29 February 2012

Via IFAC website: www.ifac.org

International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, New York
USA 1001

Dear Sirs

RESPONSE TO THE PROPOSED REVISION OF THE IFAC STATEMENT OF MEMBERSHIP OBLIGATIONS

After due consideration on our part, we have found that the revised SMOs do provide additional and clearer guidance on the requirements. They also clearly articulate the expectations from Member Bodies when they have varying degrees of responsibility for an SMO area.

In relation to SMO 3 – International Auditing Standards, we would like to suggest the following amendments, for IFAC’s consideration:

Para 2 - This Statement of Membership Obligations (SMO) is issued by the IFAC Board and sets out requirements for IFAC member bodies with respect to international standards, related practice statements notes, and other papers pronouncements issued by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting body supported by IFAC. To understand and address the requirements, it is necessary to consider the entire text of the SMO.

Para 3 - International standards issued by the IAASB comprise International Standards on Quality Control (ISQCos), International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs), and International Standards on Related Services (ISRSs). The IAASB also issues non-authoritative practice notes and other papers material which includes practice notes and staff publications to provide guidance and practical assistance to professional accountants in implementing international standards, and to promote good practice.

Para 4 - A description of, and the authority attaching to, international standards, related practice statements, and other papers IAASB’s pronouncements are contained in the Preface to the International Quality Control, Auditing, Review, other Assurance and Related Services Pronouncements.

Para 14 - IFAC member bodies shall notify their members of all new, proposed, and revised international standards, related practice statements notes, and other papers pronouncements issued by the IAASB.
Para 15 - The use of IAASB Practice Notes and other papers IAASB pronouncements to provide guidance and practical assistance shall be promoted.

We trust that our comments will be helpful for the IFAC. If any further clarifications are needed on our comments, please do not hesitate to contact the undersigned at hfm@mia.org.my.

Yours faithfully
MALAYSIAN INSTITUTE OF ACCOUNTANTS

[Signature]

HO FOONG MOI
Acting Chief Executive Officer