



CHARTERED TAX INSTITUTE OF MALAYSIA

The background of the cover is a complex, abstract composition of overlapping geometric shapes. It includes large triangles, rectangles, and polygons in shades of blue, red, and grey. Some areas feature diagonal hatching patterns. The overall design is modern and dynamic, with a strong sense of movement and depth.

**ANNUAL
REPORT
2018**



CONTENTS

Notice of the 27th Annual General Meeting	2
The Council 2018/2019 & Mission Statement	3-4
Branch Offices / Secretariat	5
President's Statement	6-7
Report of the Council for 2018/2019	8-14
Committees – 2018/2019	15-19
Calendar of CPD Events 2018/2019	20-23
Pictorial Highlights 2018/2019	24-26
Financial Statements for the year ended 31 December 2018	27-52
Others	
* Administrative details of the Annual General Meeting	
* Form of Proxy	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of the Chartered Tax Institute of Malaysia (“the Institute”) will be held on Saturday, 22 June 2019 at 9.30 a.m. at the Nusantara Ballroom 2, Level 2, Sheraton Imperial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur.

AGENDA

1. President’s address.
2. To receive the Annual Report and Financial Statements of the Institute for the year ended 31 December 2018 and the Report of the Auditors thereon.
3. To elect four (4) Council Members for the 2019/2023 term.
 - 3(a) Seah Siew Yun and K. Sandra Segaran A/L Karupiah retire pursuant to Article 59 of the Institute Articles of Association and are not eligible for re-election pursuant to Article 58B.
 - 3(b) Lai Shin Fah @ David Lai and Koong Lin Loong retire pursuant to Article 59 and being eligible offer themselves for re-election.
 - 3(c) Pursuant to Article 57(ii) and the nominations received, the following persons have offered themselves for election as new members of the Council:-
 - (i) Alan Chung Ch’ung Yit
 - (ii) Chong Mun Yew
4. To re-appoint Messrs Sekhar & Tan as the Auditors for the ensuing year at a remuneration to be determined by the Council Members.
5. Any other business for which due notice has been given to the Institute.

By Order of the Council

Cynthia Louis (MAICSA 7008306)
Chew Mei Ling (MAICSA 7019175)
Tan Ai Peng (MAICSA 7018419)
Secretaries

23 May 2019

NOTES

- (a) A Member may appoint a proxy who shall either be an Associate Member or Fellow Member of the Institute.
- (b) A member whose subscription is overdue as at 1 May 2019 shall not be entitled to vote on any question either personally or by proxy at any General Meeting of the Institute or at a poll.
- (c) The proxy shall not be entitled to vote at a meeting of the Institute unless the instrument of appointment has been deposited at Boardroom Share Registrars Sdn Bhd (378993-D) (Formerly known as Symphony Share Registrars Sdn Bhd), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight hours before the time fixed for the meeting.
- (d) A Member entitled to be present and vote at a meeting shall submit any motion which has been duly seconded, to any General Meeting, provided that in the case of an ordinary resolution, he shall serve upon the Institute at least ten (10) clear days before the day appointed for the meeting, a notice in writing by him containing the proposed ordinary resolution, and stating his intention to submit the same.

