

Point of view

Looking forward, sharing insights



During this period last year, the corporate world was caught in the midst of an unprecedented global financial turmoil. There was a series of urgent responses by the governments, central banks and the accounting professional bodies, all attempting to stabilize the spiraling effects of the financial crisis. The accounting profession was somewhat put in the spotlight because some viewed that fair value accounting rules could have aggravated the financial crisis. We immediately saw a heightened level of action by the International Accounting Standards Board (IASB), first to allow certain reclassifications of financial instruments from the fair value accounting category, followed by increasing disclosure requirements on the use of fair values, as well as a long line-up of exposure drafts and discussion papers to deliberate issues emerging from the financial crisis.

One year down the road, the economic situation may appear to be less pessimistic, but there still lies many tasks ahead for the accounting profession. Currently, the major projects of the IASB include the re-writing of the entire standard on financial instruments (IAS 39) into a more simplified version and a centralised standard on fair value measurement. Phase I of the IAS 39 replacement project, which focuses on the classification and measurement of financial assets, has now been completed with the issuance of IFRS 9 in November 2009. You can read about the new classification rules of IFRS 9 in the News in brief on IFRS activities on page 6.

The G20 and Financial Stability Forum are also urging the convergence of the standards issued by the IASB and the US Financial Accounting Standards Board (FASB). Asia being currently in the centre of the economic recovery has an important role to play as well. Countries in this region have been hastening their pace of alignment of their accounting standards to the IFRSs, and also in participating in the global standard-setting process.

In this issue, you will also read about the journey of adopting FRS 139, the IAS 39 equivalent for companies in Malaysia, which will become effective from 1 January 2010. Dr Nordin, a former Executive Director of the Malaysian Accounting Standards Board (MASB), and now an Executive Director of Deloitte Malaysia, provides a valuable perspective from his first-hand experience of the implementation issues of FRS 139 for corporate Malaysia.

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Implementation of FRS 139 in Malaysia



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Corporate Malaysia has less than 2 months before FRS 139 Financial Instruments (the local word-for-word equivalent of IAS 39) becomes effective on 1 January 2010. This represents another step towards the fast approaching deadline of 2012 for IFRS convergence in Malaysia. The Malaysian Accounting Standards Board (MASB) has unveiled its road map towards full convergence with IFRS by 1 January 2012.

Dr Nordin Zain, a former Executive Director of the Malaysian Accounting Standards Board and now an Executive Director, Deloitte Malaysia, shares his thoughts on some of the frequently-asked questions about the implementation of FRS 139 in Malaysia.

Q: What is the timeline for adoption of FRS 139 in Malaysia?

Malaysia announced major decisions in August 2008 for the adoption of FRS 139 from 1 January 2010 and full convergence to IFRS from 1 January 2012. All listed companies in Malaysia, their subsidiaries, associates and their joint ventures are required under the Malaysian law to apply FRS 139 (a word-for-word equivalent of IAS 39) for financial periods beginning on or after 1 January 2010.

This would mean that standards and interpretations related to FRS 139, namely FRS 7 (IFRS 7) and its amendment, FRS 4 (IFRS 4), IC interpretation 9, amendments to FRS 132 (IAS 32) among others, have been made conterminous with the effective date of FRS 139.

March 2010 would be the target date for the first set of interim financial statements based on FRS139 for these companies.

Q: What does MASB intend to do with the IAS 39 replacement project, given that they have not implemented the existing IAS 39 and the Phase I of the new IFRS 9 has been issued by the IASB in November 2009?

The IAS 39 replacement project has attracted a lot of debate in Malaysia currently. The question arises whether the current form of FRS 139 will be deferred and eventually replaced with the replacement project.

In my view, the Malaysian accounting standard setting body will not defer the implementation of FRS 139. The date was determined after a careful study following an in-depth field survey of the state of readiness of listed

companies and the banking industry in particular as well as the timing of Basel 2 implementation in Malaysia. A delay would mean a host of structural adjustments to the investments already made into systems and other infrastructure of companies. We understand that the MASB is monitoring the discussions on the proposed changes to be introduced in the new IFRS 9 and noted the views from the industry, the decision of which will depend on the possible outcome of the discussions internationally.

It will be interesting to see what Malaysia's position would be now that Phase I of IFRS 9 has been issued. One scenario would be for the MASB to allow a choice for companies to apply the replacement project early and another would be to mandate the use of the current form of FRS 139 until after the remaining phases of the replacement project are fully completed.

