

Deloitte.



Audit Quarterly Roundup

March 2019

Quarterly Roundup is a compilation of some of the key developments relating to accounting, auditing and local regulatory requirements that have occurred during the first quarter of 2019. This publication in its softcopy also provides links to locations where additional information can be found on the topics discussed.

Local headlines

- MASB's announcement on effective date of IFRIC's Agenda Decision on borrowing cost
- MIA adopts ISA 540 (Revised)
- MASB expands its role in MFRS application and implementation
- Dissolution of MIA FRSIC
- ED on Revised and Restructured By-Laws
- Amendments to Bursa Malaysia Listing Requirements
- SSM announces effective date of Section 241 of CA 2016

International headlines

- Chair of the IFRIC clarifies timing of implementing agenda decisions
- IASB updates on IFRS 17
- IASB concludes its research project on principles of disclosure
- IASB concludes two projects by publishing project summaries
- IFRS for SMEs new educational modules

Appendices

- A - Effective dates of MFRSs
- B - Effective dates of other pronouncements
- C - MIA FRSIC Consensus
- D - Abbreviations

Local headlines

MASB's announcement on effective date of IFRIC's Agenda Decision on borrowing costs

The IFRIC had on 27 November 2018 issued a tentative agenda decision on capitalisation of borrowing costs (TAD).

The IFRIC TAD states that:

"Borrowing costs would not be capitalised when the borrowings relate to the construction of a residential multi-unit real estate development for which revenue is recognised over time."

This TAD was finalised and issued as an Agenda Decision by IFRIC in March 2019. Further, it was concluded that the staff of IFRIC will develop educational material relating to the IFRIC's conclusion in the Agenda Decision.

Implications of the IFRIC Agenda Decision

On 20 March 2019, the MASB made an announcement that non-private entities in the real estate industry may need to change their accounting policy as a result of the Agenda Decision relating to IAS 23 Borrowing Costs.

A change in accounting as a result of the Agenda Decision is to be accounted for in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Effective date

Financial statements of annual periods beginning on or after 1 July 2020.

For further details, you may refer to the following:

- [MASB announcement on IFRIC Agenda Decision \(March 2019\)](#)
- [TAD \(27 November 2018\)](#)
- [Agenda Decision \(March 2019\)](#)

MIA adopts ISA 540 (Revised)

On 27 February 2019, MIA announced that it has approved ISA 540 (Revised) *Auditing Accounting Estimates and Related Disclosures* as Malaysian Approved Standard on Auditing. The standard deals with the auditors' responsibilities relating to accounting estimates and related disclosures in an audit of financial statements.

Effective date

Audits of financial statements for periods beginning on or after 15 December 2019.

Key provisions of ISA 540 (Revised)

- Retention of the three approaches in the existing standard to testing accounting estimates: testing how management made the estimate, developing an independent estimate and obtaining evidence from events occurring up to the date of the auditor's report.
- Introduction of a new requirement to separately assess inherent risk and control risk.
- More granular requirements relative to risk assessment and understanding the entity, its environment and internal control, as they relate to auditing accounting estimates.
- Enhanced risk assessment procedures to focus on the inherent risk factors most likely to affect the identification and assessment of risks of material misstatement (RoMMS), including evaluation of complexity, subjectivity, and estimation uncertainty.
- Enhanced requirements and guidance related to required audit responses to assessed RoMMS organised around methods (including complex models), significant assumptions and data.
- Increased focus on auditing disclosures related to accounting estimates, especially for those estimates with high estimation uncertainty.

For further details, you may refer to the following:

- [ISA 540 \(Revised\)](#);
- [IAASB At a Glance](#); and
- [IAASB Slides deck](#).

MASB expands its role in MFRS application and implementation

On 28 January 2019, the MASB announced the establishment of the MFRS Application and Implementation Committee (MAIC).

MAIC is entrusted to look into issues where there are existing and potential divergent practices, as well as facilitating consistent application and implementation of the MFRS for the benefit of capital market. The MASB's work programme and involvement in the application and implementation of MFRS mirror that of the IASB and its interpretative body, IFRIC, which works with the IASB in supporting the application and implementation of IFRS Standards.

The announcement on the establishment of MAIC is available at [MASB's website](#).

Dissolution of MIA FRSIC

On 8 March 2019, the MIA informed its members on the dissolution of the function and activities of the Financial Reporting Standards Implementation Committee (FRSIC) following the establishment of the MFRS Application and Implementation Committee (MAIC), a committee under the purview of the MASB.

