IFRS Convergence – Are You Ready?

Don’t be left behind with the latest updates on the various IFRS Convergence standards. Explore the different concepts and valuation methods that will keep you up to speed with this upgrade. No doubt, you can make this transition smoothly and efficiently.
One of the objectives of financial statements is to measure the economic performance of the company. Much has changed since the days of the profit and loss account, which was a simplified measure of the profit or loss for a specified period of an entity. Concepts of measurement of economic performance have changed over the years from realised income and expense to including unrealised gains and losses and results of discontinued operations, to reflect the real economic transaction and events which are of significant interest to investors and decision makers.

This 1-day workshop will focus on the major components and key issues in the preparation of the Statement of Comprehensive Income and the related disclosure requirements. It also explains and illustrates the presentation of the Statement of Comprehensive Income and the Statement of Equity.

**COURSE OUTLINE**

1. FRS 118 – Revenue
   - Sales of goods and services
   - Performance over time
   - Measurement of revenue
   - Customer loyalty programmes, franchise fees
   - Receipts of revenue in kind – shares and properties

2. FRS 101 – Presentation of Financial Statements (Statement of Comprehensive Income and Statement of Changes in Equity)
   - Statement of Comprehensive Income – single statement and statements
   - Fair presentation of financial performance
   - Materiality and aggregation
   - Structure and content – classification of income and expenses by nature or function
   - Accounting policies, judgement and estimates relevant to financial performance
   - Profits attributable to holding company and non-controlling interests
   - Statement of Changes in Equity – structure, non-controlling interests and treatment of revaluation and translation reserves

3. Other IFRS’s that impact the Statement of Comprehensive Income and Statement of Equity
   - FRS 5 – Assets Held for Sale and Discontinued Operations
   - FRS 7 – Financial Instruments Disclosure, treatment of interests on current and non-current borrowings
   - FRS 117 – Finance charges in respect of finance leases
   - FRS 132 – Dividends on preference shares classified as debt
   - FRS 139 – Fair value changes through profit or loss, amortisation of discount or premium on financial instruments

**OBJECTIVES**

Participants will be able to:

- Understand the principles and practice of preparing the Statement of Comprehensive Income and Statement of Equity
- Examine the many keywords and definitions used in IFRS and their relationship to measurement of realised and unrealised profits or losses and measure of economic performance
- Discover how and why results from discontinued operations are presented
- Identify the key issues that need to be disclosed in the notes to the financial statements
- Learn the effective techniques of drafting relevant notes to the financial statements
WORKSHOP 2: STATEMENT OF FINANCIAL POSITION AND RELATED NOTES TO FINANCIAL STATEMENTS

The balance sheet has seen significant changes in the treatment of assets and liabilities that generate the net economic benefits to an entity with the implementation of IFRS.

This 1-day workshop will focus on the major components and key issues in the preparation of the Statement Financial Position and the related disclosure requirements. It also explains and illustrates the presentation of related notes to the financial statements.

OBJECTIVES

Participants will be able to:

- Understand the principles and practice of preparing the Statement of Financial Position
- Learn the meaning of “fair presentation” and “true and fair overrides”
- Examine the many keywords and definitions used in IFRS and their relationship to classification of assets and liabilities
- Discover how the “going concern” issue impacts the Statement of Financial Position
- Identify items that are required to be disclosed on the face on the Statement of Financial Position and those that can be shown in the notes – structure and content
- Identify the key issues that need to be disclosed in the notes to the financial statements
- Learn the effective techniques of drafting relevant notes to the financial statements

COURSE OUTLINE

1. FRS 101 – Presentation of Financial Statements (Statement of Financial Position)
   - Current/Non-Current classification
   - Property Plant & Equipment – cost and at valuation
   - Investment Properties – cost and valuation
   - Investments accounted for under the equity method
   - Trade and other receivables and payables
   - Provisions, depreciation and amortisations
   - Non-controlling interests presented within equity

2. Other IFRS’s that impact the Statement of Financial Position
   - FRS 5 – Assets Held for Sale and Discontinued Operations and Liabilities classified as Held for Sale
   - FRS 7 – Financial Instruments Disclosures
   - FRS 117 – Leases
   - FRS 112 – Current tax and deferred taxation
   - FRS 139 – Presentation of financial instruments

3. Identifying and drafting FRS compliant notes to the financial statements
WORKSHOP 3: FINANCIAL INSTRUMENTS DEMYSTIFIED

Accounting for financial instruments has frequently been identified as a difficult task since the implementation of the FRS’s relating to them, particularly FRS 139. Undoubtedly, FRS 139 is an extremely long and complex standard and this workshop will address the principal issues to enable participants to get a clear understanding of the principles and the accounting entries.

This 1-day workshop focuses on the major components and key issues in understanding financial instruments. It also explains and illustrates the presentation of the related notes to the financial statements.