Q: Are companies in Malaysia ready for the implementation of FRS 139?

The state of readiness of companies varies. The listed banks and the top 50 listed companies should be ahead of the pack. Banks have a head start by virtue of close supervision of FRS 139 implementation by the Central Bank of Malaysia. Other companies in the pack have embarked upon structured skill building programs in the past few years and have initiated conversion programs early by engaging professionals. The numbers are growing given the time left for the mandatory application of the standard in 2010. Companies cannot afford not to be FRS 139 compliant given the legal consequences as well as the potentially severe backlash from the investing public.

Q: How should companies prepare themselves?

One of the effective ways to successfully roll out this implementation is to undertake a holistic approach to implementing the standards. Financial reporting today has gone beyond accounting and has become a strategic matter that requires attention from the top. The board of directors should be aware about global development in financial reporting that could have implications on the company. They should also understand the implications of financial reporting on business processes, structure, systems and human resources and to plan accordingly. Such understanding is an important first step before they are able to appreciate the need to plan for changes to come, including changes in technology, processes and more importantly capacity building.

The impact of FRS 139 and its related standards has been shown to be significant, judging from the experience of companies in countries that have adopted IAS 39. Preparation for the launch of FRS 139 is critical and should include taking a deep look at where the company stands in terms of amount of work required under the current regime against the new one and assessing the impact arising from the implementation of FRS 139. This assessment should enable companies to gauge the depth and breadth of the changes required, the level of technology and the staff skill level required to complete the transition. This is necessary to ensure that any exercise today will be able to cater for the changes of tomorrow and to identify early areas which need key financial resources. Finally, companies need to think through a strategic roadmap that sets out the key actions and timing for a comprehensive adoption of FRS 139.

Q: What are the key challenges faced?

A key challenge for the industry in my view is in addressing the shortage of skilled accountants conversant in FRS 139. The financial industry in general is faced with a shortage of individuals with the necessary competence to handle the demands of the new financial reporting standards, FRS 139 and other fair value standards in particular. FRS 139 brings about a new ballgame to the body of knowledge in accounting and has remained to be challenging for many, exacerbated by the speed of changes to the standards and the level of uncertainties surrounding the overall direction of the global set of financial reporting standards. Against these developments, the bar has been raised. Being advisors to companies, accountants have little choice but to equip themselves with the required knowledge.

From a company's perspective, a key challenge is having adequate infrastructural support to properly implement FRS 139. Capacity building, reliable systems and funding remain a challenge to ensure that not only the standard is properly executed but also to ensure that its implementation is sustainable.

Q: What are the key learning points from the FRS 139 implementation cases undertaken by Deloitte Malaysia so far?

There is a genuine need to engage board members and key management personnel of companies on an ongoing basis. The relationship is necessary to lend professional support to the key decision makers about implications of FRS 139, the changes surrounding it, the impact of the changes on their companies, the outlook of the international accounting standard setters on the new IFRS 9 and the potential shifts in company strategies and plans to face the demands of the standard and the new ones.

The highlights of cases we have come across suggest the need for companies to plan the implement of FRS 139 holistically and with the help of professionals. Disparate systems have to be integrated but expandable to allow for future changes in the standards; staff must be trained regularly and by competent trainers; a dedicated permanent project management team is a must; investment in technology is required to support the conversion and companies must periodically subject their investments into human resources, technology and processes to stringent stress tests to ensure the objectives of conversion are met. Above all, top management commitment and support is the cornerstone to a successful implementation of FRS 139.



News in brief on IFRS activities

This section provides a snap shot of news in brief on IFRS activities during 16 April 2009 to 30 November 2009:

21 August 2009 – Exposure draft on employee benefits discount rate

IAS 19 *Employee Benefits* currently requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds. However, when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds instead. The global financial crisis has led to a widening of the spread between yields on corporate bonds and yields on government bonds. As a result, entities with similar employee benefit obligations may report them at very different amounts. The IASB proposes to eliminate the requirement to use yields on government bonds. Instead, entities would estimate the yield on high quality corporate bonds. If adopted, the amendments would ensure that the comparability of financial statements is maintained across jurisdictions, regardless of whether there is a deep market for high quality corporate bonds. In view of the urgency of the issue and the limited scope of the proposals the IASB has set a short comment period, with the intention to permit entities to adopt the amendments that arise from this exposure draft in their December 2009 financial statements.