THE COUNCIL 2018 / 2019

2018/2019 Attendance Report

PRESIDENT

1. Seah Siew Yun 4

DEPUTY PRESIDENT

2. Farah Binti Rosley 4

COUNCIL MEMBERS

3. Phan Wai Kuan 4

4. K. Sandra Segaran A/L Karuppiah 4

5. Chow Chee Yen 4

6. Nicholas Anthony Crist 3

7. Yeo Eng Ping 1

8. Koong Lin Loong 3

9. Lai Shin Fah @ David Lai 4

10. Mohd Noor Bin Abu Bakar 4

11. Chow Tuck Him 3

12. Leow Mui Lee 4

13. Dr Zulfahmy Bin Ibrahim 3

14. Theneshkannaa A/L Kannan @ Renganathan Kannan 4

15. Low Geok Ping 4

16. Soh Lian Seng 4

No of meetings: 4

Auditors

Messrs Sekhar & Tan

Registered Office and Address

Chartered Tax Institute of Malaysia

Unit B-13-2, Block B, 13th Floor, Megan Avenue II

No 12, Jalan Yap Kwan Seng

50450 Kuala Lumpur, Malaysia

Tel : +603 2162 8989

Fax : +603 2162 8990 / +603 2161 3207

www.ctim.org.my

THE COUNCIL 2018 / 2019 (cont'd)**Front row (from left)**

Mohd Noor Bin Abu Bakar, K. Sandra Segaran A/L Karuppiyah, Phan Wai Kuan, Seah Siew Yun, Farah Binti Rosley, Koong Lin Loong, Lai Shin Fah @ David Lai, Nicholas Anthony Crist

Back row (from left)

Yeo Eng Ping (Photo Inserted), Soh Lian Seng, Chow Tuck Him, Low Geok Ping, Leow Mui Lee, Dr Zulfahmy Bin Ibrahim, Theneshkannaa A/L Kannan @Renganathan Kannan, Chow Chee Yen

MISSION STATEMENT

To be the premier body providing effective institutional support to members and promoting convergence of interests with the government, using taxation as a tool for the nation's economic advancement; and to attain the highest standard of technical and professional competency in revenue law and practice supported by an effective secretariat.

BRANCH OFFICES

East Coast Branch

Chairman: Wong Seng Chong
Address: Messrs Lau, Wong & Yeo
1, 2nd Floor, Lorong Pasar Baru 1
25000 Kuantan, Pahang

Malacca Branch

Chairman: Choo Ah Kow
Address: Tey Consultancy
22-A, Lorong Bukit China
75100 Melaka

Southern Branch

Chairman: Jesu Dason
Address: Dason & Dason
Suite 0525, Level 5
Wisma SP Setia
Jalan Indah 15, Bukit Indah
79100 Iskandar Puteri, Johor

Northern Branch

Chairman: Kellee Khoo Kee Lee
Address: T & K Tax Savvy Sdn Bhd
347-V, Tingkat Pemancar
11700 Gelugor, Pulau Pinang

Perak Branch

Chairman: Lam Weng Keat
Address: Deloitte Tax Services Sdn Bhd
Level 2, Weil Hotel
292, Jalan Sultan Idris Shah
30000 Ipoh, Perak

Sarawak Branch

Chairman: Kenny Chong Thian Poh
Address: Crowe Horwath
2nd Floor, C378, Block C
iCom Square, Jalan Pending
93450 Kuching, Sarawak

Sabah Branch

Chairman: Lim Yan Kee @ Viviana
Address: Law & Co
Lot A7.01 - A7.07
7th Floor, Wisma Merdeka
Jalan Tun Razak
PO Box 17052
88872 Kota Kinabalu, Sabah

THE SECRETARIAT

Executive Director

P Thomas Simon

Continuing Professional Development (CPD)

Nursalmi Haslina Mohd Rusli

Corporate Support Services

(Finance, Human Resources, Membership)
Christine Jennifer Sanda

Examinations, Education & Editorial

Jeeva Jothy Satchithanandan

Technical

Thong Vee Kean

PRESIDENT'S STATEMENT

My dear fellow members,

The forthcoming 27th Annual General Meeting (AGM) is scheduled to take place on 22 June 2019. This will be my final chairing of the meeting as the President of the Institute in view that my term on the CTIM Council will be coming to an end. Although I will not be with the Institute in an official capacity, I will continue to assist the Institute in any way possible.

During my tenure as the President of CTIM since June 2017, I have strived to enhance the Institute's image and branding by working closely with the Government authorities and other stakeholders. I am sure that the next President will continue to carry on the torch in championing the Institute and its activities for the benefit of all our members and the tax profession as a whole.

I am very grateful and would like to extend my sincere thanks and appreciation to my Deputy President, Farah Rosley, Council Members, Branch Chairmen, Committee/Working Group members and the Secretariat for their full support, dedication and for the precious time and energy they have spent during my tenure as the President. It would not be possible for me to spearhead the Institute without their co-operation. My thanks also go to all members who have supported the Institute invaluable by participating in various CTIM activities and events.

