribunal that</p> |                 |

| Number   | Question Title/Text/Help text   | Answer  | Comments   |
|----------|---|---|--|
|          |   | <p>convicted the defendant, pending the hearing of that appeal</p> <p>4 <input checked="" type="checkbox"/> Prohibit the appeal tribunal from including a prosecutor or a member of the first tribunal, or any other individual who was concerned with the original conviction</p> <p>5 <input type="checkbox"/> Require that the same procedures apply to the appeal process as apply to hearings before the disciplinary tribunal</p> <p>6 <input type="checkbox"/> None of the above</p> |  |
| 6.5.7.7. | <p><i>Appeals Process Follow Up</i><br/>Please explain why your organization has not established the rules that were not selected.</p>            | <p>The appeal procedures are governed by the Rules which require that the same procedures apply to the appeal process as apply to hearings before the disciplinary tribunal.</p>  |  |
| 6.5.8.   | <p><b>Administrative Processes</b></p>  |   |  |
| 6.5.8.1. | <p><i>Elements of Administrative Processes</i><br/>As a part of Investigation and Discipline administrative processes does your organization:</p> | <p>1 <input type="checkbox"/> Establish time limits for disposal (completion) of all cases</p>  | <p>The Investigation Committee has just introduced time line to ensure speedy completion of investigations. However,</p> |

| Number | Question Title/Text/Help text                       | Answer  | Comments  |
|--------|---|---|---|
|        | Select all the answer options that are appropriate. | <p data-bbox="940 600 1381 841">2☑ Maintain and operate tracking mechanisms, to ensure that all investigations and prosecutions are promptly handled, and that all necessary action is taken at the appropriate stage</p> <p data-bbox="940 844 1381 1250">3☑ Maintain a procedure requiring (a) notification to all persons employed or otherwise participating in the investigative and disciplinary processes (or having access to information concerning such processes) of the importance of maintaining confidentiality, and (b) a binding agreement to maintain that confidentiality</p> <p data-bbox="940 1253 1381 1354">4☑ Maintain secure and confidential facilities for the storage of case papers and</p> | due consideration may have to be given to cases where there is a pending civil or criminal proceeding in court which could have a bearing to the subject matter of the complaint lodged with the Institute. |

| Number     | Question Title/Text/Help text   | Answer  | Comments   |
|------------|---|---|--|
|            |   | <p>other evidence</p> <p>5 <input checked="" type="checkbox"/> Maintain records of all investigation and disciplinary proceedings</p> <p>6 <input type="checkbox"/> None of the above</p> |  |
| 6.5.8.2.   | <p><i>Elements of Administrative Processes Follow Up</i></p> <p>Please explain why your organization has not established the administrative processes that were not selected.</p> | See comments in 6.5.8.1   |  |
| 6.5.8.3.   | <b>Case Numbers</b>   |   |  |
| 6.5.8.3.1. | <p><i>2005 Heard Case Numbers</i></p> <p>Indicate the number of cases heard in 2005.</p>  | 50  | <p>Cases heard by the Investigation Committee - 43</p> <p>Cases heard by the Disciplinary Committee - 7</p>  |
| 6.5.8.3.2. | <p><i>2004 Heard Case Numbers</i></p> <p>Indicate the number of cases heard in 2004.</p>  | 27  | <p>Cases heard by the Investigation Committee - 27</p> <p>Cases heard by the Disciplinary Committee - 0</p> <p>Note:<br/>All the cases heard by the Investigation Committee were in progress and not yet</p> |



| <b>Number</b> | <b>Question Title/Text/Help text</b>  | <b>Answer</b> | <b>Comments</b>  |
|---------------|---|---------------|--|
|               |   |               | referred to the Disciplinary Committee for hearing in 2004.  |
| 6.5.8.3.3.    | <i>2003 Heard Case Numbers</i><br>Indicate the number of cases heard in 2003.         | 31            | Cases heard by the Investigation Committee - 29<br>Cases heard by the Disciplinary Committee - 2<br><br>Note:<br>The cases heard by the Disciplinary Committee were cases referred to it by the Investigation Committee in 2003. |
| 6.5.8.3.4.    | <i>2005 Completed Case Numbers</i><br>Indicate the number of cases completed in 2005. | 13            | Cases completed by the Investigation Committee - 8<br>Cases completed by the Disciplinary Committee - 5  |
| 6.5.8.3.5.    | <i>2004 Completed Case Numbers</i><br>Indicate the number of cases completed in 2004. | 10            | Cases completed by the Investigation Committee -10<br>Cases completed by the Disciplinary Committee- 0<br><br>Note:  |

| Number     | Question Title/Text/Help text   | Answer | Comments   |
|------------|---|--------|--|
|            |   |        | There were no referral of cases from the Investigation Committee to the Disciplinary Committee in 2004   |
| 6.5.8.3.6. | <i>2003 Completed Case Numbers</i><br>Indicate the number of cases completed in 2003.   | 11     | Cases completed by the Investigation Committee - 9<br>Cases completed by the Disciplinary Committee -2   |
| 6.5.8.3.7. | <i>Average time required for disposal of cases</i><br>Indicate the average time (in months) required for the disposal (completion) of a case. This number should include both the time spent on (a) the investigation of the complaints and (b) the disciplinary proceedings. | 12     | The following is an indication as to the average time for the investigation process<br><br>Non-complex cases - 6 to 12 months<br>Complex cases - 12 to 24 months<br>Cases with pending court cases - depending on the conclusion of the court case.<br><br>Note: Where there is a pending court case which might have a bearing on the investigation process, the case is kept in abeyance |

| Number | Question Title/Text/Help text  | Answer  | Comments   |
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|        |  |   | pending the conclusion of the matter in the court of law.  |
| 7.     | <b>SMO 7</b>   |   |  |
| 7.1.   | <p><i>Accounting Standards in Law/Regulation</i><br/>Does law or regulation establish the set of accounting standards to be used for preparation of financial statements of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the accounting standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 7.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the accounting standards, please respond "no". Section 7.2. of this module includes questions about the standard-setter and the accounting standards that are established.</p> | <p>1 <input checked="" type="checkbox"/> Yes, for financial statements of listed entities</p> <p>2 <input checked="" type="checkbox"/> Yes, for financial statements of non-listed entities</p> | <p>The Malaysian Accounting Standards Board (MASB) was set up to establish the set of accounting standards for both listed and non-listed entities in Malaysia. As at 31 December 2005, the number of entities listed on the Malaysian Stock Exchange was 1020 and the number of non-listed entities incorporated in Malaysia was approximately 700,000. All companies are required under the Malaysian Law to comply with the accounting standards.</p> |

| Number | Question Title/Text/Help text  | Answer   | Comments  |
|--------|--|--|---|
|        |  | 3 <input type="checkbox"/> No, for financial statements of listed entities<br>4 <input type="checkbox"/> No, for financial statements of non-listed entities   |   |
| 7.8.   | <b>Law/Reg and Accounting Standards</b>  |  |   |
| 7.8.1. | <i>Law/Reg Accounting Standards - Private Sector</i><br>Is there only one group of accounting standards or are the accounting standards applicable to listed entities different from non-listed entities?  | 1 <input checked="" type="radio"/> The accounting standards for listed entities and non-listed entities are the same set of standards<br>2 <input type="radio"/> The accounting standards for listed entities and non-listed entities are not the same set of standards  |   |
| 7.8.2. | <i>Accounting Standards for Private Sector</i><br>Does the law/regulation require the use of International Financial Reporting Standards and other pronouncements issued by the International Accounting Standards Board? Select the answer option that is most appropriate. | 1 <input type="radio"/> The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs)<br>2 <input type="radio"/> The law/regulation contains the full text of each IFRS<br>3 <input type="radio"/> The law/regulation contains the main principles of the IFRSs<br>4 <input checked="" type="radio"/> The law / regulation has a requirement to use IFRSs | The IFRSs are issued under a local nomenclature called the Financial Reporting Standards (FRS). |

| Number  | Question Title/Text/Help text  | Answer   | Comments  |
|---------|--|--|---|
|         |  | using another approach<br>(please describe)<br>5 <input type="radio"/> The law / regulation requires<br>the use of national standards<br>with no reference to IFRSs  |   |
| 7.8.9.  | <i>MB Responsibilities and IASB SMO 7</i><br>Does your organization have responsibility<br>for any of the following activities? Select all<br>the answer options that are appropriate. | 1 <input type="checkbox"/> Develop other authoritative<br>pronouncements<br><br>2 <input type="checkbox"/> Promulgate the IFRSs<br>established by law /<br>regulation (e.g. by publishing<br>or communicating the<br>standards to the public)<br>3 <input checked="" type="checkbox"/> Other (please describe)<br>4 <input type="checkbox"/> None of the above | MIA promotes the use of FRS<br>to its 24,000 members. Any<br>noncompliance by members<br>may lead to disciplinary<br>action being taken against the<br>member. MIA works closely<br>with MASB in developing<br>and reviewing the accounting<br>standards. |
| 7.8.11. | <i>Describe Activities and Law/Reg SMO 7</i><br>Describe your organization's activities for<br>promulgating and / or implementing the<br>standards.                                    | The responsibility for promulgating<br>the standards rests with MASB.<br>MIA assists members in<br>implementing the standards through<br>its technical enquiry service.  |   |
| 7.9.    | <b>Law/Reg and IASB Pronouncements</b>   |  |   |