COURSE OUTLINE

- Objectives and scope of FRS 132, 139, 7 and 9
- Nature and characteristics of financial instruments
- Recognition criteria and measurement
- Classification of financial instruments
- Compound financial instruments – how they are accounted for
- Derivatives and embedded derivatives
- Fair value – how to determine the fair value of a financial instrument and the accounting entries involved
- Interest, dividends, gains and losses
- Hedge accounting – illustration of the 3 main types of hedge
- Hedge effectiveness and ineffectiveness – the accounting entries
- Presentation of financial instruments, including notes to the financial statements

OBJECTIVES

Participants will be able to:

- Learn the concept of financial instruments
- Understand the principles for presenting financial instruments as financial liabilities or equity and for offsetting financial assets and financial liabilities
- Examine the principles for recognising and measuring and derecognition of financial assets and liabilities, and derivatives
- Learn how hedge accounting is carried out
- Discover the disclosures required to enable users to evaluate:
  - The significance of financial instruments for the entity’s financial position and performance
  - The nature and extent of risks arising from financial instruments to which an entity is exposed and how the entity manages the risk
- Learn the effective techniques of drafting relevant notes to the financial statements in respect of financial instruments
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WORKSHOP 4: IFRS COMPLIANT FINANCIAL STATEMENTS – A STEP BY STEP GUIDE TO PREPARATION

IFRS Convergence in Malaysia is designed to provide investors and capital markets with the necessary information to make informed decisions about an entity. IFRS by themselves contain stringent presentation and disclosure requirements which are challenging and time consuming to read and understand for preparers, staff and other interested parties. Drafting IFRS compliant financial statements can be an onerous task that requires knowledge and technical skill.

This 1 day workshop aims to summarise the principal requirements of the standards by focussing on giving a step by step guide to participants on the preparation of IFRS compliant financial statements as well an explanation of the respective IFRS standards.

COURSE OUTLINE

• Summary of important changes and updates in the standards
• Identifying the practical challenges faced by preparers of financial statements
• Understanding judgement and estimation uncertainties
• Dealing with revaluations and impairments
• How to arrive at fair values for the various relevant components in the financial statements
• Selection of appropriate significant accounting policies
• Step-by-step guide to preparing Notes to the Financial Statements

OBJECTIVES

Participants will be able to:

• Understand the principal requirements of IFRS and related issues in the Companies Act, 1965
• Examine the key issues that involve judgement and estimation uncertainties in arriving at amounts to be stated in the financial statements
• Learn the step-by-step guide to the preparation of the statement of financial position, statement of comprehensive income, statement of equity and statement of cash flows
• Identify the key issues that need to be disclosed in the notes to the financial statements and learn the effective method of drafting them in clear language
• Review the financial statements prepared to ensure that they comply with IFRS
Infrastructure for public services such as roads, railways, bridges, schools, hospitals, airports, water distribution, waste management systems, energy supply and telecommunication networks have, in the past, been provided by the Government. This trend has changed in many countries including Malaysia, where privatisation of such infrastructure and services has taken place where the private sector is able to procure the provision of such services from the Government. These arrangements are referred to as “service concession arrangements” in IC Interpretation 12 (or IFRIC 12).

**Course Outline**

- Features of a service concession arrangement
- Scope of IC Interpretation 12
  - Understanding the decision tree for arrangements falling within the scope of IC 12
  - Control of pricing and residual interest
  - Infrastructure assets within the scope of the Interpretation
  - Partially regulated assets and treatment of existing assets of operator
  - Relationship of IC Interpretation 12 with relevant FRS’s
- Accounting for service concession arrangements
  - Operator’s rights over infrastructure, control, risks and rewards
  - Treatment of consideration given by the Government
  - Cash flows contingent on performance or usage of facility by the public
  - Recognising shortfall in collections and payments guaranteed by the grantor
  - Treatment of service demand risk
- Recognition and measurement of revenue
  - Revenue under financial asset and intangible asset concessions
  - Recognition and measurement of operations revenue
  - Allocation of contract revenue in the operations phase
- Accounting for financial assets under the concession – initial and subsequent recognition and classification
- Accounting for intangible assets under the concession – initial and subsequent recognition, amortisation and impairment
- Concessions that contain both financial assets and intangible assets
- Borrowing costs incurred by the concessionaire
- Financial Statements general and specific disclosure requirements
- Transitional arrangements
- Impact of IC Interpretation 12 on financial statements and discussion on published accounts.

**Objectives**

To establish the general principles on recognising and measuring obligations and the related rights in service concession arrangements and privatisation agreements, as follows:

- Treatment of the operator’s rights over the infrastructure
- Recognition and measurement of the consideration received
- Treatment of construction costs and upgrade costs
- Operation services and concession income
- Treatment of borrowings and borrowing costs
- Subsequent treatment of financial asset and intangible asset arising from the privatisation agreement
- Obligations of the operator to the grantor
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**FACILITATOR**

**J. SELVARAJAH**  
ACA; CA(NZ); CA(M); ACTIM; FIPA(Aust); B.Com(Acc).

J. Selvarajah, is a senior partner of a well-established professional practice in Kuala Lumpur which is a member of an international network of accounting and consulting firms with more than 300 partners and professional staff.