The Institute's finances are in a healthy state. There is a surplus of profit before tax of RM0.43 million (2017: RM0.44 million) and revenue of RM3.8 million (2017: RM3.3 million) for the financial year ending 31 December 2018. The Institute's financial statements remain strong with available cash of RM7.8 million (2017: RM6.9 million).

Throughout the 2018/2019 term, the various Committees and Working Groups in the Institute have worked hard to prepare and submit various papers and memorandums to the authorities which are summarised below.

Technical Committees

There are two Technical Committees on direct tax, i.e. Technical Committee – Direct Tax I (TC-DT I) and Technical Committee – Direct Tax II (TC-DT II). TC-DT I focuses on Income Tax issues while TC-DT II focuses on issues related to Stamp Duty, Real Property Gains Tax, Petroleum Income Tax, Labuan Income Tax, Promotion of Investments Act 1986 (PIA), other tax incentives, Labuan, Securities Commission (SC) and Bank Negara. These Technical Committees together with the Technical Committee – Transfer Pricing and Technical Committee – Indirect Tax have been busy during the year as stated below.

(A) Working with the Royal Malaysian Customs Department (RMCD)

- Participated in Customs-Private Sector Consultative Panel and SST Technical Implementation Committee meetings respectively.
- Attended a discussion on the Scope, Model and Mechanism of the Sales Tax and Service Tax (SST).
- Participated in the SST implementation and handholding briefing sessions on the transition from GST to SST.

(A) Working with the Royal Malaysian Customs Department (RMCD) (cont'd)

- Submitted a paper on comments on the transitional issues from GST to SST.
- Submitted memorandums on technical issues on Sales Tax Act 2018, Service Tax Act 2018 and gazetted Regulations and Orders.

(B) Interaction with the Ministry of Finance (MOF)

- Submitted 2019 Budget proposals and participated in the 2019 Budget Consultation session chaired by the Prime Minister.
- Submission and presentation of issues on tax administrative improvements to the Tax Reform Committee.
- Follow-up on 2018 Budget Proposals which have not been legislated.
- Submitted feedbacks on the draft Earning Stripping Rules.
- Submitted papers to provide feedback on implications of Forum on Harmful Tax Practices (FHTP) criteria in respect of Malaysian tax incentives under the intellectual property regime; and comments on the OECD's proposals to address the tax challenges of the digital economy respectively.

(C) Engagement with Inland Revenue Board of Malaysia (LHDNM)

- Submitted a joint memorandum on the issues arising from the 2019 Budget and Finance Bill 2018; and various memorandums on technical, non- technical and operational issues during the year.
- Commented on draft Public Rulings, Practice Note and Guidelines.
- Submitted a paper on issues arising from the recent tax legislation in relation to Labuan.
- Discussed on issues arising from the Special Voluntary Disclosure Programme (SVDP) for Transfer Pricing cases.

(D) Other activities

Discussion with the Ministry of Domestic Trade, Co-operatives and Consumerism on the enforcement of the Price Control and Anti-Profitteering Regulations in accordance with the change in GST rate from 6% to 0% before the implementation of SST.

Public Practice Development

The following activities took place during the year: -

- Members' dialogues were initiated by the PPC and conducted by the CTIM Sarawak Branch Committee in Kuching on income tax audit & investigation issues; and by the CTIM Southern Branch Committee in Johor on tax practitioners' issues respectively.
- The CTIM "Practitioner's Series" in Collaboration with Bank Negara Malaysia on Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFPUAA) was conducted at the CTIM office in Kuala Lumpur.

PRESIDENT'S STATEMENT *(cont'd)*

Continuing Professional Development

The CPD Committee, CTIM Secretariat and CTIM Branch Committees had worked very hard in organising CPD events such as the following: -

- National Tax Conference (NTC) 2018, National Indirect Tax Conference 2019, 2019 Post-Budget Seminars, various seminars and workshops on direct taxes and indirect taxes which include events held in collaboration with LHDNM, RMCD and the Associated of Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM).