The establishment of MAIC was announced by MASB on 28 January 2019.

Role of MAIC

To look into issues where there are existing and potential divergent practices, as well as facilitating consistent application and implementation of the MFRS for the benefit of capital market.

MIA FRSIC Consensus: Implications of the dissolution of FRSIC?

- All FRSIC Consensuses and accounting-related FAQs issued by MIA will still be applicable until MASB issues another technical pronouncement dealing with similar issues or when MIA withdraws such documents and informs MASB
- All ongoing FRSIC issues, as well as issues submitted previously to FRSIC, including those on MFRS 9 and MFRS 17, will be transferred to MASB
- The MIA will no longer be issuing any further FRSIC Consensus

For further details, you may refer to the following:

- [MIA Circular on dissolution of FRSIC](#)
- [MIA FRSIC Consensus](#)

ED on Revised and Restructured By-Laws

On 27 March 2019, the MIA released the ED on the revised and restructured By-Laws (on Professional Ethics, Conduct and Practice) of the MIA ("revised By-Laws") for comment by members, regulatory bodies and other interested parties. These By-Laws will replace Part 1 of the existing By-Laws on Professional Ethics. Part 2 of the By-Laws on Professional Conduct and Practice will not be affected by this ED.

The ED is drawn from the pronouncement issued by the IESBA of the IFAC. It includes substantive revisions and is completely rewritten under a new structure and drafting convention. The key revisions include:

- Revised “safeguards” provisions better aligned to threats to compliance with the fundamental principles;
- New and revised sections dedicated to professional accountants in business (PAIBs) relating to:
 - Preparing and presenting information; and
 - Pressure to breach the fundamental principles.
- Clear guidance for accountants in public practice that relevant PAIB provisions are applicable to them;
- New guidance to emphasise the importance of understanding facts and circumstances when exercising professional judgement; and
- New guidance to explain how compliance with the fundamental principles supports the exercise of professional scepticism in an audit or other assurance engagements.

For further details, you may refer to the following:

- [ED on Revised and Restructured By-Laws/2019](#);
- [Appendix 1 - Summary of local requirements](#); and
- [Appendix 2 - Proposed structural changes to the existing By-Laws](#).

Amendments to Bursa Malaysia Listing Requirements

On 6 March 2019, Bursa Malaysia Securities Berhad has made the following amendments to the Listing Requirements (both Main Market and ACE Market) pursuant to Section 9 of the Capital Markets and Services Act 2007:

- Amendments relating to the significant change in the business direction or policy of a listed issuer consequential to the revised Equity Guidelines issued by the SC; and
- Other amendments consequential to the revised Prospectus Guidelines, the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC.

For further details, you may refer to the following:

- [Amendments to Bursa Malaysia Main Market Listing Requirements](#); and
- [Amendments to Bursa Malaysia ACE Market Listing Requirements](#).

SSM announces effective date of Section 241 of CA 2016

On 15 March 2019, the SSM notified that section 241 of the CA 2016 will be enforced effective from 15 March 2019.

Section 241 of the CA 2016 is the last provision in the CA 2016 which was enforced on a staggered basis commencing from 31 January 2017. With the enforcement of this section and the regulations, all qualified persons who wish to act as a secretary must register with the Registrar irrespective of their professional background.

The CA 2016 also provides a transitional period for existing company secretaries to apply for a practising certificate within 12 months from the enforcement date.

In line with the implementation of this section, SSM will also introduce the Companies (Practising Certificate for Secretaries) Regulations 2019 and Guidelines Relating to Practising Certificate for Secretaries under Section 241 of the Companies Act 2016 which serve to outline the parameters of registration procedures, as well as the duties and responsibilities of a secretary.

The registration under this provision will enhance the standard of professionalism and competency within the profession through a central database monitored by SSM.

FAQs on Registration of Secretary is available at [SSM's website](#).

International headlines

Chair of the IFRIC clarifies timing of implementing agenda decisions

Sue Lloyd, Vice-Chair of the IASB and Chair of the IFRIC, has published an article on the IASB's website on the timing of stakeholders' compliance with IFRIC agenda decisions.

At its December 2018 meeting, the IASB decided to update its Due Process Handbook to allow companies "sufficient time" to implement changes in accounting policy that result from the IFRIC agenda decisions.