| Number | Question Title/Text/Help text   | Answer   | Comments |
|--------|---|--|----------|
| 7.9.1. | <p><i>Incorporation into Law/Reg SMO 7</i></p> <p>Is information publicly available about IFRSs and other IASB pronouncements that have been established into law/regulation, including:</p> <p>IFRSs and other IASB pronouncements that have been established into law / regulation;<br/>Whether the IFRS or IASB pronouncement established into law / regulation is the version in effect as at September 30, 2005;<br/>The effective date set by law / regulation where it differs from the IFRS or IASB pronouncement;<br/>The differences between IFRSs and IASB pronouncements and what was established into law / regulation; and<br/>The reasons for the differences?</p> | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>  |          |
| 7.9.2. | <p><i>Incorporation Description - Law/Reg SMO 7</i></p> <p>If the information about the status of IFRSs and other IASB pronouncements that have been established into law is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, complete the <a href="#">SMO 7 Comparison with IASB</a></p>  | <p>1 <input checked="" type="radio"/> Yes, information is available and in English and will be submitted to Compliance Staff</p> |          |

| Number  | Question Title/Text/Help text  | Answer   | Comments  |
|---------|--|--|---|
|         | <p>Pronouncements.doc"&gt;SMO 7: Comparison with IASB Pronouncements&lt;/a&gt; report and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 7: Comparison with IASB Pronouncements" report.</p> | <p>2○ No, information is not available; however our organization or jointly with another IFAC member / associate will complete the "SMO 7: Comparison with IASB Pronouncements" and submit it to Compliance Staff</p> <p>3○ No, information is not available</p> |   |
| 7.10.   | <b>Translation SMO 7</b>   |  |   |
| 7.10.1. | <p><i>Translation of IFRSs</i></p> <p>Are the IFRSs and other IASB pronouncements translated into national language?</p>   | <p>1⊙ No, as English is an official language or widely spoken language</p> <p>2○ Yes, the IFRSs are translated</p>   | <p>The accounting standards in issued are in English. However, MASB has translated a few standards to assist companies that prepare their financial statements in national language (Malay Language).</p> |

| Number    | Question Title/Text/Help text  | Answer  | Comments |
|-----------|--|---|----------|
|           |  | 3 <input type="radio"/> No and English is not an official language or is not widely spoken  |          |
| 7.11.     | <p><i>Promotion Activities SMO 7</i><br/>Please describe the activities your organization undertakes to promote and assist in the implementation of IFRSs and other IASB pronouncements and activities.</p>  | <p>We undertake the following activities in promoting and assisting the implementation of IFRSs and other IASB pronouncements:</p> <ul style="list-style-type: none"> <li>- Conduct courses and workshops on IFRSs as part of the continuing professional education programme for members</li> <li>- Dissemination of information to members upon issuance of standards and exposure drafts by MASB</li> <li>- Provide assistance to members in the implementation of IFRS through our technical enquiry service</li> </ul> |          |
| <b>8.</b> | <b>Certification of Chief Executive</b>  |   |          |
| 8.1.      | <p><i>Complete Certification</i><br/>Once all required questions have been completed, the Certification of Chief Executive should be signed and submitted to Compliance Staff. Click <a href="#">Part 2 SMO Self Assessment Certification.doc</a> here to download a copy of the Certification form.</p> | 1 <input checked="" type="checkbox"/> Yes, the Certification of Chief Executive has been submitted  |          |



| Number | Question Title/Text/Help text | Answer | Comments |
|--------|-------------------------------|--------|----------|
|        |                               | 2□     |          |

**Malaysian Institute of Accountants  
SMO 3: Comparison with IAASB Pronouncements**

| <b>No.</b>    | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>   | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state “None”)</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b>  |
|---------------|---|---|---|--|---|
|               | <b>Glossary of Terms</b>  | Glossary of Terms<br>1 January 2002   | None  | None   | The Institute is in the process of issuing the updated version of the Glossary. Glossary of terms in issued is the July 2000 version. |
| <b>ISQC 1</b> | <b>International Standards on Quality Control (ISQC) Quality Control for Firms that</b> | International Standards on Quality Control (ISQC) Quality Control for Firms that Perform  | None  | None   |   |

<sup>1</sup> Where no effective date is indicated, the pronouncement does not have an effective date and is deemed to be effective.

<sup>2</sup> Where the IAASB pronouncement has not yet been addressed in national auditing standards and related pronouncements indicate whether it is in the standard-setter’s work program or the reasons why it has not yet been addressed.

| <b>No.</b> | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>   | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b>  | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b>                      |
|------------|---|--|---|--|---|
|            | <p><b>Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.</b></p> <p><b>Systems in compliance with ISQC 1 are required to be established by June 15, 2005</b></p> | <p>Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements</p> <p>Systems in compliance with ISQC 1 are required to be established by 1 July 2006</p> |   |  |   |
|            | <b>International Framework for Assurance Engagements (ISA Framework)</b>  | None   | N/A   | N/A  | The framework is in exposure draft stage and expected to be issued as final |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b> | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b>  |
|----------------|---|---|---|--|---|
|                | <b>of International Standards on Auditing was withdrawn in December 2004)</b>         |   |   |  | standard in 2006. ISA 120, Framework of ISAs is still applicable until issuance of this standard. |
|                | <b>International Standards on Auditing (ISAs)</b>                                     |   |   |  |   |
|                |   |   |   |  |   |
| <b>ISA 200</b> | <b>Objective and General Principles Governing an Audit of Financial Statements</b>    | Objective and General Principles Governing an Audit of Financial Statements<br><br>Effective for audits of financial                                      | None  | None   |   |

| <b>No.</b>               | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>  | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b>   |
|--------------------------|--|---|---|--|--|
|                          |  | statements for periods beginning on or after 1 January 2006.  |   |  |  |
| <b>ISA 210</b>           | <b>Terms of Audit Engagements</b>  | Terms of Audit Engagement<br><br>Effective for audits commencing on after 1 July 1998   | None  | None   | Samples of engagement letter are added as appendix to the standard.  |
| <b>ISA 220 (Revised)</b> | <b>Quality Control for Audits of Historical Financial Information</b><br><br><b>Effective for audits of historical financial information for</b> | Quality Control for Audits of Historical Financial Information<br><br>Effective for audits of financial statements for periods beginning on or after 1    | None  | None   | The foreword to the standard highlights that definition of engagement partner refers to those with audit license as approved by the Ministry of Finance. |

| No.     | IAASB Pronouncements Issued and in Effect <sup>1</sup> as of September 30, 2005   | State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement. <sup>2</sup>          | Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None") | Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None") | Comment Box for additional relevant information |
|---------|---|--|--|---|---|
|         | periods commencing on or after June 15, 2005  | January 2006   |  |   |   |
| ISA 230 | <b>Documentation</b>  | Documentation<br><br>Effective for audits commencing on or after 1 July 1998   | None   | None  |   |
| ISA 240 | <b>The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements</b><br><br>Effective for audits of financial statements for | The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements<br><br>Effective for audits of financial statements for periods beginning | None   | None  |   |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>                 | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|----------------|---|---|--|--|--|
|                | <b>periods beginning on or after December 15, 2004</b>  | on or after 1 January 2006  |  |  |  |
| <b>ISA 250</b> | <b>Consideration of Laws and Regulations in an Audit of Financial Statements</b>                      | Consideration of Laws and Regulations in an Audit of Financial Statements<br><br>Effective for audits commencing on or after 1 July 1998.                 | None   | None   |  |
| <b>ISA 260</b> | <b>Communications of Audit Matters With Those Charged With Governance</b><br><br><b>Effective for</b> | Communications of Audit Matters With Those Charged With Governance<br><br>Effective for   | None   | None   |  |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>   | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b>  |
|----------------|---|---|--|--|---|
|                | <b>audits of financial statements for periods ending on or after December 31, 2000</b>  | audits commencing on or after 1 January 2002.   |  |  |   |
| <b>ISA 300</b> | <b>Planning an Audit of Financial Statements</b><br><br><b>Effective for audits of financial statements for periods beginning on or after December 15, 2004</b> | None  | N/A  | N/A  | The Institute is in the process of reviewing the standard for issuance as exposure draft. In issue is the original ISA 300 on Planning. |
| <b>ISA 315</b> | <b>Understanding the Entity and</b>   | Understanding the Entity and Its  | None   | None   |   |