The CTIM 2019 Post-Budget Seminars had attendance of approximately two thousand participants, which were held at several cities/major towns throughout Malaysia.

I would like to thank everyone including LHDNM and the RMCD who have made these CPD events possible and successful.

The LHDNM and the Institute are jointly organising the NTC 2019 on 5th – 6th August 2019 and this event will be held at the Kuala Lumpur Convention Centre. Please do register early as places are limited.

Examinations and Education Committee

- CTIM Professional Examinations

The 2018 CTIM Professional Examinations were held in June and December in 9 centres throughout Malaysia.

A review of the CTIM examination syllabus is currently being carried out by the Examination Committee and changes to the syllabus will be implemented for the December 2019 examination sitting.

- Student membership and Career Talks

The Education Committee members with the assistance of the Branch Chairmen had conducted 5 career talks in Universities and Colleges to encourage students to take up the CTIM examinations. CTIM currently has approximately 430 registered students.

Membership

I am pleased to inform that the current number of CTIM membership is 3,559 members. I would like to thank all our members for their continuous invaluable support to the Institute and its activities which have given us the impetus to grow further. The "Member Get Member Campaign" was initiated by the Institute in Quarter 4 of 2018 to encourage qualified tax practitioners to join the Institute. Due to encouraging responses, the campaign has now been extended to 30 June 2019.

Tax Guardian

The Tax Guardian has been well received by members including those from the authorities because of specialized articles on taxation which enable members to keep abreast of the latest tax updates and news. CTIM students will also find the Tax Guardian useful in their preparation for the CTIM examinations.

I would like to wish my successor and the Council all the best in the future and continue to serve the Institute and stay relevant in this complex and forever changing business environment.

Wishing all members the very best for the future.

Seah Siew Yun

President

Chartered Tax Institute of Malaysia

REPORT OF THE COUNCIL FOR 2018 / 2019

COMMITTEE REPORTS

CONTINUING PROFESSIONAL DEVELOPMENT (CPD) COMMITTEE

During the year, the Institute has been busy organising CPD events such as the National Tax Conference 2018, National Indirect Tax Conference 2019, 2019 Post-Budget Seminars, various other seminars and workshops on direct taxes and Sales & Service Tax. The number of CPD events conducted by the Institute in the year 2018 increased by 21% compared to the previous year. This includes the events held in collaboration with other professional bodies namely ACCA and MAICSA; and government agencies such as the Inland Revenue Board of Malaysia (IRBM) and the Royal Malaysian Customs Department (RMCD).

2019 POST-BUDGET SEMINARS

The Institute successfully held a series of 2019 Budget Seminars from 21 November 2018 to 12 December 2018 in Kuala Lumpur and 9 other locations nationwide that was attended by CTIM members and participants from private and public sectors. In addition, CTIM Council Members were also been invited by the IRBM as Panelists in their *Seminar Percukaian Kebangsaan* in various locations across the country. CTIM's participation in these IRBM post-budget seminars illustrates the close co-operation that CTIM has with IRBM to work together for the betterment of the tax profession.

UTILISATION OF FINANCIAL GRANT RECEIVED

The Institute had organised two series of seminars at various locations for the purpose of utilising the MOF/PEMANDU grants that were previously granted in prior years. CTIM members who sign up for the above seminars were entitled to a 30% discount from the normal registration fee.

COLLABORATION EVENTS WITH IRBM

18th National Tax Conference (NTC) 2018

The Institute and IRBM organised the 18th NTC on 16 & 17 July 2018 at the Kuala Lumpur Convention Centre. The Conference with the theme "*Taxation In a Changing Economy*" was officiated by YB Tuan Lim Guan Eng, Finance Minister of Malaysia. Record attendance was achieved with a total of 2,370 attendees which is a 7% increase from the previous year. The NTC 2019 will be held on 5 & 6 August 2019 and the Institute welcomes members' support in gracing this event with their presence.