In the new article, Ms Lloyd reminds readers that the IFRIC publishes agenda decisions after it decides a stakeholder issue does not require standard-setting measures. Instead, the Committee explains how existing IFRS Standards apply to the stakeholder's issue. Further, the IASB has acknowledged that agenda decisions often provide new information that should be seen as helpful and persuasive (for example, by integrating requirements in the Standards with material in the Basis for Conclusions and Illustrative Examples). This means that a company does not have an error simply because its application of IFRS Standards was inconsistent with an agenda decision.

She goes on to acknowledge that "it may take time to implement such an accounting policy change" and further discusses the IASB's concept of "sufficient" implementation time as follows:

It depends on the particular facts and circumstances. It will depend on the accounting policy change and the reporting entity. Preparers, auditors and regulators will need to apply judgement to determine what is sufficient. But as a rule of thumb, I think it is fair to say that we had in mind a matter of months rather than years.

Ms Lloyd emphasises that companies should consider agenda decisions and begin implementing necessary accounting policy changes on a more timely basis. She underscores that judgement is required, just as it is with applying IFRS Standards.

This article is available on [IASB's website](#).

IASB updates on IFRS 17

In October 2018, the IASB considered concerns and implementation challenges identified by stakeholders during their IFRS 17 implementation processes and commenced a process of evaluating the need for making possible amendments to the Standard. In the session held on 14 March 2019, the IASB individually evaluated the remaining topics that have been raised by stakeholders before it considers the package of amendments as a whole in its April 2019 meeting.

The envisioned timeline of the project:

- The IASB expects to issue an ED of proposed amendments to IFRS 17 by the end of June 2019.
- A shortened comment period is likely in order to speed up the process.
- The IASB expects the finalisation of the amendments in early to mid 2020.
- The comparative period would begin in 2021.
- The amended standard would become effective in 2022 (the postponed effective date is still only an amendment to the standard the IASB intends to propose).

The IASB intends to propose 12 amendments that fall into 7 broad areas:

- Effective date;
- Acquisition cash flows for renewals;
- Profit allocation for some contracts;
- Reinsurance contracts held;
- Balance sheet presentation;
- Transition; and
- Loans that transfer insurance risks.

There will also be minor amendments to IFRS 17 that will be proposed as part of the annual improvements.

For further details, you may refer to the following:

- [IASB IFRS 17 Podcast \(March 2019\)](#); and
- [IAS Plus – Meeting Summary \(March 2019\)](#)

IASB concludes its research project on principles of disclosure

On 21 March 2019, the IASB has published the "Disclosure Initiative — Principles of Disclosure project summary" which summarises the work performed and conclusions reached in the principles of disclosure research project.

In March 2017, the IASB issued a DP: *Disclosure Initiative – Principles of Disclosure*, to obtain feedback on possible approaches to address the disclosure problem. The IASB received feedback that stakeholders have three main concerns about information disclosed in the financial statements, collectively referred to as the "disclosure problem":

- not enough relevant information;
- too much irrelevant information; and
- ineffective communication of the information provided.

Feedback for the DP revealed that "improving the way disclosure requirements are developed and drafted in IFRS Standards is the most effective way it can help to address the disclosure problem". This led the IASB to prioritise its project on targeted Standards-level review of disclosure. The IASB also addressed other findings during its research related to accounting policy disclosures, the implications of technology on financial reporting, and use of performance measures in financial statements. Other topics in the DP will not be pursued and this project summary closes the research project.

For further details, you may refer to the following:

- [IASB Press release](#); and
- [IASB Project Summary](#)

IASB concludes two projects by publishing project summaries

On 28 February 2019, the IASB has decided not to perform further work improvements to IFRS 8 *Operating Segments* – Proposed amendments to IFRS 8 and IAS 34 and “Discount rates in IFRS Standards”.

IFRS 8 *Operating Segments* – Proposed amendments to IFRS 8

In 2012, the IASB started a post-implementation review of IFRS 8 *Operating Segments* and subsequently published a report and feedback statement summarising the findings of the review. In March 2017, the IASB proposed to address the findings from the review in the exposure draft ED/2017/2 Improvements to IFRS 8 *Operating Segments* (Proposed amendments to IFRS 8 and IAS 34). However, feedback to the ED revealed that some of the IASB's proposals could be dealt with by existing requirements, that other proposals would not be effective in addressing the findings from the review, and that the remaining proposals would not result in sufficient improvements in information to investors to justify the additional costs. Therefore, the IASB decided not to proceed with the amendments proposed in the ED.