26 August 2009 – Exposure draft on improvements to IFRSs

The IASB has invited comment on an exposure draft proposing improvements to the following eleven IFRSs:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*
- IFRS 3 *Business Combinations*
- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
- IFRS 7 *Financial Instruments: Disclosures*
- IAS 1 *Presentation of Financial Statements*
- IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- IAS 27 *Consolidated and Separate Financial Statements*
- IAS 28 *Investments in Associates*
- IAS 34 *Interim Financial Reporting*
- IAS 40 *Investment Property*
- IFRIC 13 *Customer Loyalty Programmes*

The most significant proposals address:

- measurement of non-controlling interest that are not currently entitled to a proportionate share of the acquiree's net assets;
- impairment of investments in subsidiaries, associates and jointly controlled entities in the separate financial statements of the parent/investor/joint venture;
- the disclosure principles for interim reporting; and
- the classification of investment property held for sale.

The proposed effective date for most of the amendments is for annual periods beginning on or after 1 January 2011, although entities would be permitted to adopt them earlier. The proposed effective date for the amendments arising from IFRS 3 *Business Combinations* and the consequential amendments to the transition requirements of IAS 27 *Consolidated and Separate Financial Statements* (as amended in 2008) is 1 July 2010. Comments on the exposure draft were due on 24 November 2009.

[Click here](#) to access IAS Plus newsletter discussing this amendment.

9 October 2009: IASB finalises 'rights issues' amendment to IAS 32

This amendment addresses the accounting for rights issues (rights, options, or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that rights, options, or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount of any currency to be classified as equity instruments (regardless of the currency in which the exercise price is denominated) provided the entity offers the rights, options, or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. The amendment is effective for annual periods beginning on or after 1 February 2010, with earlier application permitted. The amendment is to be applied retrospectively.

[Click here](#) to access IAS Plus newsletter discussing this amendment.

4 November 2009: IASB amends IAS 24 on related parties

The revisions respond to concerns that the previous disclosure requirements in IAS 24 *Related Party Disclosures* and the definition of a related party were too complex and difficult to apply in practice, especially in environments where government control is pervasive. The revised standard addresses those concerns by:

- **Providing a partial exemption for government-related entities** - Until now, if a government controlled, or significantly influenced, an entity, the entity was required to disclose information about all transactions with other entities controlled, or significantly influenced by the same government. The revised standard still requires disclosures that are important to users of financial statements but eliminates requirements to disclose information that is costly to gather and of less value to users. It achieves this balance by requiring disclosure about these transactions only if they are individually or collectively significant.
- **Providing a revised definition of a related party** - In broad terms, two parties are related to each other if one party controls, or significantly influences, the other party. The IASB has simplified the definition and removed inconsistencies.

The revised standard also clarifies that disclosure is required of any commitments of a related party to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised).

The revised standard is effective for annual periods beginning on or after 1 January 2011, with earlier application permitted.

[Click here](#) to access IAS Plus newsletter discussing this amendment.

5 November 2009: IASB proposes to amend IAS 39 on impairment

The IASB has issued an exposure draft (ED) proposing to amend *IAS 39 Financial Instruments: Recognition and Measurement* to modify the way impairment losses are recognised on financial assets measured at amortised cost. This is one of the phases of the IASB's comprehensive project to replace IAS 39.

- **The existing incurred loss model** - Currently, IAS 39 recognises impairment of financial assets using an 'incurred loss model'. An incurred loss model assumes that all loans will be repaid until evidence to the contrary (known as a loss or trigger event) is identified. Only at that point is the impaired loan (or portfolio of loans) written down to a lower value.
- **IASB's proposed expected loss model** - The model proposed in the new ED is an 'expected loss model'. Under that model, expected losses are recognised throughout the life of a loan or other financial asset measured at amortised cost, not just after a loss event has been identified. The expected loss model avoids what many see as a mismatch under the incurred loss model – front-loading of interest revenue (which includes an amount to cover the lender's expected loan loss) while the impairment loss is recognised only after a loss event occurs. Proponents of the expected loss model believe it better reflects the lending decision. Under the IASB's proposed expected loss model, a provision against credit losses would be built up over the life of the financial asset based on the expected cash flows of the instrument (including expected credit losses), not market values. Extensive disclosure requirements would provide investors with an understanding of the loss estimates that an entity judges necessary.