Half day Talk on Taxable Online Business Income & Special Voluntary Disclosure Programme

The Institute together with the IRBM and the Associated of Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) had successfully completed the half-day talk on "Taxable Online Business Income and Special Voluntary Disclosure Programme" at 7 various locations from 2 March 2019 to 17 March 2019. The speakers for the talk were representatives from the IRBM and CTIM. The event in Kota Bharu was officiated by the Chief Executive Officer of IRBM, YBhg Dato' Sri Sabin bin Samitah and it was covered by Sin Chew Media. Approximately, 600 people had attended the talks at the abovementioned locations.

COLLABORATION EVENTS WITH THE ROYAL MALAYSIAN CUSTOMS DEPARTMENT (RMCD)

National Indirect Tax Conference 2019

The Institute had jointly organised the National Indirect Tax Conference 2019 with the RMCD on 4 April 2019 at the Sime Darby Convention Centre with the theme "*Indirect Taxes – A Paradigm Shift*".

COLLABORATION EVENT WITH ACCCIM & SIN CHEW MEDIA

A half-day talk on "Sales & Service Tax (SST)" was organised and held in various locations throughout the nation with the objective of educating the businesses on the closure of GST and informing them about the implementation of SST. This collaboration was endorsed by the RMCD and the first press conference was officiated by the Director General of Customs, YBhg Dato' Seri Subromaniam Tholasy on 1 August 2018. The roadshows were well received and successfully held from 17 to 27 August 2018 with more than 2,000 participants attending the roadshows.

EDITORIAL COMMITTEE

The Tax Guardian, the quarterly official journal of the Chartered Tax Institute of Malaysia continues to carry a wide range of articles, contributed by practitioners and experts in their respective fields on tax issues touching both locally and internationally. Readers of the journal have shown their appreciation of its relevance numerous times to the Institute.

The Journal highlights the activities and events of CTIM and classifies articles in various categories such as Current Issues, GST and Indirect Taxes, Domestic Issues, International Issues, Technical Updates, Tax Cases and Learning Curve. In addition it included articles on major conferences such as National Tax Conference and National GST Conference highlighting the key issues discussed.

The Editorial members play an important role in ensuring that the quality of the journal is kept at the highest standard with their review of articles and comments for improvements.

The Institute continues to encourage members and researchers to publish thought leadership articles and well written analysis of topical issues, case decisions, contentious issues and new legislative developments which will serve as an important source of knowledge of the finer points in taxation. Based on feedback, the informative articles continue to enhance and improve the technical competency of members and readers.

REPORT OF THE COUNCIL FOR 2018 / 2019 (cont'd)**EXAMINATIONS COMMITTEE**

The Institute registered 66 new students from March 2018 till March 2019. Total number of registered students as of March 2019 was 412.

The 2018 CTIM Professional Examinations in June commenced on 18th and the December examination commenced on 17th. The examinations were held in 9 centres throughout Malaysia. The examination results for the June 2018 and December 2018 were released to students on 15 August 2018 and 15 February 2019 respectively.

The 23rd CTIM Graduation and Prize Giving Ceremony was held at the Sheraton Imperial Kuala Lumpur Hotel, on 20 October 2018, a total of 22 students graduated and received their scrolls during the event.

The committee recommended that the syllabus be revised for the CTIM Professional Examinations due to the changes in tax legislations. The Council approved the revised syllabus and its implementation in the December 2019 Examinations.

The Council in addition gave its approval to develop a publication on the list of relevant tax cases as a source of reference for members as well as for students attempting the Revenue Law paper.

