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Audit Quarterly
Roundup

June 2020



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Quarterly Roundup is a compilation of some of the key developments related to accounting, auditing, and local regulatory requirements that have occurred during the second quarter of 2020. This publication also provides links to locations where additional information can be found on the topics discussed.

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- IASB finalises narrow-scope amendments to IFRS 17 and IFRS 4
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Local headlines

MAIC issues MAIG 2: Classification by the borrower of a term loan that contains a repayment on demand clause

The MAIC of MASB has on 4 June 2020, issued MAIG 2. MAIG 2 deals with the “Classification by the borrower of a term loan contains a repayment on demand clause”.

MAIG 2 was issued by MAIC following a request about the classification by the borrower of a term loan that contains a repayment on demand clause stated in the term loan agreement. With the repayment on demand clause stated in the term loan agreement, there is a concern on whether such term loan should be classified as a current liability in its entirety in the financial statements of the borrower due to the recent Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current* issued by MASB on 16 March 2020.

Based on the fact pattern in the request received by MAIC, MAIG 2 was developed in reference to the *Conceptual Framework* for guidance on the “Substance of contractual rights and contractual obligations”, and the precedence established by the Courts of Law in Malaysia relating to the interpretation of repayment on demand clause.

MAIG 2 concluded that a borrower needs to reassess its ability to defer the settlement of a liability for at least twelve months after the reporting period, based on the individual term loan agreements executed notwithstanding the existing legal precedence established that the inclusion of a repayment on demand clause in the term loan agreement governed under the laws of Malaysia will not in itself have an effect to a borrower’s ability to defer settlement of a liability for at least twelve months after the reporting period, as the clause would not override the other terms and conditions provided in the term loan agreement.

For further details, you may refer to the following:

- [MAIG 2: Classification by the borrower of a term loan contains a repayment on demand clause.](#)

MASB publishes several amendments to MFRSs

On 5 June 2020, MASB published several narrow-scope amendments to MFRSs as follow:

- *Annual Improvements to MFRS Standards 2018–2020*
- *Reference to the Conceptual Framework* (Amendments to MFRS 3 Business Combinations)
- *COVID-19-Related Rent Concessions* (Amendment to MFRS 16 Leases)
- *Property, Plant and Equipment—Proceeds before Intended Use* (Amendments to MFRS 116 Property, Plant and Equipment)
- *Onerous Contracts—Cost of Fulfilling a Contract* (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)

The above pronouncements are word for word the respective pronouncements issued by the International Accounting Standards Board (IASB).

Annual Improvements to MFRS Standards 2018–2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences, by allowing a subsidiary to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent’s consolidated financial statements, based on the parent’s date of transition to MFRSs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

- MFRS 9 *Financial Instruments* – clarifies which fees are to be included when applying the ‘10 per cent test’ in assessing whether to derecognise a financial liability. It should include only fees paid or received between the borrower and the lender, including fees paid or received on the other’s behalf.
- Illustrative Examples accompanying MFRS 16 *Leases* – removes the illustration on the reimbursement relating to leasehold improvements from Illustrative Example 13 to resolve any potential confusion regarding the basis of conclusion for the treatment of the reimbursement as a lease incentive.
- MFRS 141 *Agriculture* – removes a requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in MFRS 141 with those in MFRS 13 Fair Value Measurements and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

Reference to the Conceptual Framework (Amendments to MFRS 3 *Business Combinations*)

The amendments update MFRS 3 by:

- replacing the reference to the old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by MASB in April 2018;
- adding a requirement that, for transactions and other events within the scope of MFRS 137 or IFRIC 21, an acquirer applies MFRS 137 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- adding an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

COVID-19-Related Rent Concessions (Amendment to MFRS 16 *Leases*)

The amendment exempts lessees from having to consider individual lease contracts to determine if rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications, and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

Property, Plant, and Equipment—Proceeds before Intended Use (Amendments to MFRS 116 *Property, Plant and Equipment*)

The amendments prohibit a company from deducting from the cost of property, plant, and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company shall recognise such sales proceeds and related cost in profit or loss.