Because of significant practical challenges in moving to an expected loss model, the IASB will establish an Expert Advisory Panel comprising experts in credit risk management to advise the Board. Deadline for comments on the ED is 30 June 2010.

[Click here](#) to access IAS Plus newsletter discussing this exposure draft.

12 November 2009: IASB issues IFRS 9 Financial Instruments

The IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for classifying and measuring financial assets. Those requirements must be applied starting 1 January 2013, with earlier adoption permitted including for 2009. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. By the end of 2010, IFRS 9 will be a complete replacement for IAS 39 – mandatory for 2013 and optional in earlier years.

IFRS 9 divides all financial assets that are currently in the scope of IAS 39 into two classifications – those measured at amortised cost and those measured at *fair value* – based on the following principles:

- **Debt instruments** - A debt instrument that meets two conditions can be measured at amortised cost:
 - o Business model test. The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
 - o Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

All other debt instruments must be measured at fair value through profit or loss (FVTPL). Even if an instrument meets the two amortised cost tests, IFRS 9 contains an option to measure such instruments at FVTPL, with some restrictions. The available-for-sale and held-to-maturity categories currently in IAS 39 are not included in IFRS 9.

- **Equity instruments** - All equity investments in scope of IFRS 9 are to be measured at fair value in the balance sheet, and value changes recognised in profit or loss. However, if the equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income (FVTOCI) with only dividend income recognised in profit or loss. Despite the fair value requirement for all equity investments, IFRS 9 contains guidance on when cost may be the best estimate of fair value and also when it might not be representative of fair value.
- **Derivatives** - All derivatives, including those linked to unquoted equity investments, are measured at fair value.
- **Embedded derivatives** -The embedded derivative concept of IAS 39 is not included in IFRS 9. Consequently, embedded derivatives that under IAS 39 would have been separately accounted for at FVTPL because they were not closely related to the financial host asset will no longer be separated. Instead, the contractual cash flows of the financial asset are assessed in their entirety, and the asset as a whole is measured at FVTPL if any of its cash flows do not represent payments of principal and interest.
- **Reclassification** - For debt instruments, reclassification is required between FVTPL and amortised cost, or vice versa, if the entity's business model objective for its financial assets changes so its previous model assessment would no longer apply.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures including added disclosures about investments in equity instruments designated as at FVTOCI.

[Click here](#) to access IAS Plus newsletter discussing this new Standard.

27 November 2009: IASB amends IFRIC 14

On 26 November 2009, the IASB issued Prepayments of a Minimum Funding Requirement (Amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. Without the amendments, in some circumstances entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning 1 January 2011, with earlier application permitted. The amendments must be applied retrospectively to the earliest comparative period presented.

[Click here](#) to access IAS Plus newsletter discussing the amendments.

27 November 2009: IASB proposes disclosure relief under IFRS 1

The IASB has issued an exposure draft (ED) proposing to amend IFRS 1 *First-time Adoption of IFRSs* to state that an entity need not provide the comparative prior-period information required by the March 2009 amendments to IFRS 7 *Improving Disclosures about Financial Instruments* for first-time adopters adopting before 1 January 2010. The proposed limited exemption from comparative IFRS 7 disclosures for first-time adopters is consistent with the exemption permitted for early adopters of the March 2009 amendments to IFRS 7.

27 November 2009: IFRIC 19 on liability-equity swap

The International Financial Reporting Interpretations Committee has issued IFRIC Interpretation 19 *Extinguishing Liabilities with Equity Instruments* following its approval by the IASB. The Interpretation applies when a debtor extinguishes a liability fully or partly by issuing equity instruments to the creditor. IFRIC's key conclusions in IFRIC 19:

- If a debtor issues equity instruments to a creditor to extinguish all or part of a financial liability, those equity instruments are 'consideration paid'. Accordingly, the debtor should derecognise the financial liability fully or partly.
- The debtor should measure the equity instruments issued to the creditor at fair value, unless fair value is not reliably determinable, in which case the equity instruments issued are measured at the fair value of the liability extinguished.
- If only part of a liability is extinguished, the debtor must determine whether any part of the consideration paid relates to modification of the terms of the remaining liability. If it does, the debtor must allocate the fair value of the consideration paid between the liability extinguished and the liability retained.
- The debtor recognises in profit or loss the difference between the carrying amount of the financial liability (or part) extinguished and the measurement of the equity instruments issued.
- When only part of the liability is extinguished, the debtor must determine whether the terms of the remaining debt have been substantially modified (taking into account any portion of the consideration paid that was allocated to the remaining debt). If there has been a substantial modification, the debtor should account for an extinguishment of the old remaining liability and the recognition of a new liability.