Discount rates in IFRS Standards

This project resulted from feedback in the Agenda consultation 2011 where constituents had commented that the reasons for differences in discount rate requirements under various IFRSs is not well understood and could be considered inconsistent. Therefore, the IASB conducted a research project from 2014 to 2017 to investigate reasons for inconsistencies between requirements relating to discount rates in IFRSs and to assess whether the IASB should consider addressing those inconsistencies. The IASB's investigation found that, in some cases, inconsistencies arise between requirements relating to discount rates in IFRSs because different standards adopt different measurement bases. There are also some inconsistencies because different standards were developed at different times and with different areas of focus. The IASB will use those findings in other projects but has no plans to conduct a separate project on discount rates.

For further details, you may refer to the following:

- [IFRS 8 Project Summary](#); and
- [Discount rates in IFRS Standards Project Summary](#).

IFRS for SMEs new educational modules

The IFRS Foundation had issued the final 35th new stand-alone educational module in addition to the 14 new modules, which supports the learning, application, and reading of financial statements prepared with the IFRS for SMEs Standard.

The new educational modules

- Transition to the IFRS for SMEs
- Specialised Activities
- Leases
- Intangible Assets other than Goodwill
- Business Combinations and Goodwill
- Related Party Disclosures
- Investment Property
- Revenue
- Provisions and Contingencies
- Employee Benefits
- Share-based Payment
- Concepts and Pervasive Principles
- Consolidated and Separate Financial Statements
- Income Tax
- Liabilities and Equity

These modules are available at [IASB's](#) website.

Appendix A: Effective dates of MFRSs as at 31 March 2019

Effective for annual periods beginning on or after 1 January 2018

MFRS	Title
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014) [Note 2]
MFRS 15	Revenue from Contracts with Customers (and the related Clarifications)
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts [Note 3]
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs	Annual Improvements to MFRSs 2014 – 2016 Cycle [Note 1]

Effective for annual periods beginning on or after 1 January 2019

MFRS	Title
MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRSs	Annual Improvements to MFRSs 2015 – 2017 Cycle [Note 4]

Effective for annual periods beginning on or after 1 January 2020

MFRS	Title
MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards [Note 5]
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material

Effective for annual periods beginning on or after 1 January 2021

MFRS	Title
MFRS 17	Insurance Contracts

Effective date deferred to a date to be announced by MASB

MFRS	Title
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Note:

01. Comprise amendments to three MFRSs:
 - a. MFRS 1 *First-time adoption of Malaysian Financial Reporting Standards* – Deletion of short-term exemptions for first-time adopters.
 - b. MFRS 12 *Disclosure of Interests in Other Entities* – Clarification of the scope of the Standard.*
 - c. MFRS 128 *Investments in Associates and Joint Ventures* – Measuring an associate or joint venture at fair value.

*Effective for annual periods beginning on or after 1 January 2017, with early application permitted.

02. Effective for annual periods beginning on or after 1 January 2018, with early application permitted. In addition, an entity may elect to early apply only the requirements for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss for annual periods beginning before 1 January 2018, as stated in paragraph 7.1.2 of MFRS 9.
03. Overlay approach to be applied when MFRS 9 is first applied. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date.

04. Comprise amendments to three MFRSs:
 - a. MFRS 3 *Business Combinations* and MFRS 11 *Joint Arrangements* – Previously held interest in a joint operation.
 - b. MFRS 112 *Income Taxes* – Income tax consequences of payments on financial instruments classified as equity.
 - c. MFRS 123 *Borrowing Costs* – Borrowing costs eligible for capitalisation.