Onerous Contracts—Cost of Fulfilling a Contract (Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*)

The amendments specify that the ‘cost of fulfilling a contract’ for the purpose of assessing if the contract is onerous comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract, or an allocation of other costs that relate directly to fulfilling contracts.

Effective dates

The Amendments to MFRS 3, MFRS 116 and MFRS 137 as well as to those MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2020” are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

The Amendment to MFRS 16 shall apply to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including financial statements not authorised for issue at 28 May 2020.

For further details, you may refer to the following:

- [MASB Press Release](#);
- [Notice of Issuance](#);
- [IFRS in Focus - IASB Finalises Amendments to IFRS 16 'Leases' Regarding COVID-19-Related Rent Concessions](#); and
- [IFRS in Focus - IASB Publishes Package of Narrow-scope Amendments to IFRS Standards](#).

MASB issues questions and answers (Q&As) on requirements in MFRS with regards to COVID-19

On 9 June 2020, the MASB issued Q&As on requirements in MFRS that Malaysian reporting entities may need to consider in respect of the impact of COVID-19. There are 25 questions in total which cover various aspects of financial reporting which might potentially be affected by COVID-19, ranging from financial statement presentation to management commentary. Each question comes with explanations on how COVID-19 might have impacted that particular area of financial reporting, together with relevant consideration to be taken by reporting entities. These were developed based on the relevant accounting standards.

The Q&As were prepared to help reporting entities understand and respond better to COVID-19 financial reporting implications. The scenarios highlighted in the Q&As are not exhaustive and could be updated with additional and modified information.

For further details, you may refer to the following:

- [MASB COVID-19 Related Guidance](#).

MIA issues Guidance Note for issuers of pro forma financial information

On 20 May 2020, the MIA Council approved the issuance of the Guidance Note for Issuers of Pro Forma Financial Information. This Guidance Note provides guidance for the preparation and presentation of pro forma financial information for inclusion in documents for public circulation ("DFPC"). DFPC is defined as documents disseminated to the general public, for example, prospectus, circular to shareholders, and information memorandum.

The Guidance Note does not address the work performed by a reporting accountant. In addition to regulatory requirements, a reporting accountant may refer to the relevant Malaysian Approved Standard on Assurance Engagements ("ISAE") and related guidance published by the MIA.

The Guidance Note will be effective from 19 July 2020.

For further details, you may refer to the following:

- [Guidance Note – For Issuers of Pro Forma Financial Information](#); and
- [Appendix 1 FAQs For Issuers of Pro Forma Financial Information](#).

MIA issues revised Guidance Note on accountant's report by reporting accountant

On 30 April 2020, the MIA Council approved the issuance of the Revised Guidance Note on Accountant's Report by Reporting Accountant. The Guidance Note was first issued in September 2016 to provide guidance on the reporting accountant's responsibilities and procedures when preparing an accountant's report on historical financial information for inclusion in documents prepared in connection with an offer or invitation to subscribe for or purchase any securities of a corporation, a business trust or a real estate investment trust, and post-listing transactions. The Guidance Note also sets out an example of a reporting accountant's opinion on historical financial information in Malaysia.

The key revisions made:

- a) Inclusion of a statement on the authority of the Revised Guidance Note based on the MIA's By-Laws;
- b) inclusion of a statement that the Revised Guidance Note is predicated on the regulatory requirements as issued by the Security Commission Malaysia and Bursa Malaysia; and
- c) modification of the Accountant's Report by Reporting Accountant's opinion in accordance with the International Standard on Auditing 700 (Revised) Forming an Opinion and Reporting on Financial Statements.

The Revised Guidance Note is effective from 29 June 2020.

For further details, you may refer to the following:

- [Accountant's Report by Reporting Accountant \(Version 2.0\)](#).