IFRIC 19 must be applied in annual periods beginning on or after 1 July 2010. Earlier application is permitted. It would be applied retrospectively from the beginning of the earliest comparative period presented.

[Click here](#) to access IAS Plus newsletter discussing this new interpretation.



Country updates

This section provides an update of the key financial reporting pronouncements issued in each country during 16 August 2009 to 30 November 2009:

Guam

Guam adopts the US GAAP pronouncements issued by the Financial Accounting Standards Board (FASB) as its financial reporting framework. Significant US GAAP pronouncements during 16 August to 30 November 2009 are as follows:

Issue date	New/revised standard and interpretation	Effective date
28 August 2009	ASU 2009-05, Guidance on measuring fair value of liabilities under ASC 820.	First interim or annual reporting period beginning after the ASU's issuance.
2 September 2009	ASU 2009-06, Guidance on accounting for uncertainty in income taxes and disclosure amendments for non-public entities.	Interim and annual periods ending after 15 September 2009.
15 – 18 September 2009	Five ASUs containing amendments and technical corrections to certain SEC references in the Codification: ASU 2009-07, ASU 2009-08, ASU 2009-09, ASU 2009-10, ASU 2009-11.	The amendments and corrections are effective upon issuance.
30 September 2009	ASU 2009-12 Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).	First reporting period (including interim periods) ending after 15 December 2009.
7 October 2009	ASU 2009-13 Multiple-Deliverable Revenue Arrangements.	Fiscal years beginning on or after 15 June 2010.
7 October 2009	Issued ASU 2009-14 Certain Revenue Arrangements That Include Software Elements.	Fiscal years beginning on or after 15 June 2010.
13 October 2009	ASU 2009-15 Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance or Other Financing.	New share-lending arrangements issued in periods beginning on or after 15 July 2009. For all other share-lending arrangements, the ASU is effective for fiscal years, and interim periods within those fiscal years, beginning on or after 15 December 2009.

Issue date	Exposure draft	Comments due date
28 August 2009	Proposed ASU to amend the consolidation provisions of ASC 810-10 (regarding ownership provisions)	28 September 2009
28 August 2009	Proposed ASU on improving disclosures about fair value measurements that would amend ASU 820-10 to clarify existing requirements regarding disclosures of inputs and valuation techniques and levels of disaggregation.	12 October 2009
15 September 2009	Proposed ASU on oil and gas reserve estimation and disclosures.	15 October 2009
30 September 2009	Proposed ASU on accounting for stock dividends, including shareholder distributions with components of stock and cash (Issue 09-E).	26 October 2009

30 September 2009	Proposed ASU on the EITF consensus-for-exposure on Issue 09-2 that addresses inconsistencies between the accounting and R&D assets acquired in a business combination, accounted for under ASC 805, and those acquired in an asset acquisition.	26 October 2009
30 September 2009	Proposed ASU on the EITF consensus-for-exposure on Issue 09-B that addresses the consideration of an insurer's accounting for majority-owned investments when the ownership is through a separate account.	26 October 2009
13 October 2009	Proposed ASU that clarifies the scope exception in ASC 815-15-15-9 for "embedded credit derivative features related to the transfer of credit risk in the form of subordination of one financial instrument to another".	12 November 2009

[Click here](#) to access further details and newsletters on latest US GAAP pronouncements.

Indonesia

As a continuing effort to converge IFRS and PSAK, the Financial Accounting Standards Board (DSAK) of the Indonesia has issued the following exposure drafts during 16 August to 30 November 2009:

Issue date	Exposure draft	Comments due date	IFRS equivalent
29 August 2009	Interpretasi Standar Akuntansi Keuangan (ISAK) 09, Changes in Existing Decommissioning, Restoration and Similar Liabilities.	30 November 2009	IFRIC 1 of the same title effective for annual periods beginning on or after 1 September 2004.
29 August 2009	ISAK 10, Customer Loyalty Programmes	30 November 2009	IFRIC 13 of the same title effective for annual periods beginning on or after 1 July 2008.
29 August 2009	ISAK 11, Distribution of Non-Cash Assets to Owners.	30 November 2009	IFRIC 17 of the same title effective for annual periods beginning on or after 1 July 2009.
29 August 2009	ISAK 12, Jointly Controlled Entities – Non-Monetary Contributions by Venturers	30 November 2009	SIC – 13 of the same title effective for annual periods beginning on or after 1 January 1999.
8 September 2009	Pernyataan Pencabutan Standar Akuntansi Keuangan (PPSAK) 2, Withdrawal of PSAK 41, Accounting for Warrants and PSAK 43, Accounting for Factoring.	30 November 2009	-