| <b>No.</b> | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>  | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b>                 | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|------------|--|---|---|--|--|
|            | <p><b>Its Environment and Assessing the Risks of Material Misstatement</b></p> <p><b>Effective for audits of financial statements for periods beginning on or after December 15, 2004 (ISA 310 Knowledge of the Business was withdrawn in December 2004)</b></p> | <p>Environment and Assessing the Risks of Material Misstatement</p> <p>Effective for audits of financial statements for periods beginning on or after 1 January 2006.</p> |   |  |  |
| ISA 320    | <b>Audit Materiality</b>   | <p>Audit Materiality</p> <p>Effective for</p>   | None  | None   |  |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>   | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b>    | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|----------------|---|--|---|--|--|
|                |   | audits commencing on or after 1 July 1998.   |   |  |  |
| <b>ISA 330</b> | <b>The Auditor's Procedures in Response to Assessed Risks</b><br><br><b>Effective for audits of financial statements for periods beginning on or after December 15, 2004 (ISA 400 Risk Assessments and ISA 401 Internal Control and Auditing in a</b> | The Auditor's Procedures in Response to Assessed Risks<br><br>Effective for audits of financial statements for periods beginning on or after 1 January, 2006 | None  | None   |  |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b> | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|----------------|---|---|---|--|--|
|                | <b>Computer Information Systems Environment were withdrawn in December 2004)</b>      |   |   |  |  |
| <b>ISA 402</b> | <b>Audit Considerations Relating to Entities Using Service Organizations</b>          | Audit Considerations Relating to Entities Using Service Organizations<br><br>Effective for audits commencing on or after 1 July 1998                      | None  | None   |  |
| <b>ISA 500</b> | <b>Audit Evidence Effective for</b>   | Audit Evidence<br><br>Effective for   | None  | None   |  |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>     | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|----------------|---|---|---|--|--|
|                | <b>audits of financial statements for periods beginning on or after December 15, 2004</b> | audits of financial statements for periods beginning on or after 1 January 2006   |   |  |  |
| <b>ISA 501</b> | <b>Audit Evidence— Additional Considerations for Specific Items</b>                       | Audit Evidence— Additional Considerations for Specific Items<br><br>Effective for audits commencing on or after 1 July 1998                               | None  | None   |  |
| <b>ISA 505</b> | <b>External Confirmations</b><br><br><b>Effective for</b>                                 | External Confirmations<br><br>Effective for   | None  | None   |  |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>  | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state “None”)</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b> |
|----------------|--|---|---|--|--|
|                | <b>audits of financial statements for periods ending on or after December 31, 2001</b> | audits of financial statements for periods commencing or after 1 January 2002.  |   |  |  |
| <b>ISA 510</b> | <b>Initial Engagements— Opening Balances</b>   | Initial Engagements— Opening Balances<br><br>Effective for audits commencing on or after 1 July 1998.   | None  | None   |  |
| <b>ISA 520</b> | <b>Analytical Procedures</b>   | Analytical Procedures<br><br>Effective for audits commencing on   | None  | None   |  |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>   | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|----------------|---|---|---|--|--|
|                |   | or after 1 July 1998  |   |  |  |
| <b>ISA 530</b> | <b>Audit Sampling and Other Selective Testing Procedures</b><br><br><b>Effective for audits of financial statements for periods ending on or after July 1, 1999</b> | Audit Sampling and Other Selective Testing Procedures<br><br>Effective for audits commencing on or after 1 July 1999                                      | None  | None   |  |
| <b>ISA 540</b> | <b>Audit of Accounting Estimates</b>  | Audit of Accounting Estimates<br><br>Effective for audits commencing on or after 1 July   | None  | None   |  |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>   | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b>   |
|----------------|---|---|---|--|--|
|                |   | 1998.   |   |  |  |
| <b>ISA 545</b> | <b>Auditing Fair Value Measurements and Disclosures</b><br><br><b>Effective for audits of financial statements for periods ending on or after December 31, 2003</b> | None  | N/A   | N/A  | The standard is currently in exposure draft stage and expected to be issued as final standard in 2006. |
| <b>ISA 550</b> | <b>Related Parties</b>  | Related Parties<br><br>Effective for audits commencing on or after 1 July   | None  | None   |  |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>  | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|----------------|--|---|---|--|--|
|                |  | 1998.   |   |  |  |
| <b>ISA 560</b> | <b>Subsequent Events</b>   | Subsequent Events<br><br>Effective for audits commencing on or after 1 July 1998  | None  | None   |  |
| <b>ISA 570</b> | <b>Going Concern</b><br><br><b>Effective for audits of financial statements for periods ending on or after December 31, 2000</b> | Going Concern<br><br>Effective for audits commencing on or after 1 January 2002.  | None  | None   |  |
| <b>ISA 580</b> | <b>Management Representations</b>  | Management Representations  | None  | None   |  |



| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b> | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|----------------|---|---|---|--|--|
|                |   | Effective for audits commencing on or after 1 July 1998.  |   |  |  |
| <b>ISA 600</b> | <b>Using the Work of Another Auditor</b>  | Using the Work of Another Auditor<br><br>Effective for audits commencing on or after 1 July 1998.   | None  | None   |  |
| <b>ISA 610</b> | <b>Considering the Work of Internal Auditing</b>                                      | Considering the Work of Internal Auditing<br><br>Effective for audits commencing on   | None  | None   |  |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>   | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b>   |
|----------------|---|---|---|--|--|
|                |   | or after 1 July 1998.   |   |  |  |
| <b>ISA 620</b> | <b>Using the Work of an Expert</b>  | Using the Work of an Expert<br><br>Effective for audits commencing on or after 1 July 1998  | None  | None   |  |
| <b>ISA 700</b> | <b>The Auditor's Report on Financial Statements</b><br><br><b>Effective for audits of financial statements for periods ending on or after September 30,</b> | None  | N/A   | N/A  | The Institute is in the process of reviewing the standard for issuance as exposure draft. In issuance is the original ISA 700. |

| <b>No.</b>     | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>               | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|----------------|---|---|---|--|--|
|                | <b>2002</b>   |   |   |  |  |
| <b>ISA 710</b> | <b>Comparatives</b><br><br><b>Effective for reports issued or reissued on or after July 1, 1997</b> | Comparatives<br><br>Effective for audits commencing on or after 1 July 1998.  | None  | None   |  |
| <b>ISA 720</b> | <b>Other Information in Documents Containing Audited Financial Statements</b>                       | Other Information in Documents Containing Audited Financial Statements<br><br>Effective for audits commencing on or after 1 July 1998.                    | None  | None   |  |
| <b>ISA 800</b> | <b>The Auditor's Report on Special Purpose</b>  | The Auditor's Report on Special Purpose Audit   | None  | None   |  |

| <b>No.</b>       | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b> | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|------------------|---|---|---|--|--|
|                  | <b>Audit Engagements</b>  | Engagements<br><br>Effective for audits commencing on or after 1 July 1998.   |   |  |  |
|                  | <b>International Auditing Practice Statements (IAPSs)</b>                             | <b>International Auditing Practice Statements (IAPSs)</b>   |   |  |  |
| <b>IAPS 1000</b> | <b>Inter-Bank Confirmation Procedures</b>   | Inter-Bank Confirmation Procedures  | None  | None   |  |
| <b>IAPS 1004</b> | <b>The Relationship Between Bank Supervisors and</b>                                  | None  | N/A   | N/A  | The statement is currently in exposure draft           |

| <b>No.</b>       | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b> | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b>   |
|------------------|---|---|---|--|--|
|                  | <b>Banks' External Auditors</b>   |   |   |  | stage and expected to be issued in 2006.   |
| <b>IAPS 1005</b> | <b>The Special Considerations in the Audit of Small Entities</b>                      | The Special Considerations in the Audit of Small Entities   | None  | None   |  |
| <b>IAPS 1006</b> | <b>Audits of the Financial Statements of Banks</b>                                    | None  | N/A   | N/A  | Currently in issuance is the original statement on The Audit of International Commercial Banks. The Institute is in the process of reviewing the statement for issuance as exposure draft. |
| <b>IAPS</b>      | <b>The</b>  | The   | None  | None   |  |

| <b>No.</b>       | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b> | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state “None”)</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b>                                     |
|------------------|---|---|---|--|--|
| <b>1010</b>      | <b>Consideration of Environmental Matters in the Audit of Financial Statements</b>    | Consideration of Environmental Matters in the Audit of Financial Statements   |   |  |  |
| <b>IAPS 1012</b> | <b>Auditing Derivative Financial Instruments</b>                                      | None  | N/A   | N/A  | Currently in exposure draft stage and expected to issue the statement to members in 2006.  |
| <b>IAPS 1013</b> | <b>Electronic Commerce— Effect on the Audit of Financial Statements</b>               | None  | N/A   | N/A  | The Institute is in the process of reviewing the statement for issuance as exposure draft. |
| <b>IAPS 1014</b> | <b>Reporting by Auditors on Compliance</b>  | None  | N/A   | N/A  | The Institute is in the process of reviewing the   |

| <b>No.</b>       | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>   | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|------------------|---|---|---|--|--|
|                  | <p><b>With International Financial Reporting Standards</b></p> <p><b>Approved in March 2003 for publication on June 1, 2003</b></p> |   |   |  | statement for issuance as exposure draft.              |
|                  | <p><b>International Standards on Review Engagements (ISREs)</b></p>   |   |   |  |  |
| <b>ISRE 2400</b> | <b>Engagements to Review Financial Statements</b>   | Engagements to Review Financial Statements (Previously ISA  | None  | None   |  |