He has 39 years of work experience in public practice particularly in the areas of financial reporting for public and private entities, corporate governance and risk assessment, audits, company secretarial practice and fraud prevention. He has assisted several Malaysian and international companies and other organisations operating in Malaysia and Singapore on Corporate Governance and Financial Reporting requirements under Malaysian and International corporate and financial reporting frameworks. He is also an internal auditor for several public listed companies in Bursa Malaysia. He has performed several investigative audits on accounting malpractices, embezzlement and money laundering.

J. Selvarajah delivers regular public seminars and training on all International Financial Reporting Standards (IFRS), Financial Instruments, Corporate Tax Planning and Corporate Taxation including the soon-to-be introduced GST, as well as on Fraud Detection and Prevention.

He is a member of the Institute of Chartered Accountants in England & Wales, the New Zealand Institute of Chartered Accountants, the Malaysian Institute of Accountants, and a member of the Chartered Tax Institute of Malaysia. He is also an auditor registered with the Audit Oversight Board and a PSMB Certified Trainer.

**METHODOLOGY**

Interactive classroom lectures, extensive examples, case studies and group exercises.

**WHO SHOULD ATTEND**

- Financial Controllers
- Finance Managers
- Accountants
- Auditors
- Fund Managers
- Investment Analysts
- Company Secretaries
- Academicians

Participants are required to bring their own calculators and laptops.
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PARTICIPANTS’ DETAILS

Participant 1 Full name as per I/C (Dato’ / Datin / Dr / Mr / Mrs / Ms):

Designation: Membership No.:

☐ Vegetarian Meal ☐ Participant’s Classification: ☐ Member ☐ Sponsored Staff ☐ Non-member

Participant 2 Full name as per I/C (Dato’ / Datin / Dr / Mr / Mrs / Ms):

Designation: Membership No.:

☐ Vegetarian Meal ☐ Participant’s Classification: ☐ Member ☐ Sponsored Staff ☐ Non-member

Participant 3 Full name as per I/C (Dato’ / Datin / Dr / Mr / Mrs / Ms):

Designation: Membership No.:

☐ Vegetarian Meal ☐ Participant’s Classification: ☐ Member ☐ Sponsored Staff ☐ Non-member

ORGANISATION’S DETAILS

Organisation: Industry: Contact Person:

Address:

Email: Tel: Fax:

Signature & Company Stamp:

PAYMENT DETAILS

Payment by Cheque

Bank & Cheque No.: Amount RM:

Payment by Credit Card

☐ Visa ☐ Master

Cardholder’s Name: Card No.: Expiry Date:

I Authorise Payment of RM:

Cardholder’s Signature: Date:

Our programmes can be customised to meet your in-house training requirements. Please call for details.

TERMS & CONDITIONS

PROGRAMME FEE

Fee is payable to:

a. MIA-MPDC for programmes in the Klang Valley and other locations (other than in item b); or

b. MALAYSIAN INSTITUTE OF ACCOUNTANTS for programmes in Perlis, Penang, Kedah, Johor, Sabah and Sarawak.

Fee includes course materials, lunch and 2 tea breaks per day.

Admittance will only be permitted upon receipt of full payment. Registration made by fax must be followed immediately by payment.

CANCELLATION / TRANSFER

Upon registering, participant(s) are considered successfully enrolled in the event. Should participant(s) decide to cancel/transfer their enrollment; a cancellation/transfer fee will be levied.

Written cancellations/transfer notice received:

• Five (5) working days before the event, a refund (less administrative charge of 20%) will be made.
• For no-show on the day of the event, no refund will be entertained.

You can substitute an alternate participant(s) if you wish to avoid cancellation/transfer charges. Any difference in fees will be charged accordingly. Canceled/transferred unpaid registrations will also be liable for full payment of the registration fee.

PARTICIPANT’S CLASSIFICATION

Please select the participant classification carefully as it determines the fee payable. No alteration will be allowed after the registration is accepted. Terms and conditions apply.

For 1Sponsored Staff, sponsoring member is required to indicate his/her name, designation and membership number in the registration form. The sponsored staff must report directly to him/her in his/her firm or company, but for the latter, not in a subsidiary or related company.

CERTIFICATE OF ATTENDANCE AND CPE HOURS

All participants will be presented with a Certificate of Attendance upon full attendance and personal completion of the programme. For MIA members, the CPE hours will be credited into the Membership System within 2 weeks of the programme.

DISCLAIMER

Malaysian Institute of Accountants (MIA) reserve the right to change the speaker(s), date(s) and to cancel the programme should circumstances beyond its control arises. MIA also reserve the right to make alternative arrangements without prior notice should it be necessary to do so. Upon signing the registration form, you are deemed to have read and accepted the terms and conditions.