8 September 2009	PPSAK 3, Withdrawal of PSAK 54, Accounting for Troubled Debt and Receivable Restructuring	30 November 2009	-
2 October 2009	Pernyataan Stansar Akuntansi Keuangan (PSAK) 10: The Effects of Changes in Foreign Exchange Rates	5 December 2009	IAS 21 of the same title effective for annual periods beginning on or after 1 January 2009.
3 October 2009	ISAK 13: Hedges of Net Investment in a Foreign Operation	5 December 2009	IFRIC 16 of the same title effective for annual periods beginning on or after 1 October 2008.
8 September 2009	PPSAK No. 4: Withdrawal of PSAK 31 (2000): Accounting for Banking Industries; PSAK 42: Accounting for Securities Trading Companies, and PSAK 49: Accounting for Mutual Funds	5 December 2009	-
8 October 2009	PPSAK No. 5: Withdrawal of ISAK 06: Interpretation of Paragraph 12 and 16 PSAK NO. 55 (1999) about Derivatives Instrument on Foreign Currency Contract	5 December 2009	-
20 October 2009	PSAK 48: Impairment of Assets	5 December 2009	IAS 36 of the same title effective for annual periods beginning on or after 1 July 2009.
20 October 2009	ISAK 7: Special Purposes Entities	17 December 2009	SIC 12 of the same title effective for annual periods beginning on or after 1 January 2005.
6 November 2009	PSAK 2: Statement of Cashflows	17 December 2009	IAS 7 of the same title effective for annual periods beginning on or after 1 July 2009.
6 November 2009	PSAK 4: Consolidated and Separate Financial Statements	17 December 2009	IAS 27 of the same title effective for annual periods beginning on or after 1 January 2005.

Other than those pronouncements with no IFRS equivalents, the rest of the pronouncements are similar, or with minor differences, in content as those issued by the IASB and IFRIC.

Malaysia

The Malaysian Accounting Standards Board (MASB) issued the following pronouncements during 16 August to 30 November 2009:

Issue date	New/revised standard and interpretation (IFRS equivalent)	Effective date	IFRS equivalent
15 September 2009	FRS 101 Presentation of Financial Statements	Annual periods beginning on or after 1 January 2010	IAS 1 of the same title effective for annual periods beginning on or after 1 January 2009
15 September 2009	Amendments to FRS 132 Financial Instruments: Presentation	Annual periods beginning on or after 1 January 2010	Consists of various amendments to IAS 32 which are effective for annual periods beginning on or after 1 January 2009.
15 September 2009	Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	Annual periods beginning on or after 1 January 2010	Consists of various amendments to IAS 39, IFRS 7 and IFRIC 9 which are effective for annual periods beginning on or after 1 January 2009, 30 June 2009, 1 July 2009 and 1 January 2010.
15 September 2009	Improvements to FRSs 2009	Annual periods beginning on or after 1 January 2010	Improvements to IFRSs 2008 and IFRS 2009* which are mostly effective for annual periods beginning on or after 1 January 2009 and 1 January 2010 respectively
Issue date	Technical releases (TR)	Effective date	
15 September 2009	TR <i>i</i> -3 Presentation of Financial Statements of Islamic Financial Institutions (TR <i>i</i> -3)	Annual periods beginning on or after 1 January 2010	-
Issue date	Statement of Principles (SOP)	Effective date	
15 September 2009	SOP <i>i</i> -1 Financial Reporting from an Islamic Perspective (SOP <i>i</i> -1)	15 September 2009	-
Issue date	Exposure draft	Comments due date	
9 October 2009	ED 67 Improving Disclosures about Financial Instruments (Amendments to FRS 7 Financial Instruments: Disclosures)	13 November 2009	Amendments to IFRS 7 of same title effective for annual periods beginning on or after 1 January 2010