| <b>No.</b>       | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b> | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b>                                       |
|------------------|---|---|---|--|--|
|                  | <b>(Previously ISA 910)</b>   | 910)<br><br>Effective for audits commencing on or after 1 July 1998.  |   |  |  |
|                  | <b>International Standards on Assurance Engagements (ISAEs)</b>                       | International Standards on Assurance Engagements (ISAEs)  | None  | None   |  |
| <b>ISAE 3000</b> | <b>Assurance Engagements Other Than Audits or Reviews of Historical</b>               | None  | N/A   | N/A  | The standard is in exposure draft stage and expected to be issued as final standard in 2006. |



| <b>No.</b>       | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>                        | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b>   |
|------------------|--|---|---|--|--|
|                  | <b>Financial Information</b><br><br><b>Effective for assurance reports dated on or after January 1, 2005</b> |   |   |  | In issuance is the original ISAE 3000 on Assurance Engagements   |
| <b>ISAE 3400</b> | <b>The Examination of Prospective Financial Information (Previously ISA 810)</b>                             | The Examination of Prospective Financial Information (Previously ISA 810)   | None  | None   | Include in the foreword to the standard the Institute's advice to members to apply the standard for purpose of complying with the Securities Commission's regulations. |
|                  | <b>International</b>   | International   |   |  |  |

| <b>No.</b>       | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b>                     | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b>          | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|------------------|---|--|---|--|--|
|                  | <b>Standards on Related Services (ISRSs)</b>  | Standards on Related Services (ISRSs)  |   |  |  |
| <b>ISRS 4400</b> | <b>Engagements to Perform Agreed-upon Procedures Regarding Financial Information (Previously ISA 920)</b> | Engagements to Perform Agreed-upon Procedures Regarding Financial Information (Previously ISA 920)<br><br>Effective for audits commencing on or after 1 July 1998. | None  | None   |  |
| <b>ISRS 4410</b> | <b>Engagements to Compile Financial Information</b>   | Engagements to Compile Financial Information   | None  | None   |  |

| <b>No.</b> | <b>IAASB Pronouncements Issued and in Effect<sup>1</sup> as of September 30, 2005</b> | <b>State the name and effective date of the national auditing standard and related pronouncement that addresses this IAASB pronouncement.<sup>2</sup></b> | <b>Describe any national auditing standards and related pronouncements requirements that are not required by the IAASB pronouncements (or state "None")</b> | <b>Describe the IAASB principles, procedures or related guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|------------|---|---|---|--|--|
|            | <b>(Previously ISA 930)</b>   | (Previously ISA 930)<br><br>Effective for audits commencing on or after 1 July 1998.  |   |  |  |

**IAASB Pronouncements Issued but Not in Effect as of September 30, 2005**

The following IAASB pronouncements have been issued but are not in effect as of September 30, 2005.

|                          | <b>IAASB Pronouncements Issued and not in Effect<sup>1</sup> as of September 30, 2005</b>  | <b>Has this IAASB pronouncement been adopted or otherwise incorporated into national standards on auditing and related pronouncements ? (Yes / No )</b> | <b>If “yes”, please state the name of the pronouncement and its effective date.</b> | <b>If “no”, please explain whether this pronouncement has been included in the work program.</b> | <b>Comment Box for additional relevant information</b> |
|--------------------------|--|---|---|--|--|
| <b>ISA 230 (Revised)</b> | <b>Audit Documentation</b><br><br><b>Effective for audits of historical financial information for periods beginning on or after June 15, 2006</b>                                    | No  |   | The Institute is in the process of reviewing the standard for issuance as exposure draft.        |  |
| <b>ISA 700 (Revised)</b> | <b>The Independent Auditor’s Report on a Complete Set of General Purpose Financial Statements</b><br><br><b>Effective for auditors’ reports’ dated on or after December 31, 2006</b> | No  |   | The Institute is in the process of reviewing the standard for issuance as exposure draft.        |  |

|                  | <b>IAASB Pronouncements Issued and not in Effect<sup>1</sup> as of September 30, 2005</b>   | <b>Has this IAASB pronouncement been adopted or otherwise incorporated into national standards on auditing and related pronouncements ? (Yes / No )</b> | <b>If “yes”, please state the name of the pronouncement and its effective date.</b> | <b>If “no”, please explain whether this pronouncement has been included in the work program.</b> | <b>Comment Box for additional relevant information</b> |
|------------------|---|---|---|--|--|
| <b>ISA 701</b>   | <b>Modifications to the Independent Auditor’s Report</b><br><br><b>Effective for auditors’ reports’ dated on or after December 31, 2006</b>   | No  |   | The Institute is in the process of reviewing the standard for issuance as exposure draft.        |  |
| <b>ISRE 2410</b> | <b>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</b><br><br><b>Effective for engagements to review the interim financial information of an</b> | No  |   | The Institute is in the process of reviewing the standard for issuance as exposure draft.        |  |

|                          | <b>IAASB Pronouncements Issued and not in Effect<sup>1</sup> as of September 30, 2005</b>   | <b>Has this IAASB pronouncement been adopted or otherwise incorporated into national standards on auditing and related pronouncements ? (Yes / No )</b> | <b>If “yes”, please state the name of the pronouncement and its effective date.</b> | <b>If “no”, please explain whether this pronouncement has been included in the work program.</b> | <b>Comment Box for additional relevant information</b> |
|--------------------------|---|---|---|--|--|
|                          | <b>audit client for periods beginning on or after December 15, 2006</b>   |   |   |  |  |
| <b>ISA 200 (Amended)</b> | <b>ISA 200 Amended as a Result of ISA 700 (Revised)— Effective for Audits of Financial Statements for Periods Beginning On or After December 15, 2005</b> | No  |   | The Institute is in the process of reviewing the standard for issuance as exposure draft.        |  |
| <b>ISA 210 (Amended)</b> | <b>ISA 210 Amended as a Result of ISA 700 (Revised)— Effective for Audits of Financial</b>  | No  |   | The Institute is in the process of reviewing the standard for issuance as exposure draft.        |  |

|                          | <b>IAASB Pronouncements Issued and not in Effect<sup>1</sup> as of September 30, 2005</b>  | <b>Has this IAASB pronouncement been adopted or otherwise incorporated into national standards on auditing and related pronouncements ? (Yes / No )</b> | <b>If “yes”, please state the name of the pronouncement and its effective date.</b> | <b>If “no”, please explain whether this pronouncement has been included in the work program.</b> | <b>Comment Box for additional relevant information</b> |
|--------------------------|--|---|---|--|--|
|                          | <b>Statements for Periods Beginning on or after December 15, 2005</b>  |   |   |  |  |
| <b>ISA 560 (Amended)</b> | <b>Conforming Amendments to ISA 560 as a Result of ISA 700 (Revised) - Effective for Auditor’s Reports Dated On or After December 31, 2006</b> | No  |   | The Institute is in the process of reviewing the standard for issuance as exposure draft.        |  |
| <b>ISA 800 (Amended)</b> | <b>Conforming Amendments to ISA 800 as a Result of ISA 700 (Revised)— Effective for Auditor’s Reports Dated On or After</b>                    | No  |   | The Institute is in the process of reviewing the standard for issuance as exposure draft.        |  |

|  | <b>IAASB Pronouncements Issued and not in Effect<sup>1</sup> as of September 30, 2005</b> | <b>Has this IAASB pronouncement been adopted or otherwise incorporated into national standards on auditing and related pronouncements ? (Yes / No )</b> | <b>If “yes”, please state the name of the pronouncement and its effective date.</b> | <b>If “no”, please explain whether this pronouncement has been included in the work program.</b> | <b>Comment Box for additional relevant information</b> |
|--|---|---|---|--|--|
|  | <b>December 31, 2006</b>  |   |   |  |  |

**IAASB Pronouncements that Have Been Withdrawn**

The following IAASB pronouncements have been withdrawn and are no longer in effect as of September 30, 2005.