AOB issues communications to auditors and audit committee

The SC's Audit Oversight Board ("AOB") closely monitors the impact of the COVID-19 pandemic on the financial reporting of public-interest entities that operate in the Malaysian capital market.

This communication reiterates the areas of focus, which auditors and Audit Committee and/or Those Charged with Governance may wish to pay particular attention to when discharging their responsibilities during this challenging period.

For further details, you may refer to the following:

- [AOB's communications to auditors and audit committee](#).

International headlines

IASB defers effective date of IAS 1 amendments

On 15 July 2020, the IASB has published '*Classification of Liabilities as Current or Non-current — Deferral of Effective Date* (Amendment to IAS 1)' deferring the effective date of the January 2020 amendments to IAS 1 by one year.

The IAS 1 amendments were issued in January 2020, to be effective for annual reporting periods beginning on or after 1 January 2022. However, in response to the COVID-19 pandemic, the Board has decided to provide companies with more time to implement any classification changes resulting from the amendments by deferring the effective date by one year to annual reporting periods beginning on or after 1 January 2023.

Other than the above, no other changes to the original amendments and early application of the January 2020 amendments continue to be permitted.

For further details, you may refer to the following:

- [IASB Press Release](#); and
- [IASPlus News](#).

IASB finalises narrow-scope amendments to IFRS 17 and IFRS 4

The IASB has issued 'Amendments to IFRS 17' to address concerns and implementation challenges that were identified after IFRS 17 *Insurance Contracts* was published in 2017. The amendments are effective for annual periods beginning on or after 1 January 2023 with earlier application permitted and they are applied retrospectively. The IASB has also published 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' to defer the fixed expiry date of the amendment also to annual periods beginning on or after 1 January 2023.

The main changes resulting from Amendments to IFRS 17 and Amendments to IFRS 4 are:

- Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023, and change the fixed expiry date for the temporary exemption in IFRS 4 *Insurance Contracts* from applying IFRS 9 *Financial Instruments*, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
- Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk.
- Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination.
- Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level for the treatment of changes in accounting estimates.
- Clarification of the application of contractual service margin attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements.
- Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives.
- Amendments to require an entity that at initial recognition that recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held.
- Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts.

- Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.
- Several other amendments regarding minor application issues.

For further details, you may refer to the following:

- [IASB Press Release](#);
- [IASB Webcast](#);
- [IFRS in Focus - IASB issues amendments to IFRS 17 'Insurance Contracts'](#); and
- [IASPlus News](#).

IASB issues investor webcast on expected credit losses and related disclosures

The IASB has issued a webcast for investors that outlines the information that entities will provide in expected credit losses (ECL) when using IFRS 9 and IFRS 7 to prepare financial statements and notes.

The webcast is hosted by IASB Vice-Chair Sue Lloyd and technical staff member Sid Kumar and covers the following areas:

- ECL model development
- Important characteristics of the ECL model
- ECL related disclosures
- Interaction with regulatory provisions

For further details, you may refer to the following:

- [IASB Webcast](#); and
- [IASPlus News](#).

IASB publishes proposed amendments as a result of the second phase of its project on the Interbank Offered Rates (IBOR) reform

The IASB has published an exposure draft 'Interest Rate Benchmark Reform — Phase 2 (Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' that contains proposed amendments that would address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Comments were requested by 25 May 2020.

The changes proposed in ED/2020/1 Interest Rate Benchmark Reform — Phase 2 (Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) relate to the modification of financial assets, financial liabilities, and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the Board's proposals for classification and measurement, and hedge accounting.

• **Modification of financial assets, financial liabilities, and lease liabilities**

The IASB proposes a practical expedient for modifications required by the reform (modifications required as a direct consequence of the IBOR reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current IFRS requirements. A similar practical expedient is proposed for lessee accounting applying IFRS 16. For qualifying modifications, there would be no specific gain or loss associated with the replacement of the IBOR rate.