9 October 2009	[draft] IC Interpretation 4 Determining Whether an Arrangement Contains a Lease	13 November 2009	IFRIC 4 of same title effective for annual periods beginning on or after 1 January 2006
9 October 2009	[draft] IC Interpretation 18 Transfers of Assets from Customers	13 November 2009	IFRIC 18 of the same title effective for transfers of assets from customers received on or after 1 July 2009
9 October 2009	ED <i>i-4</i> Shariah Compliant Sale Contracts (ED <i>i-4</i>)	13 November 2009	-
24 November 2009	ED 68 Amendments to FRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions	28 December 2009	Amendments to IFRS 2 of same title effective for annual periods beginning on or after 1 January 2010

The above pronouncements are similar to those issued by the IASB and IFRIC except for TR *i-3*, SOP *i-1* and ED *i-4* which deals with financial reporting from an Islamic perspective. There is no equivalent IFRS for these three MASB pronouncements.

* Most of the Improvements to IFRSs 2008 and Improvements to IFRSs 2009 are adopted by MASB except for Standards or Amendments to Standards which have not been adopted by MASB, namely, IFRS 3 Business Combinations (revised in 2008), IAS 27 Consolidated and Separate Financial Statements (revised in 2008), IFRIC 16 Hedges of a Net Investment in a Foreign Operation and IAS 41 Agriculture.

Philippines

There were no new pronouncements issued by the Financial Reporting Standards Council (FRSC) during 16 August 2009 to 30 November 2009.

Singapore

The Accounting Standards Council (ASC) issued the following pronouncements during 16 August to 30 November 2009:

Issue date	New/revised standard and interpretation	Effective date	IFRS equivalent
20 October 2009	Additional Exemption for First-time Adopters (Amendments to FRS 101)	Annual periods beginning on or after 1 January 2010	Amendments to IFRS 1 of the same title and effective date
20 October 2009	Group cash-settled Share-based Payment Transactions (Amendments to FRS 102). INT FRS 108 and INT FRS 111 have been superseded.	Annual periods beginning on or after 1 January 2010	Amendments to IFRS 2 of the same title and effective date
18 November 2009	Classification of Rights Issue (Amendment to FRS 32)	Annual periods beginning on or after 1 February 2010	Amendments to IAS 32 of the same title and effective date
Issue date	Exposure drafts	Comments due date	IFRS equivalent

26 August 2009	ED Discount rate for Employee Benefits – Proposed amendments to FRS 19	21 September 2009	Proposed amendments to IAS 19 of the same title
26 August 2009	ED Rate-regulated Activities	21 September 2009	Same title
26 August 2009	ED Management commentary	30 November 2009	Same title
16 September 2009	Improvements to IFRSs	16 October 2009	Same title
11 November 2009	ED/2009/12 Financial Instruments: Amortised cost and impairment	20 April 2010	Same title
30 November 2009	ED/2009/13 Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (Proposed amendment to IFRS 1	29 December 2009	Same title

The above pronouncements are similar in content as those issued by the IASB and IFRIC.

Thailand

There were no new pronouncements issued by the Federation of Accounting Professions (FAP) during 16 August 2009 to 30 November 2009.

Vietnam

The Vietnam Ministry of Finance issued the following pronouncements during 16 August 2009 to 30 November 2009:

Issue date	New/revised standard and interpretation	Effective date	IFRS equivalent
15 October 2009	Circular No. 201/2009/TT-BTC providing detailed guidance on the recognition and deferment of foreign exchange gains or losses arising from revaluing cash, short-term and long-term receivables and payables.	29 November 2009	The guidance in this circular differs from the requirements in IAS 21 (VAS 10) <i>The Effects of Changes in Foreign Exchange Rates</i> .
6 November 2009	Circular No. 210/2009/TT-BTC providing detailed guidance on the application of the IFRSs relating to the presentation and disclosure of financial instruments, i.e. IAS 32 <i>Financial Instruments: Presentation</i> , and IFRS 7 <i>Financial Instruments: Disclosures</i> .	Applicable to all enterprises operating in industries and sectors having transactions related to financial instruments, and effective for financial reporting periods from 2011 onwards	IAS 32 and IFRS 7 currently effective.

Currently, there are two important IFRSs: IAS 39 *Financial instruments: Recognition and Measurement* and IAS 36 *Impairment of Assets*, that have not yet been guided by any Vietnam Accounting Standards (VAS) or other accounting regulations issued by the Ministry of Finance.

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