|                  | <b>Withdrawn IAASB Pronouncements</b> | <b>Has your organization withdrawn this IAASB pronouncement or the similar / equivalent national standard or pronouncement addressing this subject matter? (Yes / No)</b> | <b>If “no”, please explain whether there are plans to withdraw the pronouncement and provide a description of the plans.</b> | <b>Where there are no plans to withdraw the pronouncement, please explain the reasons, conditions that exist and give rise to the need for this pronouncement.</b> | <b>Comment Box for additional relevant information</b> |
|------------------|---------------------------------------|---|--|--|--|
| <b>IAPS 1001</b> | <b>IT Environments—</b>               | No  | The statement will be withdrawn upon issuance  |  |  |



|                  | <b>Withdrawn IAASB Pronouncements</b>                                      | <b>Has your organization withdrawn this IAASB pronouncement or the similar / equivalent national standard or pronouncement addressing this subject matter? (Yes / No)</b> | <b>If “no”, please explain whether there are plans to withdraw the pronouncement and provide a description of the plans.</b> | <b>Where there are no plans to withdraw the pronouncement, please explain the reasons, conditions that exist and give rise to the need for this pronouncement.</b> | <b>Comment Box for additional relevant information</b> |
|------------------|--|---|--|--|--|
|                  | <b>Stand-alone Personal Computers – Withdrawn December 2004</b>            |   | of the relevant standard addressing the issue.   |  |  |
| <b>IAPS 1002</b> | <b>IT Environments— On-line Computer Systems – Withdrawn December 2004</b> | No  | The statement will be withdrawn upon issuance of the relevant standard addressing the issue.                                 |  |  |
| <b>IAPS 1003</b> | <b>IT Environments— Database Systems – Withdrawn December 2004</b>         | No  | The statement will be withdrawn upon issuance of the relevant standard addressing the issue.                                 |  |  |
| <b>IAPS 1007</b> | <b>Communications With Management—</b>                                     | Yes   |  |  |  |

|                  | <b>Withdrawn IAASB Pronouncements</b>   | <b>Has your organization withdrawn this IAASB pronouncement or the similar / equivalent national standard or pronouncement addressing this subject matter? (Yes / No)</b> | <b>If “no”, please explain whether there are plans to withdraw the pronouncement and provide a description of the plans.</b> | <b>Where there are no plans to withdraw the pronouncement, please explain the reasons, conditions that exist and give rise to the need for this pronouncement.</b> | <b>Comment Box for additional relevant information</b> |
|------------------|---|---|--|--|--|
|                  | <b>Withdrawn</b>  |   |  |  |  |
| <b>IAPS 1008</b> | <b>Risk Assessments and Internal Control—CIS Characteristics and Considerations – Withdrawn December 2004</b> | No  | The statement will be withdrawn upon issuance of the relevant standard addressing the issue.                                 |  |  |
| <b>IAPS 1009</b> | <b>Computer-assisted Audit Techniques – Withdrawn December 2004</b>   | No  | The statement will be withdrawn upon issuance of the relevant standard addressing the issue.                                 |  |  |
| <b>IAPS 1011</b> | <b>Implications for Management and Auditors of the Year 2000 Issue—Withdrawn</b>                              | Yes   |  |  |  |



**Malaysian Institute of Accountants  
SMO 4: Provisions Relating to Threats to Independence**

In completing this report, IFAC members and associate should refer to the terms defined in the revised IFAC Code of Ethics (see Definitions)

|           | <b>Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics)</b> | <b>Does the same /equivalent or similar national ethical requirement exist? Answer</b><br><b>Options:</b><br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | <b>Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.</b> | <b>Comment Box for additional information</b> |
|-----------|--|--|---|---|
|           | <b>General:</b>  |  |   |   |
| <b>1.</b> | <b>290.13</b>  | <b>Yes</b>   |   |   |
| <b>2.</b> | <b>290.21</b>  | <b>Yes</b>   |   |   |
|           | <b>Restricted Use Reports:</b>   |  |   |   |
| <b>3.</b> | <b>290.19</b>  | <b>Yes</b>   |   |   |
|           | <b>Engagement Period:</b>  |  |   |   |
| <b>4.</b> | <b>290.31</b>  | <b>Yes</b>   |   |   |
| <b>5.</b> | <b>290.32</b>  | <b>Yes</b>   |   |   |
| <b>6.</b> | <b>Provisions Applicable to All Assurance Clients:</b>   |  |   |   |
| <b>7.</b> | <b>290.106</b>   | <b>Yes</b>   |   |   |
|           | <b>Provisions Applicable to</b>  |  |   |   |

|     | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant. | Comment Box for additional information |
|-----|---|--|--|--|
|     | <b>Financial Statement Audit Clients:</b>   |  |  |  |
| 8.  | 290.113   | Yes  |  |  |
| 9.  | 290.114   | Yes  |  |  |
| 10. | 290.115   | Yes  |  |  |
| 11. | 290.117   | Yes  |  |  |
| 12. | 290.119   | Yes  |  |  |
| 13. | 290.121   | Yes  |  |  |
|     | <b>Provisions Applicable to Non-Financial Statement Audit Assurance Clients:</b>                |  |  |  |
| 14. | 290.122   | Yes  |  |  |
| 15. | 290.123   | Yes  |  |  |
| 16. | 290.124   | Yes  |  |  |
|     | <b>Loans and Guarantees:</b>  |  |  |  |
| 17. | 290.129   | Yes  |  |  |
| 18. | 290.130   | Yes  |  |  |
| 19. | 290.131   | Yes  |  |  |

|     | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant. | Comment Box for additional information  |
|-----|---|--|--|---|
| 20. | Close Business Relationships With Assurance Clients:  |  |  |   |
| 21. | 290.132   | Yes  |  |   |
|     | Family and Personal Relationships:  |  |  |   |
| 22. | 290.136   | Yes  |  |   |
|     | Recent Service with Assurance Clients:  |  |  |   |
| 23. | 290.147   | Yes  |  |   |
|     | Serving as an Officer or Director on the Board of Assurance Clients:                            |  |  |   |
| 24. | 290.149   | Yes  |  |   |
| 25. | 290.151   | No   |  | This provision was not adopted as it is inconsistent with national laws and requirements. |

|     | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.  | Comment Box for additional information |
|-----|---|--|---|--|
|     | Financial Statement Audit Clients That are Listed Entities:                                     |  |   |  |
| 26. | 290.154   | Yes  | <p>Firstly, this provision has been extended to apply to both audit clients that are listed entities or public interest entities. Secondly after consultation with the capital market regulators, it was felt that a rotation period of seven years for the lead engagement partner, was too long and a shorter period of five years was adopted. Thirdly, it was also felt that the cooling off period of two years should be specifically provided instead of a suggested period.</p> <p>However, since the revision to</p> |  |

|     | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant. | Comment Box for additional information   |
|-----|---|--|--|--|
|     |   |  | paragraph (b) of the IFAC Code of Ethics was made in June 2004, the corresponding amendment has not been adopted in the said By-Law.   |  |
|     | Provision of Non-Assurance services to Assurance Clients:                                       |  |  |  |
| 27. | 290.158   | Yes  |  |  |
| 28. | 290.159   | Yes  |  | <p>The additional provision has been added to the Institute’s By-Laws to cover other activities barred by law, so as to make this provision very clear. The additional paragraph is as follows:</p> <p>(d) Any other activity barred by law, for</p> |



|     | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant. | Comment Box for additional information  |
|-----|---|--|--|---|
|     |   |  |  | example, acting as a court appointed liquidator, provisional liquidator, receiver, receiver and manager, special administrator or persons of like description, of the assurance client within the previous two (2) years. |
| 29. | Preparing Accounting Records and Financial Statements:  |  |  |   |
| 30. | 290.167   | Yes  |  |   |
| 31. | 290.171   | Yes  |  | The scope of the provision has been extended to include audit clients that are  |