EDUCATION COMMITTEE

The committee promoted actively taxation as an exciting career and the added value of CTIM Professional Qualification to students. A number of career talks were conducted by committee members at the following Institutions:

- On 18 April 2018 career talk was presented by Mr Renganathan Kannan to about 200 students at University Selangor (UNISEL) Shah Alam.
- On 8 June 2018 a career talk was presented at UTAR Sg Long to final year accounting degree students by Mr Ananthan and Ms Stephanie Low.
- On 21 September a Forum was held at UniRazak to final year students on 'Tax Planning - Don't Cross The Line' together with a career talk by Mr Renganathan Kannan.
- On 31 October 2018 career talks were conducted at UITM Puncak Alam by Education Committee Chairman Dr Zulfahmy on 'What Is Waiting For You' and committee members Ms Stefanie Low and Mr Ananthan on CTIM and Taxation – A Career Path.
- On 31 January 2019 a career talk was conducted by Mr Kenny Chong at Sunway College Kuching. The College intends to offer the CTIM programme to its Diploma in Accounting students. The 1st batch is expected to sit for the examinations in December 2019.

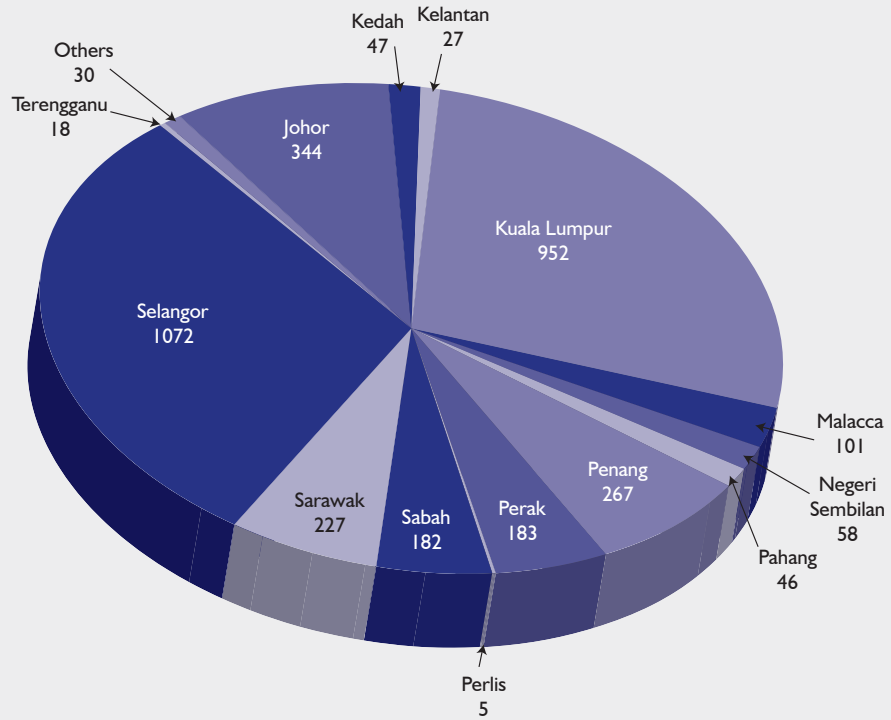
MEMBERSHIP SERVICES COMMITTEE

As at 30 April 2019 there are 3,559 members comprising 615 Fellow members, 2,932 Associate members and 12 Provisional members (30 April 2018: 3,501 members).

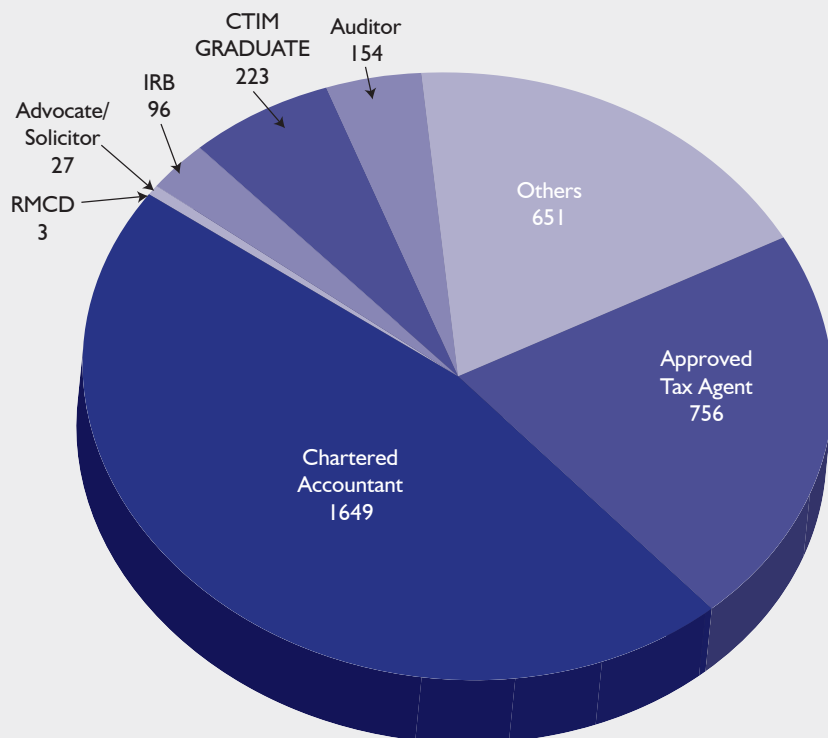
REPORT OF THE COUNCIL FOR 2018 / 2019 (cont'd)