• **Specific hedge accounting requirements**

Under the IASB's proposals, hedge accounting would not be discontinued solely because of the IBOR reform. Hedging relationships (and related documentation) must be amended to reflect modifications to the hedged item, hedging instrument, and hedged risk. Any valuation adjustments resulting from the amendments are recognised as part of ineffectiveness. Amended hedging relationship should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements.

• Disclosures

To allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition, the exposure draft proposes that an entity would disclose information about:

- how the transition from interest rate benchmarks to alternative benchmark rates is managed and progress made at the reporting date,
- the carrying amount of non-derivative financial assets, the carrying amount of non-derivative financial liabilities and the nominal amount of derivatives, each shown separately, that continue to reference benchmarks subject to the reform, disaggregated by significant interest rate benchmark,
- for each significant alternative benchmark rate to which the entity is exposed, an explanation of how the entity determined which modifications qualified for the practical expedient, including a description of significant judgements the entity made to determine qualifying modifications, and
- to the extent that the IBOR reform has resulted in changes to an entity's risk management strategy, a description of these changes and how is the entity managing those risks.

The IASB also proposes to amend IFRS 4 to require insurers that apply the temporary exemption from IFRS 9 to apply the amendments in accounting for modifications directly required by IBOR reform.

The IASB also proposes that the application of all proposed amendments should be mandatory. The IASB also came to the conclusion that the nature of the proposed amendments is such that they can only be applied to modifications of financial instruments and changes to hedging relationships that satisfy the relevant criteria and, as such, no specific end of application requirements need to be specified.

The exposure draft proposes that the amendments would be effective for annual periods beginning on or after 1 January 2021 and would be applied retrospectively. Early application would be permitted. Restatement of prior periods is not required. However, the entity may restate prior periods if, and only if, it is possible without the use of hindsight.

For further details, you may refer to the following:

- [IASB Press Release](#);
- [Access to the Exposure Draft](#);
- [IFRS in Focus — IASB proposes Interest Rate Benchmark Reform — Phase 2: Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16](#); and
- [IASPlus News](#).

IAASB issues guidance on accounting estimates

The IAASB released COVID-19 pandemic-related guidance on auditing accounting estimates and related disclosures.

Auditing Accounting Estimates in the Current Evolving Environment Due to COVID-19 notes that management is responsible for the recognition and measurement of accounting estimates and related disclosures in accordance with the applicable financial reporting framework. As financial reporting frameworks often require forward-looking information and yet the COVID-19 pandemic comes with a lot of uncertainties, it will likely be more difficult for management to develop accounting estimates, in particular future cash flows. The COVID-19 pandemic could also result in triggers for impairment testing. Therefore, the IAASB notes, auditors will need to focus on the potential impact of volatility and uncertainty when auditing accounting estimates.

For further details, you may refer to the following:

- [IAASB Guidance](#); and
- [IASPlus News](#).

Deloitte publishes COVID-19 and financial reporting under IFRS Standards

With the ongoing pandemic, financial reporting for the first half of 2020 has been extremely challenging. This IFRS in Focus is for high level executives and audit committees. It takes a strategic look at what are likely to be the most common hot topics for the upcoming financial reports, whether annual or interim. The publication explains why those topics are trending and what might be some of the related tension points. It is an overview of critical accounting issues that are addressed in more detail in the IFRS in Focus on accounting considerations related to the COVID-19 pandemic.

For further details, you may refer to the following:

- [IFRS in Focus – COVID-19 and Financial Reporting under IFRS Standards](#); and
- [IFRS in Focus – Accounting considerations related to the Coronavirus 2019 Disease](#).

Deloitte publishes A Roadmap to Applying the New Leasing Standard (2020)

This Roadmap combines the requirements in ASC 842 with Deloitte's interpretations and examples in a comprehensive, reader-friendly format. Though this publication is written in the context of US GAAP, the requirements of ASC 842 that significantly differ from those in ASC 840 and IFRS 16 are highlighted.