05. Amendments to References to the Conceptual Framework in MFRS Standards:

- Amendments to MFRS 2 *Share-Based Payment*;
- Amendment to MFRS 3 *Business Combinations*;
- Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*;
- Amendment to MFRS 14 *Regulatory Deferral Accounts*;
- Amendments to MFRS 101 *Presentation of Financial Statements*;
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- Amendments to MFRS 134 *Interim Financial Reporting*;
- Amendment to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*;
- Amendment to MFRS 138 *Intangible Assets*;
- Amendment to IC Interpretation 12 *Service Concession Arrangements*;
- Amendment to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*;
- Amendment to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*;
- Amendment to IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*; and
- Amendments to IC Interpretation 132 *Intangible Assets - Web Site Costs*

Appendix B: Effective dates of other pronouncements

Effective for annual periods beginning on or after 1 January 2018

FRS	Title
FRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014) [Note 2]
Amendments to FRS 2 [#]	Classification and Measurement of Share-based Payment Transactions
Amendments to FRS 4 [#]	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i> [Note 3]
Amendments to FRS 140 [#]	Transfers of Investment Property
IC Interpretation 22 [#]	Foreign Currency Transactions and Advance Consideration
Amendments to FRSs [#]	Annual Improvements to FRSs 2014 – 2016 Cycle [Note 1]

Effective for annual periods beginning on or after 1 January 2019

FRS	Title
IC Interpretation 23 [#]	Uncertainty over Income Tax Treatments

Effective date deferred to a date to be announced by MASB

FRS	Title
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Note:

01. Comprise amendments to three FRSs:
- FRS 1 *First-time adoption of Financial Reporting Standards* – Deletion of short-term exemptions for first-time adopters.
 - FRS 12 *Disclosure of Interests in Other Entities* – Clarification of the scope of the Standard.*
 - FRS 128 *Investments in Associates and Joint Ventures* – Measuring an associate or joint venture at fair value.

*Effective for annual periods beginning on or after 1 January 2017, with early application permitted.

02. Effective for annual periods beginning on or after 1 January 2018, with early application permitted. In addition, an entity may elect to early apply only the requirements for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss for annual periods beginning before 1 January 2018, as stated in paragraph 7.1.2 of FRS 9.
03. Overlay approach to be applied when MFRS 9 is first applied. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date.

#An entity that has in the alternative applied FRSs shall apply MFRSs for annual periods beginning on or after 1 January 2018. Such an entity shall apply the corresponding amendments under MFRSs instead of these Amendments, on or after 1 January 2018.

MPERS

Effective for annual periods beginning on or after 1 January 2017

Framework	Title
MPERS	2015 Amendments to MPERS

MASA

Effective for periods ending on or after 15 December 2019

International Standards on Auditing	
ISA 540 (Revised)	Auditing Accounting Estimates and Related Disclosures

IASB IFRSs

Effective for annual periods beginning on or after 1 January 2018

IFRSs	Title
IFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
IFRS 15	Revenue from Contracts with Customers
Clarifications to IFRS 15	Revenue from Contracts with Customers
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 <i>Financial Instruments</i> with IFRS 4 <i>Insurance Contracts</i> [Note 2]
Amendments to IAS 40	Transfers of Investment Property
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRSs	Annual Improvements to IFRSs 2014 - 2016 Cycle [Note 1]

Effective for annual periods beginning on or after 1 January 2019

IFRSs	Title
IFRS 16	Leases
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRSs	Annual Improvements to IFRSs 2015 – 2017 Cycle [Note 3]

Effective for annual periods beginning on or after 1 January 2020

IFRSs	Title
IFRSs	Amendments to References to the Conceptual Framework in IFRS Standards [Note 4]
Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material

Effective for annual periods beginning on or after 1 January 2021

IFRSs	Title
IFRS 17	Insurance Contracts

Effective for annual periods beginning on or after 1 January 2017

Framework	Title
IFRS for SMEs	2015 Amendments to IFRS for SMEs

ISA

Effective for periods beginning on or after 15 December 2019

International Standards on Auditing

ISA 540 (Revised) Auditing Accounting Estimates and Related Disclosures

Note:

Q1. Comprise amendments to three IFRSs:

- a. IFRS 1 *First-time adoption of International Financial Reporting Standards* – Deletion of short-term exemptions for first-time adopters.
 - b. IFRS 12 *Disclosure of Interests in Other Entities* – Clarification of the scope of the Standard.*
 - c. IAS 28 *Investments in Associates and Joint Ventures* – Measuring an associate or joint venture at fair value.

*Effective for annual periods beginning on or after 1 January 2017, with early application permitted.

02. Overlay approach to be applied when IFRS 9 is first applied. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date.

03. Comprise amendments to three IFRSs:

- a. IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements* – Previously held interest in a joint operation.
 - b. IAS 12 *Income Taxes* – Income tax consequences of payments on financial instruments classified as equity.
 - c. IAS 23 *Borrowing Costs* – Borrowing costs eligible for capitalisation.