Membership Profile

By States



By Employment



REPORT OF THE COUNCIL FOR 2018 / 2019 *(cont'd)*

TECHNICAL COMMITTEE - DIRECT TAX I (TC-DT I)

The TC-DT I focuses on technical and operational matters on income tax. The committee carries out its activities through its main technical committee as well as working groups, namely the Joint Public Rulings Working Group (JPRWG) and Compliance and Operational Working Group (COWG). Other working groups may be formed from time to time to deal with specific issues, where necessary. During the year, the committee and its working groups have been actively involved in reviewing various technical and operational/compliance issues and engaging MOF and LHDNM in discussions on those issues.

In brief, the key activities undertaken during the year are as follows:-

• 2019 Budget & Finance Bill 2018

- Preparation and submission of a memorandum on 2019 Budget proposals to MOF followed by participation in the 2019 Budget Consultation chaired by the Minister of Finance.
- Joint preparation and submission of a memorandum on the issues arising from the 2019 Budget and Finance Bill 2018 together with the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) to LHDNM and MOF after the announcement of the 2019 Budget. Participation in the dialogue on the memorandum chaired by LHDNM.

• Tax Reform Committee (TRC)

Submission and presentation of issues on tax administrative improvements to the TRC which was set-up under the auspices of MOF.

• Technical, Compliance and Operational Issues

During the year, the committee engaged MOF and LHDNM on various technical, compliance and operational issues including the following:-

(a) Technical issues

- Appeal made to LHDNM on the tax treatment of the GST portion of personal deduction / relief for a resident individual for the year of assessment 2017;
- Engaging the LHDNM on issues arising from Practice Note No. 1/2018 on Tax Treatment of Digital Advertising provided by a Non-Resident;
- Discussion with LHDNM on the tax treatment of income of a non-resident public entertainer;
- Follow-up with MOF on 2018 Budget Proposals which have not been legislated;

• Technical, Compliance and Operational Issues *(cont'd)*

- Sought clarification from LHDNM on matters pertaining to the Income Tax (Exemption)(No. 2) Order 2019 [P.U. (A) 55/2019] in relation to the tax exemption of 50% of statutory income from rental of residential property.

b) Draft public rulings

The JPRWG is involved in reviewing, providing feedback and engaging LHDNM on draft Public Rulings issued by LHDNM to the JPRWG for comments. Twelve draft Public Rulings have been reviewed by the JPRWG during the period from April 2018 to March 2019.

c) Compliance and operational issues

- Meeting with LHDNM for further discussion on some of the issues raised in the memorandum on compliance and operations issues which was tabled at DESIRE Meeting No. 1/2018.
- Submission of memorandums on compliance and operational issues to LHDNM for discussion at DESIRE Meeting No.1/2019 chaired by LHDNM.
- Submission of proposals to LHDNM on making the e-Lejar and e-Kemaskini systems accessible to tax agents.
- Sought clarification from LHDNM on matters pertaining to the tax treatment of employee's contribution made to SOCSO in respect of the Employment Insurance System.
- Submission of feedback to LHDNM on the Sample Company Return Form 2019 followed by a meeting with LHDNM to discuss on the feedback.

