

Amendment to Private Entity Definition

This Addendum sets out the amendments to Malaysian Private Entities Reporting Standard (MPERS). An entity shall apply the amendments in this Addendum for annual periods ending on or after 31 January 2017.

In Section 1, Paragraphs 1.2 and 1.3 are amended. Deleted text is struck through and new text is underlined.

Section 1 ***Private Entities***

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Definition of private entities

1.2 A **private entity** is a private company ~~incorporated under the Companies Act 1965~~ as defined in section 2 of the Companies Act 2016 that:

- (a) is not itself required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia; and
- (b) 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.

1.3 The meaning of:

- ~~(a) private company is as prescribed in section 15(1) of the Companies Act 1965~~
- ~~(b)~~ "subsidiary", "associate" and "jointly controlled" are as respectively defined and explained in MFRS 10 *Consolidated Financial Statements* or FRS 10 *Consolidated Financial Statements*, MFRS 128 *Investments in Associates and Joint*

Ventures or FRS 128 Investments in Associates and Joint Ventures and MFRS 11 Joint Arrangements or FRS 11 Joint Arrangements.

In Appendix A, paragraph AA3 is added

Appendix A

Effective date and transition

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AA3 *Amendment to Private Entity Definition*, issued in February 2017, amended paragraphs 1.2 and 1.3 and the glossary of terms. An entity shall apply those amendments for annual periods ending on or after 31 January 2017.

In Appendix B, the definition of private entity is amended. Deleted text is struck through and new text is underlined.

Appendix B

Glossary of terms

private entity

A private company ~~incorporated under the Companies Act 1965~~ as defined in section 2 of the Companies Act 2016 that:

- (a) ~~is not itself required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia; and~~
- (b) ~~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.

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