



Public Workshop

# Understanding Financial Instruments & Other FRSs

## Unit Trust Funds, Private Equity Funds & Asset Management Companies

This 1 ½-day workshop will provide a clear understanding of the requirements, applications and not to mention the challenges Unit Trust funds, Private Equity funds & Asset Management companies will be facing in implementing FRS 139, FRS 7, FRS 101 (revised) and FRS 8.

FRS 139 has the potential to cause significant volatility to the reported earnings of financial and non-financial institutions. This may be due to:

- Use of fair value for simple equity investments, forward contracts and embedded derivatives, e.g., those found in deposits, lease contracts and structured products; and
- impairment of financial assets – rules on provisioning for receivables and investments based on discounted cash flows under an incurred loss model.

FRS 7 opens a window directly on the heart of each company's financial risk and capital management. Besides disclosing the nature of risk, entities are now required to disclose:

- the extent of risks arising from financial instruments to which the entity was exposed to during the period and at the reporting date, and how the entity manages those risks; and
- both qualitative and quantitative information on the level of liquidity, credit risk analysis, exchange rates and other price risks.

FRS 101(revised) aims to improve users' ability to analyse and compare the information given in the financial statements. Key changes include:

- Presentation of other comprehensive income which reflects other non-equity transactions with non-owners.
- Two years of comparatives for statement of financial position are required when there is a retrospective application of accounting policy change and retrospective restatement or reclassification of items.

FRS 8 has a wider scope than FRS 114. It applies to entities whose equity or debt securities are publicly traded and it scopes in entities that file financial statements with regulators such as unit trust scheme or a prescribed investment scheme, and insurance companies. It introduces the concept of management approach of 'through the eyes of management' in identifying and measuring entities key operating segments.

## Highlights

This 1 ½ day workshop focuses on PwC's approach to financial instruments by providing a clear understanding of the requirements, applications and the challenges Unit Trust funds, Private Equity funds & Asset Management companies will face in implementing FRS 139 and FRS 7, and their implications on the funds and companies' financial results.

We will also share the key changes of FRS 101(revised) as well as the new concept of 'through the eyes of management' required by FRS 8 in disclosing operating segments through our 4-steps approach.

## Our interactive approach

Our workshop adopts an interactive approach in sharing experience and knowledge, placing emphasis on discussions, and where relevant, learning points are illustrated through case studies. By designing a programme that links to the relevant current issues, we aim to explain key elements of the financial reporting framework that would be of significance to the participants. Participants will also have the opportunity to work on practical exercises.

## This workshop covers:

- Identification, classification and measurement of financial instruments
- New rules on impairment of financial assets
- Understanding what embedded derivatives are and being able to identify them in contracts
- Awareness on hedge accounting
- FRS 7 disclosure requirements – i.e. liquidity risk, credit risk, market risk, capital risk, etc.
- Sample FRS 7 & FRS139 disclosures specifically tailored to Unit Trust funds, Private Equity funds and Asset Management companies
- Key changes of FRS 101 (revised)
- PwC's 4-steps approach to FRS 8

Public workshops will be organised from time to time (refer to attached registration form for details). We also provide training for individual companies/group of companies, to be held at a premise arranged by the company.

## Who should attend?

If you deal regularly with transactions involving financial assets and liabilities (e.g. investment professionals) or you are part of the finance function or represent regulators, you may find this workshop to be useful.

## Human Resource Development Council (HRDC)

Companies that contribute to the Human Resource Development Fund (HRDF) are entitled to obtain a training grant from HRDC under the Skim Bantuan Latihan (SBL) scheme. Application is subject to HRDC's approval. To apply, you must submit completed form PSMB/PGL/1/07, together with the detailed programme agenda and speaker's profile which we will provide to you upon request.

## CPE hours/CPD points

Credit points under the Continuing Professional Education (CPE) and/or Continuing Professional Development (CPD) programmes will be awarded to members of the:

- Malaysian Institute of Accountants (MIA)
- Malaysian Institute of Certified Public Accountants (MICPA)
- Chartered Taxation Institute of Malaysia (CTIM)
- Association of Chartered Certified Accountants (ACCA)
- CPA Australia

For training content and coordination matters, contact:

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## Public Workshops

# Understanding Financial Instruments & Other FRSs Unit Trust Funds, Private Equity Funds & Asset Management Companies

Sheraton Imperial Hotel, Kuala Lumpur

## Registration Form (please photocopy form, if necessary)

Please select preferred workshop date

Workshop date	Registration due date	✓
26-27 May 2010	19 May 2010	

1. Name: Mr/Mrs/Ms .....  
Designation: .....
2. Name: Mr/Mrs/Ms .....  
Designation: .....
3. Name: Mr/Mrs/Ms .....  
Designation: .....
4. Name: Mr/Mrs/Ms .....  
Designation: .....
5. Name: Mr/Mrs/Ms .....  
Designation: .....

Organisation: .....

Address: .....  
.....  
.....

Telephone: ..... Fax: .....

Email: .....

Enclosed Bank/Cheque No: .....

Cheques should be made payable to **PricewaterhouseCoopers**

## Registration and payment details

RM 1,150 per participant

RM 1,050 per participant for registration of three or more participants under the same company or group of companies (inclusive workshop materials, refreshments and lunch)

As the number of participants for each workshop is limited to achieve optimum effectiveness, we expect to sell out early. Register early to guarantee your seat by submitting the completed registration form to us via mail, fax or email a week before your workshop date(s).

- A confirmation note will be sent to you one week before the course date
- An official receipt will be available for collection on the day of the event
- No cancellation and/or refund is allowed but a replacement participant may be sent
- The organiser reserves the right to make any amendments and/or changes to the programme if warranted by circumstances beyond its control.

### Kindly return the completed registration form by mail or fax

Mail: PricewaterhouseCoopers  
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