|     | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.   | Comment Box for additional information   |
|-----|---|--|--|--|
|     |   |  |  | public interest entities.  |
|     | <b>Valuation Services:</b>  |  |  |  |
| 32. | 290.176   | Yes  |  |  |
|     | <b>Provision of Internal Audit Services to Financial Statement Audit Clients:</b>               |  |  |  |
| 33. | 290.185   | Yes  | <p><i>(The item in bold is where the Institute’s By-Laws differ from the IFAC Code of Ethics)</i></p> <p>B-1.85(1) A self-review threat may be created when a firm, or network firm, provides internal audit services to an audit client.</p> <p><b>Explanatory Note:</b></p> <p>(i) <b>The range of activities encompassed by the term ‘internal audit services’ is wide.</b> Internal audit services</p> | <p><b>From feedback received when the draft of the Institute’s By-Laws B-1 dealing with Independence was exposed, it was felt that the phrase ‘internal audit services’ should be elaborated, for greater clarity. Hence</b></p> |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.  | Comment Box for additional information  |
|--|---|--|---|---|
|  |   |  | <p>may comprise an extension of the firm’s audit service beyond requirements of generally accepted auditing standards, assistance in the performance of a client’s internal audit activities in specific areas (for example, by providing specialized technical services or resources in particular locations), or outsourcing of the audit client’s internal audit activities, or providing occasional internal audit services to the audit client on an ad hoc basis. In evaluating any threats to independence, the nature of the service will need to be considered.</p> <p>(ii) For this purpose, internal audit services do not include operational internal audit services unrelated to the internal accounting controls, financial systems or financial statements.</p> | <p><b>the Explanatory Note to this first paragraph sets out some additional guidance on the scope of ‘internal audit services’.</b></p> |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.  | Comment Box for additional information   |
|--|---|--|---|--|
|  |   |  | <p>(2) Internal audit services involving an extension of the procedures required to conduct an audit in accordance with Malaysian Approved Standards on Auditing would not be considered to impair independence with respect to an audit client provided that the firm’s or network firm’s personnel do not act or appear to act in a capacity equivalent to a member of audit client management.</p> <p><b>Explanatory Note:</b></p> <p><b>The threat to independence would be unacceptably high where the firm or network firm provides internal audit services that involve the firm’s or network firm’s personnel taking decisions or making judgments, which</b></p> | <p><b>Additional guidance has been provided for this paragraph , to make it very clear</b></p> |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.   | Comment Box for additional information  |
|--|---|--|--|---|
|  |   |  | <p>are properly the responsibility of management in the normal course of their employment.</p> <p>(3) When the firm, or a network firm, provides assistance in the performance of a client’s internal audit activities or undertakes the outsourcing of some of the activities, any self-review threat created may be reduced to an acceptable level by ensuring that there is a clear separation between the management and control of the internal audit by audit client management and the internal audit activities themselves.</p> <p>(4) Performing a significant portion of the audit client’s internal audit activities may create a self-review threat and a firm, or network firm, should consider the threats and</p> | <p>that the threat to independence would be unacceptably high where the firm or network firm’s personnel takes decisions or makes judgments which are properly the responsibility of the managements.</p> |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.  | Comment Box for additional information   |
|--|---|--|---|--|
|  |   |  | <p>proceed with caution before taking on such activities. Appropriate safeguards should be put in place and the firm, or network firm, should, in particular, ensure that the audit client acknowledges its responsibilities for establishing, maintaining and monitoring the system of internal controls.</p> <p><b>Explanatory Note:</b></p> <p><b>The threat to independence is unacceptably high where the firm or network firm cannot perform the audit of the audit client without placing significant reliance on the work performed by the firm or network firm for the purposes of the internal audit services engagement.</b></p> <p>(5) Safeguards that should</p> | <p><b>Additional guidance has been provided for this paragraph, to make it very clear that the threat to independence would be unacceptably high where significant reliance is placed by the firm or network</b></p> |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.   | Comment Box for additional information   |
|--|---|--|--|--|
|  |   |  | <p>be applied in all circumstances to reduce any threats created to an acceptable level include ensuring that:</p> <ul style="list-style-type: none"> <li>(a) The audit client is responsible for internal audit activities and acknowledges its responsibility for establishing, maintaining and monitoring the system of internal controls;</li> <li>(b) The audit client designates a competent employee, preferably within senior management, to be responsible for internal audit activities;</li> <li>(c) The audit client, the audit committee or supervisory body approves the scope, risk and frequency of</li> </ul> | <p><b>firm when doing the audit, on the internal audit services performed.</b></p> |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.   | Comment Box for additional information |
|--|---|--|--|--|
|  |   |  | <p>internal audit work;</p> <p>(d) The audit client is responsible for evaluating and determining which recommendations of the firm should be implemented;</p> <p>(e) The audit client evaluates the adequacy of the internal audit procedures performed and the findings resulting from the performance of those procedures by, among other things, obtaining and acting on reports from the member firm; and</p> <p>(f) The findings and recommendations resulting from the internal audit activities are reported appropriately to the audit committee or</p> |  |



|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.  | Comment Box for additional information   |
|--|---|--|---|--|
|  |   |  | <p>supervisory body.</p> <p>(6) Consideration should also be given to whether such non-assurance services should be provided only by personnel not involved in the audit engagement and with different reporting lines within the firm.</p> <p>(7) Where an audit client is a listed entity or public interest entity -</p> <p>(i) The firm or network firm should not accept an engagement to provide internal audit services where it is reasonably foreseeable that:</p> <p>(a) for the purposes of the audit engagement, the firm would need to</p> | <p>It was felt that there should be a higher standard of independence placed where the audit client is a listed entity or public interest entity. Hence, specific provisions have been incorporated to provide for additional safeguards that would need to be undertaken if internal audit services are</p> |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.  | Comment Box for additional information                                    |
|--|---|--|---|---|
|  |   |  | <p>place a significant degree of reliance on the internal audit work performed by the firm or network firm; or</p> <p>(b) for the purposes of the internal audit services, the firm or network firm would need to undertake part of the role of management.</p> <p>(ii) Engagements to provide internal audit services other than those prohibited in subparagraph (i) may be accepted, provided that the firm or network firm is satisfied that a knowledgeable member</p> | provided to the audit client which is a listed or public interest entity. |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.   | Comment Box for additional information |
|--|---|--|--|--|
|  |   |  | <p>of management or senior employee of the audit client with the requisite expertise has been given responsibility by the audit client for overseeing the internal audit services and provided that appropriate safeguards are applied.</p> <p><b>Explanatory Note:</b></p> <p><b>Additional safeguards include ensuring that -</b></p> <p>(a) internal audit projects undertaken by the firm or network firm are performed by partners and staff who have no involvement in the external audit of the financial statements of</p> |  |

|     | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.   | Comment Box for additional information                       |
|-----|---|--|--|--|
|     |   |  | the audit client;<br>(b) the audit of the financial statements is reviewed by an independent partner to ensure that the internal audit work performed by the firm or network firm has been properly and effectively assessed in the context of the audit of the financial statements of that audit client. |  |
|     | Provision of IT Systems Services to Financial Statement Audit Client:                           |  |  |  |
| 34. | 290.188   |  | <i>(In additional to the IFAC Code of Ethics, the Institute's By-Laws have included the</i>  | <b>It was felt that there should be a higher standard of</b> |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.  | Comment Box for additional information   |
|--|---|--|---|--|
|  |   |  | <p><i>following additional paragraph)</i></p> <p>(6) Where an audit client is a listed entity or public interest entity -</p> <p>(i) The firm or network firm should not accept an engagement to design, provide or implement financial information technology services for an audit client where:</p> <p>(a) the systems concerned would be important to any significant part of the accounting system or to the production of the financial statements; or</p> <p>(b) the engagement would lead to the firm’s or network firm’s personnel taking decisions or making judgments which are properly</p> | <p>independence placed where the audit client is a listed entity or public interest entity. Hence, specific provisions have been incorporated to provide for additional safeguards that would need to be undertaken if financial information technology services are provided to the audit client which is a listed or public interest entity.</p> |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.   | Comment Box for additional information |
|--|---|--|--|--|
|  |   |  | <p>the responsibility of management in the normal course of their employment.</p> <p>(ii) Other than systems that are important to any significant part of the accounting system or to the production of the financial statements, and provided that the management has the requisite expertise, an engagement to design, provide or implement financial information technology systems for an audit client may be accepted, provided that a knowledgeable member of management or senior employee of the audit client with the requisite expertise has been designated by the audit client as having responsibility for overseeing the non-audit services and</p> |  |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.  | Comment Box for additional information |
|--|---|--|---|--|
|  |   |  | <p>provided that appropriate safeguards are applied.</p> <p><b>Explanatory Note:</b></p> <p>Formal acceptance by management of the systems designed and installed by the firm or network firm is unlikely to be an effective safeguard when, in substance, the firm or network firm has been retained by management as experts and the firm or network firm makes important decisions in relation to the design or implementation of systems of internal control and financial reporting.</p> <p>Additional safeguards include ensuring that –</p> <p>(a) the financial information</p> |  |

|  | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.   | Comment Box for additional information |
|--|---|--|--|--|
|  |   |  | <p>technology projects undertaken by the firm or network firm are performed by partners and staff who have no involvement in the external audit of the financial statements;</p> <p>(b) the audit of the financial statements is reviewed by an independent partner to ensure that the financial information technology work performed has been properly and effectively assessed in the context of the audit of the financial statements.</p> |  |
|  | Temporary Staff Assignments to Financial Statement Audit  |  |  |  |



|     | Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics) | Does the same /equivalent or similar national ethical requirement exist? Answer<br>Options:<br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.   | Comment Box for additional information  |
|-----|---|--|--|---|
|     | <b>Clients:</b>   |  |  |   |
| 35. | 290.192   | Yes  |  |   |
| 36. | 290.200   | Yes  | <p><i>(The following is the extract of the Institute’s By-Laws B-1.91)</i></p> <p>B-1.91 Acting for a financial statement audit client in the resolution of a dispute or litigation in such circumstances when the amounts involved are material in relation to the financial statements of the audit client would create advocacy and self-review threats so significant no safeguard could reduce the threat to an acceptable level. Therefore, the firm should not perform this type of service for a financial statement audit client.</p> | <p><b>In Malaysia, legal services can only be provided by advocates and solicitors who are admitted as such pursuant to the Legal Profession Act 1976. Members of the Malaysian Institute of Accountants, who are not admitted advocates and solicitors, cannot provide legal services. As such, it was felt that these provisions were superfluous at this time.</b></p> |

|     | <b>Paragraph (refer to the full text of the relevant paragraph in the revised IFAC Code of Ethics)</b> | <b>Does the same /equivalent or similar national ethical requirement exist? Answer</b><br><b>Options:</b><br>1. Yes<br>2. No<br>3. Under development – please describe<br>4. Other – please describe | <b>Describe differences between the revised IFAC Code and the national ethical requirements including differences in scope of application and required actions and safeguards by the professional accountant.</b> | <b>Comment Box for additional information</b> |
|-----|--|--|---|---|
| 37. | 290.202  | No   |   | For the reason as stated above.               |
| 38. | 290.204  | Yes  |   |   |
|     | <b>Pricing:</b>  |  |   |   |
| 39. | 290.209  | Yes  |   |   |
|     | <b>Contingent Fees:</b>  |  |   |   |
| 40. | 290.11   | Yes  |   |   |
|     | <b>Gifts and Hospitality:</b>  |  |   |   |
| 41. | 290.213  | Yes  |   |   |

**Malaysian Institute of Accountants  
SMO 7: Comparison with IASB Pronouncements**

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>                | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b>   |
|---------------|--|---|---|---|--|
|               | <b>Framework for the Preparation and Presentation of Financial Statements</b>                    | None  | N/A   | N/A   | Discussion Paper has been issued as “A Proposed Framework for the Preparation and Presentation of Financial Statements”. |
| <b>IFRS 1</b> | <b>First-time Adoption of International Financial Reporting Standards</b>                        | FRS 1 First-time Adoption of Financial Reporting Standards<br><br>Effective for annual periods beginning on or after 1 January 2006 | None  | None  |  |

<sup>3</sup> IASB pronouncements are available by contacting the IASB or refer to its website at [www.iasb.org](http://www.iasb.org).