For further details, you may refer to the following:

- [A Roadmap to Applying the New Leasing Standard \(2020\)](#).

Deloitte launches new webcast series on accounting consideration related to COVID-19

The COVID-19 pandemic is affecting economic and financial markets; virtually all industries are facing challenges associated with the economic conditions resulting from efforts to address it. Deloitte has set up a series of webcasts that discusses certain key IFRS accounting considerations related to conditions that may result from the COVID-19 pandemic. New contents will be added to the series continuously.

For further detail, you may refer to the following:

- [COVID-19 Video Series](#).

Appendix A: Effective dates of MFRSs as of 30 June 2020

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 1]
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139, and MFRS 7	Interest Rate Benchmark Reform

Effective for annual periods beginning on or after 1 June 2020

MFRS	Title
MFRS 16	COVID-19-Related Rent Concessions

Effective for annual periods beginning on or after 1 January 2021

MFRS	Title
MFRS 17	Insurance Contracts

Effective for annual periods beginning on or after 1 January 2022

MFRS	Title
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018–2020 [Note 2]
Amendments to MFRS 3	Reference to Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract

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. 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*

02. Comprise amendments to four MFRSs:

- (a) MFRS 1 *First-time adoption of International Financial Reporting Standards* – Subsidiary as a First-time Adopter
- (b) MFRS 9 *Financial Instruments* – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities
- (c) Illustrative Examples accompanying MFRS 16 *Leases* – Lease Incentives
- (d) MFRS 141 *Agriculture* – Taxation in Fair Value Measurements

Appendix B: Effective dates of other pronouncements

IASB IFRSs

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 1]
Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to MFRS 9, IAS 39, and MFRS 7	Interest Rate Benchmark Reform

Effective for annual periods beginning on or after 1 June 2020

IFRSs	Title
IFRS 16	COVID-19-Related Rent Concessions

Effective for annual periods beginning on or after 1 January 2022

MFRS	Title
Amendments to IFRSs	Annual Improvements to MFRS Standards 2018–2020 [Note 2]
Amendments to IFRS 3	Reference to Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Costs of Fulfilling a Contract

Effective for annual periods beginning on or after 1 January 2023

IFRSs	Title
IFRS 17	Insurance Contracts
Amendments to IAS 1	Classification of Liabilities as Current or Non-current

Note:

01. Amendments to References to the Conceptual Framework in MFRS 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*

02. Comprise amendments to four MFRSs:

- (a) MFRS 1 *First-time adoption of International Financial Reporting Standards* – Subsidiary as a First-time Adopter
- (b) MFRS 9 *Financial Instruments* – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities
- (c) Illustrative Examples accompanying MFRS 16 *Leases* – Lease Incentives
- (d) MFRS 141 *Agriculture* – Taxation in Fair Value Measurements

Appendix C: MAIC education materials

The education materials issued by MAIC may include the 'MFRS Application and Implementation Guide' (MAIG), Questions & Answers (Q&As), technical articles, or guidance published in any other appropriate manner. The table below provides a summary of education materials issued by the MAIC up to last quarter of 2019. These are available on [MASB's website](#).

Nothing in the MAIC's education materials should be construed as amending or overriding the respective MFRS, as such guidance serves as a source of reference for identification of principles to resolve the issue at hand.

Date	Title
30 January 2019	Q&A on accounting for public infrastructure costs and affordable housing losses associated with property development
30 December 2019	MAIG 1 Accounting treatment for cancellation of treasury shares under the Companies Act 2016
4 June 2020	MAIG 2 Classification by the borrower of a term loan that contains a repayment on demand clause

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
IC Int.	IC Interpretation
IESBA	International Ethics Standards Board for Accountants
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
MAIC	MFRS Application and Implementation Committee
MAIG	MFRS Application and Implementation Guide
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



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