04. Amendments to References to the Conceptual Framework in IFRS Standards:

- Amendments to IFRS 2 *Share-Based Payment*;
 - Amendment to IFRS 3 *Business Combinations*;
 - Amendments to IFRS 6 *Exploration for and Evaluation of Mineral Resources*;
 - Amendment to IFRS 14 *Regulatory Deferral Accounts*;
 - Amendments to IAS 1 *Presentation of Financial Statements*;
 - Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
 - Amendments to IAS 34 *Interim Financial Reporting*;
 - Amendment to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*;
 - Amendment to IAS 38 *Intangible Assets*;
 - Amendment to IFRIC 12 *Service Concession Arrangements*;
 - Amendment to IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*;
 - Amendment to IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*;
 - Amendment to IFRIC 22 *Foreign Currency Transactions and Advance Consideration*; and
 - Amendments to SIC 32 *Intangible Assets - Web Site Costs*

Appendix C: MIA FRSIC Consensus

The table below provides a summary of FRSIC Consensus issued by the MIA which are relevant when MFRS 15 *Revenue from Contracts with Customers*, MFRS 9 *Financial Instruments* and MFRS 141 *Agriculture* becomes effective for application. These Consensus are available at [MIA's](#) website.

The FRSIC Consensus is to be read in conjunction with the respective applicable accounting standards and are not to be construed as amending or overriding the accounting standards or other statements adopted by the MASB and other relevant laws.

Members of MIA are expected to observe compliance with the consensus issued. In exceptional circumstances where departure is necessary, members shall be prepared to justify the departure.

These consensus will still be applicable until MASB issues another technical pronouncement dealing with similar issues or when MIA withdraws such documents and informs MASB.

FRSIC Consensus	Title
FRSIC Consensus 19	Accounting for Prepaid Leasehold Land Held for Property Development by Developers
FRSIC Consensus 23	Application of MFRS 15 "Revenue from Contracts with Customers" on Sale of Residential Properties
FRSIC Consensus 24	Application of MFRS 15 "Revenue from Contracts with Customers" on Sale of Residential Properties in Sabah
FRSIC Consensus 25	Application of MFRS 15 "Revenue from Contracts with Customers" on Sale of Residential Properties in Sarawak
FRSIC Consensus 27	Treatment of Land Cost when Revenue is Recognised Over Time by Measuring Progress Using Costs Incurred Method
FRSIC Consensus 28	Capitalisation of Borrowing Costs in a Township Development
FRSIC Consensus 29	Revenue recognition in bancassurance arrangement under MFRS 15 Revenue from Contracts with Customers
FRSIC Consensus 30	Determining the Commencement of Depreciation or Amortisation of Bearer Plants – Oil Palm Trees
FRSIC Consensus 31	Classification of Amount due from Subsidiaries and Amount Due to Holding Company that is Repayable on Demand

Appendix D: Abbreviations

ED	Exposure Draft
FRC	Financial Reporting Council
FRS	Financial Reporting Standards
FSRC	Financial Statements Review Committee of MIA
FRSIC	Financial Reporting Standards Implementation Committee
IASB	International Accounting Standards Board
IAASB	International Auditing and Assurance Standards Board
IESBA	International Ethics Standards Board for Accountants
IC Int.	IC Interpretation
IFAC	International Federation of Accountants
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
ISAE	International Standard on Assurance Engagements
ISRE	International Standard on Review Engagements
ISRS	International Standard on Related Services
MASA	Malaysian Approved Standards on Auditing
MASB	Malaysian Accounting Standards Board
MFRS	Malaysian Financial Reporting Standards
MIA	Malaysian Institute of Accountants
MPERS	Malaysian Private Entities Reporting Standard
SC	Securities Commission Malaysia
SSM	Companies Commission of Malaysia
TR	Technical Release

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 286,000 people make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities provide services in Australia, Brunei Darussalam, Cambodia, East Timor, Federated States of Micronesia, Guam, Indonesia, Japan, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Palau, Papua New Guinea, Singapore, Thailand, The Marshall Islands, The Northern Mariana Islands, The People's Republic of China (incl. Hong Kong SAR

About Deloitte Malaysia

In Malaysia, services are provided by Deloitte PLT (LLP0010145-LCA) (AF0080), a limited liability partnership established under Malaysian law, and its affiliates.

Disclaimer

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.