<sup>4</sup> Each IASB pronouncement contains information about the effective date of the pronouncement and for amendments to the pronouncements. Where applicable, the IASB pronouncement also contains information about transitional provisions. Refer to the IASB pronouncement for information about effective dates and transitional provisions.

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b> | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state "None")</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b>  |
|---------------|--|--|---|---|---|
| <b>IFRS 2</b> | <b>Share-based Payment</b>   | FRS 2 Share-based Payment<br><br>Effective for annual periods beginning on or after 1 January 2006                   | None  | None  |   |
| <b>IFRS 3</b> | <b>Business Combinations</b>   | FRS 3 Business Combinations<br><br>Effective for annual periods beginning on or after 1 January 2006                 | None  | None  |   |
| <b>IFRS 4</b> | <b>Insurance Contracts</b>   | None   | N/A   | N/A   | The standard has been issued as an exposure draft i.e. MASB ED 51 Insurance Contracts.<br><br>The exposure period ended 31 March 2006.<br><br>Tentative effective date is 1 January 2007. |

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>                        | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b> |
|---------------|--|---|---|---|--|
| <b>IFRS 5</b> | <b>Non-current Assets Held for Sale and Discontinued Operations</b>                              | FRS 5 Non-current Assets Held for Sale and Discontinued Operations<br><br>Effective for annual periods beginning on or after 1 January 2006 | None  | None  |  |
| <b>IAS 1</b>  | <b>Presentation of Financial Statements</b>  | FRS 101 Presentation of Financial Statements<br><br>Effective for annual periods beginning on or after 1 January 2006                       | None  | None  |  |
| <b>IAS 2</b>  | <b>Inventories</b>   | FRS 102 Inventories<br><br>Effective for annual periods beginning on or after 1 January 2006  | None  | None  |  |
| <b>IAS 7</b>  | <b>Cash Flow Statements</b>  | FRS 107 <sub>2004</sub> Cash Flow Statements<br><br>Effective for financial statements covering periods                                     | None  | None  |  |

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>                              | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b> |
|---------------|--|---|---|---|--|
|               |  | beginning on or after 1 July 1999.  |   |   |  |
| <b>IAS 8</b>  | <b>Accounting Policies, Changes in Accounting Estimates, and Errors</b>                          | FRS 108 Accounting Policies, Changes in Accounting Estimates, and Errors<br><br>Effective for annual periods beginning on or after 1 January 2006 | None  | None  |  |
| <b>IAS 10</b> | <b>Events after the Balance Sheet Date</b>   | FRS 110 Events after the Balance Sheet Date<br><br>Effective for annual periods beginning on or after 1 January 2006                              | None  | None  |  |
| <b>IAS 11</b> | <b>Construction Contracts</b>  | FRS 111 <sub>2004</sub> Construction Contracts<br><br>Effective for financial statements covering periods beginning on or after 1 July 1999.      | None  | None  |  |

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>                      | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b> |
|---------------|--|---|---|---|--|
| <b>IAS 12</b> | <b>Income Taxes</b>  | FRS 112 <sub>2004</sub> Income Taxes<br><br>Effective for annual financial statements covering periods beginning on or after 1 July 2002. | None  | There are paragraphs that have been modified to harmonise with national tax law.  |  |
| <b>IAS 14</b> | <b>Segment Reporting</b>   | FRS 114 <sub>2004</sub> Segment Reporting<br><br>Effective for financial statements covering periods beginning on or after 1 January 2002 | None  | None  |  |
| <b>IAS 16</b> | <b>Property, Plant and Equipment</b>   | FRS 116 Property, Plant and Equipment<br><br>Effective for annual periods beginning on or after 1 January 2006                            | None  | None  |  |
| <b>IAS 17</b> | <b>Leases</b>  | FRS 117 Leases<br><br>Effective for annual periods beginning on or after 1  | None  | None  |  |

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>  | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b> |
|---------------|--|---|---|---|--|
|               |  | October 2006  |   |   |  |
| <b>IAS 18</b> | <b>Revenue</b>   | FRS 118 <sub>2004</sub> Revenue<br><br>Effective for financial statements covering periods beginning on or after 1 January 2000.  | None  | None  |  |
| <b>IAS 19</b> | <b>Employee Benefits</b>   | FRS 119 <sub>2004</sub> Employee Benefits<br><br>Effective for annual financial statements covering periods beginning on or after 1 January 2003  | None  | None  |  |
| <b>IAS 20</b> | <b>Accounting for Government Grants and Disclosure of Government Assistance</b>                  | FRS 120 <sub>2004</sub> Accounting for Government Grants and Disclosure of Government Assistance<br><br>Effective for annual financial statements covering periods beginning on or after 1 January 2004 | None  | None  |  |



|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>                        | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b> |
|---------------|--|---|---|---|--|
| <b>IAS 21</b> | <b>The Effects of Changes in Foreign Exchange Rates</b>  | FRS 121 The Effects of Changes in Foreign Exchange Rates<br><br>Effective for annual periods beginning on or after 1 January 2006           | None  | None  |  |
| <b>IAS 23</b> | <b>Borrowing Costs</b>   | FRS 123 <sub>2004</sub> Borrowing Costs<br><br>Effective for annual financial statements covering periods beginning on or after 1 July 2002 | None  | None  |  |
| <b>IAS 24</b> | <b>Related Party Disclosures</b>   | FRS 124 Related Party Disclosures<br><br>Effective for annual periods beginning on or after 1 October 2006                                  | None  | None  |  |
| <b>IAS 26</b> | <b>Accounting and Reporting by Retirement Benefit Plans</b>                                      | FRS 126 <sub>2004</sub> Accounting and Reporting by Retirement Benefit Plans  | None  | None  |  |

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>            | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b> |
|---------------|--|---|---|---|--|
|               |  | Effective for financial statements of retirement benefit plans covering periods beginning on or after 1 January 2003            |   |   |  |
| <b>IAS 27</b> | <b>Consolidated and Separate Financial Statements</b>  | FRS 127 Consolidated and Separate Financial Statements<br><br>Effective for annual periods beginning on or after 1 January 2006 | None  | None  |  |
| <b>IAS 28</b> | <b>Investments in Associates</b>   | FRS 128 Investments in Associates<br><br>Effective for annual periods beginning on or after 1 January 2006                      | None  | None  |  |
| <b>IAS 29</b> | <b>Financial Reporting in Hyperinflationary Economies</b>  | FRS 129 <sup>2004</sup> Financial Reporting in Hyperinflationary Economies<br><br>Effective for financial                       | None  | None  |  |

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b> | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b>   |
|---------------|--|--|---|---|--|
|               |  | statements covering periods beginning on or after 1 January 2003   |   |   |  |
| <b>IAS 30</b> | <b>Disclosures in the Financial Statements of Banks and Similar Financial Institutions</b>       | None   | N/A   | N/A   | MASB did not adopt IAS 30 as the IASB was withdrawing this standard.<br><br>Financial institutions in Malaysia are governed by Central Bank of Malaysia. |
| <b>IAS 31</b> | <b>Interests in Joint Ventures</b>   | FRS 131 Interests in Joint Ventures<br><br>Effective for annual periods beginning on or after 1 January 2006         | None  | None  |  |
| <b>IAS 32</b> | <b>Financial Instruments: Disclosure and Presentation</b>  | FRS 132 Financial Instruments: Disclosure and Presentation<br><br>Effective for annual periods                       | None  | None  |  |

