



Persatuan Pemaju Hartanah Dan Perumahan Malaysia
马来西亚房地产发展商会
Real Estate And Housing Developers' Association Malaysia
“Towards Sustainable Development”
Responsive | Respected | Responsible | Relevant

MEMBERS' CIRCULAR 10/2018

To : All REHDA Members

From : Ir Tiah Oon Ling
Secretary General

Cc : REHDA Branch Chairmen
REHDA Branch Secretariats

Date : 6 December 2018

RE : Accounting Treatment for Common Infrastructure Costs And Affordable Housing

Dear Fellow Members,

Please be informed that the Financial Reporting Standards Implementation Committee (“FRSIC”) of the Malaysian Institute of Accountants (MIA) had organised an engagement session with major property developers, auditors and REHDA on 18 September 2018. The objective of the session is to discuss and provide feedback on their proposed FRSIC Draft Consensus on Common Infrastructure Costs (“CIC”), arising from FRSIC Issue No. 61 *Provision for Common Infrastructure Cost*.

Based on the feedback gathered from the session, there are several contentious points which have not been resolved nor any consensus has been reached. The Committee wishes to highlight that FRSIC Consensus 17 *Development of Affordable Housing* (“FRSIC 17”) shall no longer be applicable with the mandatory application of MFRS 15 *Revenue from Contracts with Customers* by property development companies, effective for annual periods beginning on or after 1 January 2018.

We therefore suggest that our fellow members, in the preparation of their respective financial statements under the MFRS Framework, to maintain the status quo in relation to the accounting treatment for CIC and to take note of the non-applicability of FRSIC 17 until appropriate guidance, if any, has been issued by the relevant accounting authority.

Thank you.

Yours sincerely

REAL ESTATE & HOUSING DEVELOPERS' ASSOCIATION MALAYSIA



**IR TIAH OON LING
SECRETARY GENERAL**