

**NOTICE – AMENDMENT TO PRIVATE ENTITY DEFINITION**

Pursuant to subsection 7(1) of the Financial Reporting Act 1997 (Act 558) and regulation 3 of the Financial Reporting (Publication of Approved Accounting Standards) Regulations 1999, the Malaysian Accounting Standards Board (MASB) hereby gives notice that (with the coming into operation of the Companies Act 2016 (Act 777) and Interest Schemes Act 2016 (Act 778), both on 31 January 2017) the Private Entity definition has been amended and shall be applied for the financial statements with annual periods ending on or after 31 January 2017:

A private entity is a private company as defined in section 2 of the Companies Act 2016 that -

- is not itself required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia; and
- is not a subsidiary or associate of, or jointly controlled by, an entity which is required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia.

Notwithstanding the above, a private company that is itself, or is a subsidiary or associate of, or jointly controlled by, an entity that is a management company as defined in section 2 of the Interest Schemes Act 2016 is not a private entity.

The meaning of ‘subsidiary’, ‘associate’ and ‘jointly controlled’ are as respectively defined and explained in MFRS 10 *Consolidated Financial Statements* / FRS 10 *Consolidated Financial Statements*, MFRS 128 *Investments in Associates and Joint Ventures* / FRS 128 *Investments in Associates and Joint Ventures* and MFRS 11 *Joint Arrangements* / FRS 11 *Joint Arrangements*.

An entity may only be treated as a private entity in relation to such annual periods or interim periods throughout which it is a private entity.

**By order of the Board**

**MOHAMED RASLAN ABDUL RAHMAN**

Chairman

Malaysian Accounting Standards Board

28 February 2017