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>                             | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state "None")</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|---------------|--|--|---|---|--|
|               |  | beginning on or after 1 January 2006   |   |   |  |
| <b>IAS 33</b> | <b>Earnings per Share</b>  | FRS 133 Earnings per Share<br><br>Effective for annual periods beginning on or after 1 January 2006  | None  | None  |  |
| <b>IAS 34</b> | <b>Interim Financial Reporting</b>   | FRS 134 <sup>2004</sup> Interim Financial Reporting<br><br>Effective for financial statements covering periods beginning on or after 1 July 2002 | None  | None  |  |
| <b>IAS 36</b> | <b>Impairment of Assets</b>  | FRS 136 Impairment of Assets<br><br>Effective for annual periods beginning on or after 1 January 2006  | None  | None  |  |
| <b>IAS 37</b> | <b>Provisions, Contingent</b>  | Provisions, Contingent Liabilities and Contingent  | None  | None  |  |

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b> | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b>              |
|---------------|--|--|---|---|---|
|               | <b>Liabilities and Contingent Assets</b>   | Assets<br><br>Effective for financial statements covering periods beginning on or after 1 July 2001                  |   |   |   |
| <b>IAS 38</b> | <b>Intangible Assets</b>   | FRS 138 Intangible Assets<br><br>Effective for annual periods beginning on or after 1 January 2006                   | None  | None  |   |
| <b>IAS 39</b> | <b>Financial Instruments: Recognition and Measurement</b>  | FRS 139 Financial Instruments: Recognition and Measurement   | None  | None  | MASB has deferred the effective date to a date yet to be announced. |
| <b>IAS 40</b> | <b>Investment Property</b>   | FRS 140 Investment Property<br><br>Effective for annual periods beginning on or after 1 January 2006                 | None  | None  |   |
| <b>IAS 41</b> | <b>Agriculture</b>   | None   | N/A   | N/A   | The standard has been issued as an exposure                         |

|                | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b> | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b>  |
|----------------|--|--|---|---|---|
|                |  |  |   |   | <p>draft i.e. MASB ED 50 Agriculture.</p> <p>The exposure period ended 31 March 2006</p> <p>Tentative effective date is 1 January 2007.</p>   |
| <b>IFRIC 1</b> | <b>Changes in Existing Decommissioning, Restoration and Similar Liabilities</b>                  | None   | N/A   | N/A   | <p>The interpretation has been issued as an exposure draft i.e. Draft IC Interpretation 1.</p> <p>The exposure period ended 31 May 2006.</p> <p>Tentative effective date is 1 January 2007.</p> |
| <b>IFRIC 2</b> | <b>Members’ Share in Co-operative</b>  | None   | N/A   | N/A   | <p>The interpretation has been issued as an</p>   |

|                | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b>            | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b> | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b>   |
|----------------|---|--|---|---|--|
|                | <b>Entities and Similar Instruments</b>   |  |   |   | <p>exposure draft i.e. Draft IC Interpretation 2.</p> <p>The exposure period ended 31 May 2006.</p> <p>Tentative effective date is 1 January 2007.</p> |
| <b>IFRIC 4</b> | <b>Determining Whether an Arrangement Contains a Lease</b>  | None   | N/A   | N/A   | The interpretation is at the early stage of exposure draft.  |
| <b>IFRIC 5</b> | <b>Rights to Interests Arising From Decommissioning, Restoration and Environmental Rehabilitation Funds</b> | None   | N/A   | N/A   | <p>The interpretation has been issued as an exposure draft i.e. Draft IC Interpretation 5.</p> <p>The exposure period ended 31 May 2006.</p>           |

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>                                 | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b> |
|---------------|--|--|---|---|--|
|               |  |  |   |   | Tentative effective date is 1 January 2007.            |
| <b>SIC 7</b>  | <b>Introduction of the Euro</b>  | IC Interpretation 107<br>Introduction of the Euro.<br><br>Effective on 1 January 2006  | None  | None  |  |
| <b>SIC 10</b> | <b>Government Assistance – No Specific Relation to Operating Activities</b>                      | IC Interpretation 110<br>Government Assistance – No Specific Relation to Operating Activities<br><br>Effective on 1 January 2006                     | None  | None  |  |
| <b>SIC 12</b> | <b>Consolidation – Special Purpose Entities</b>  | IC Interpretation 112<br>Consolidation – Special Purpose Entities<br><br>Effective for annual financial periods beginning on or after 1 January 2006 | None  | None  |  |
| <b>SIC 13</b> | <b>Jointly Controlled</b>  | IC Interpretation 113<br>Jointly Controlled Entities – Non-  | None  | None  |  |



|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>      | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b> |
|---------------|--|---|---|---|--|
|               | <b>Entities – Non-Monetary Contributions by Venturers</b>  | Monetary Contributions by Venturers<br><br>Effective for annual financial periods beginning on or after 1 January 2006    |   |   |  |
| <b>SIC 15</b> | <b>Operating Leases - Incentives</b>   | IC Interpretation 115 Operating Leases – Incentives<br><br>Effective for lease terms beginning on or after 1 January 2006 | None  | None  |  |
| <b>SIC 21</b> | <b>Income Taxes – recovery of Revalued Non-Depreciable Assets</b>                                | IC Interpretation 121 Income Taxes – recovery of Revalued Non-Depreciable Assets<br><br>Effective on 1 January 2006       | None  | None  |  |
| <b>SIC 25</b> | <b>Income Taxes – Changes in the Tax Status of an Entity or its</b>                              | IC Interpretation 125 Income Taxes – Changes in the Tax Status of an Entity or its Shareholders                           | None  | None  |  |

|               | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b>                     | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state “None”)</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state “None”)</b> | <b>Comment Box for additional relevant information</b> |
|---------------|--|--|---|---|--|
|               | <b>Shareholders</b>  | Effective on 1 January 2006  |   |   |  |
| <b>SIC 27</b> | <b>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</b>              | IC Interpretation 127<br>Evaluating the Substance of Transactions Involving the Legal Form of a Lease<br><br>Effective on 1 January 2006 | None  | None  |  |
| <b>SIC 29</b> | <b>Disclosure – Service Concession Arrangements</b>  | IC Interpretation 129<br>Disclosure – Service Concession Arrangements<br><br>Effective on 1 January 2006                                 | None  | None  |  |
| <b>SIC 31</b> | <b>Revenue – Barter Transactions Involving Advertising Services</b>                              | IC Interpretation 131<br>Revenue – Barter Transactions Involving Advertising Services<br><br>Effective on 1 January 2006                 | None  | None  |  |
| <b>SIC 32</b> | <b>Intangible Assets – Web Site Costs</b>  | IC Interpretation 132<br>Intangible Assets – Web Site Costs  | None  | None  |  |

|  | <b>IASB pronouncements<sup>3</sup> issued and in effect as of September 30, 2005<sup>4</sup></b> | <b>State the name and effective date of the NAS and related pronouncement that addresses this IASB pronouncement</b> | <b>Describe any NAS and related pronouncement requirements that are not required by the IASB pronouncements (or state "None")</b> | <b>Describe the IASB requirements or guidance that are omitted from or modified to comply with national requirements or practices (or state "None")</b> | <b>Comment Box for additional relevant information</b> |
|--|--|--|---|---|--|
|  |  | Effective on 1 January 2006  |   |   |  |

**IASB Pronouncements Issued but Not in Effect as of September 30, 2005**

The following IASB pronouncements have been issued but are not in effect as of September 30, 2005.

|               | <b>IASB Pronouncements Issued and not in Effect<sup>1</sup> as of September 30, 2005</b> | <b>Has this IASB pronouncement been adopted or otherwise incorporated into national accounting standards and related pronouncements ? (Yes / No )</b> | <b>If “yes”, please state the name of the pronouncement and its effective date.</b> | <b>If “no”, please explain whether this pronouncement has been included in the work program.</b>  | <b>Comment Box for additional relevant information</b> |
|---------------|--|---|---|---|--|
| <b>IFRS 6</b> | <b>Exploration for and Evaluation of Mineral Resources</b>                               | No  |   | <p>The pronouncement has been issued as exposure draft i.e. MASB ED 48 Exploration for and Evaluation of Mineral Resources.</p> <p>Comment period ended 30 August 2005.</p> <p>The pronouncement is at its final stage of issuance as national accounting standard.</p> |  |
| <b>IFRS 7</b> | <b>Financial Instruments: Disclosures</b>  | No  |   | The pronouncement is at the early stage of exposure draft.  |  |



**IASB Pronouncements that Have Been Withdrawn**

The following IASB pronouncements have been withdrawn and are no longer in effect as of September 30, 2005.

|                | <b>Withdrawn IAASB Pronouncements</b> | <b>Has your organization withdrawn this IAASB pronouncement or the similar / equivalent national standard or pronouncement addressing this subject matter? (Yes / No)</b> | <b>If “no”, please explain whether there are plans to withdraw the pronouncement and provide a description of the plans.</b> | <b>Where there are no plans to withdraw the pronouncement, please explain the reasons, conditions that exist and give rise to the need for this pronouncement.</b> | <b>Comment Box for additional relevant information</b>           |
|----------------|---------------------------------------|---|--|--|--|
| <b>IFRIC 3</b> | <b>Emission Rights</b>                | N/A   | N/A  | N/A  | The IFRIC was not issued as IASB decided to withdraw this IFRIC. |