• Malaysian Financial Reporting Standards (MFRS)

The Joint Tax Working Group - Malaysian Financial Reporting Standards (JTWG-MFRS) is a committee jointly formed by the Institute, MIA and MICPA, to analyse and share with members the group's analysis of tax issues arising from MFRS, and propose appropriate tax treatment (where applicable) to MOF and LHDNM.

During the year, the JTWG-MFRS has been involved in the following:-

- Preparation of a discussion paper on the tax implications arising from the implementation of MFRS 15;
- Analysis of the tax implications arising from the implementation of MFRS 16;

REPORT OF THE COUNCIL FOR 2018 / 2019 (cont'd)**Malaysian Financial Reporting Standards (MFRS)**
(cont'd)

- Analysis of the tax implications arising from implementation of MFRS 9 (for Non-Financial Institutions).
- Providing comments to LHDNM on its draft revised Guidelines on the Tax Treatment Related to the Implementation MFRS 121 (Or Other Similar Standards).

Technical Circulars

106 e-CTIMs were issued on direct tax matters from mid-April 2018 to March 2019 which provided members with updates on tax developments, announcements from LHDNM and minutes of meetings and dialogues with LHDNM.

TECHNICAL COMMITTEE - DIRECT TAX II (TC-DT II)

The taxation matters under the purview of the Technical Committee - Direct Tax II (TC-DT II) are in relation to Stamp Duty, Real Property Gains Tax, Petroleum Income Tax, Labuan Income Tax and other matters related to Labuan, Promotion of Investments Act 1986 (PIA) and other tax incentives (e.g. MSC, Bionexus), capital market transactions, etc. The TC-DT II was involved in preparing the Institute's 2019 Budget Proposals to MOF and the Institute's comments arising from the 2019 Budget Speech and Finance Bill 2018, with the other CTIM Technical Committees.

2019 Budget Memorandum on Tax Issues Relating to the Capital Market Industry

The TC-DT II provided its input on tax issues for the Capital Market Industry to the SC in May 2018 for inclusion in the 2019 Budget. The tax issues were in relation to the long term development of the capital market, capital market products and deductibility of expenses, real estate investment trusts, fund management companies, business trusts, wholesale money market fund, recognized markets (equity crowdfunding / peer-to-peer financing) and asset-backed securitization.

Comments on amendments to the Stamp Duty Relief Provisions under S.15 and S.15A of the Stamp Act 1949 as set-out in the Finance Bill 2018

The Stamp Duty Working Group (SDWG) is a working group under the TC-DT II. The SDWG had submitted comments on the Stamp Duty (Amendment) Bill 2017 to MOF in October 2017 and the said Bill was subsequently withdrawn. The SDWG's comments in respect of amendments to the Stamp Duty Relief Provisions under S.15 and S.15A of the Stamp Act 1949 were included in the Joint Memorandum on Issues arising from 2019 Budget & Finance Bill 2018, to address similar amendments as set-out in the Finance Bill 2018. The comments were discussed at the Post-2019 Budget Dialogue between LHDNM and MOF (the Tax Authorities), and the professional bodies in January 2019. The Tax Authorities' responses have been circulated to members.

Memorandum on Issues arising from Recent Tax Legislation in relation to Labuan

The TC-DT II submitted a Memorandum on Issues arising from Recent Tax Legislation in relation to Labuan in January 2019 to LHDNM and MOF (the Tax Authorities). The issues were in relation to the Labuan Business Activity Tax (Requirements for Labuan Business Activity) Regulations 2018 [P.U. (A) 392/2018], amendment of S.2B of the Labuan Business Activity Tax Act 1990 (LBATA), 3% mandatory rate for Labuan trading activity, new definition of Labuan business activity and limitation of tax deductions on payments to Labuan companies. The issues were discussed at the above-mentioned Post-2019 Budget Dialogue and the LHDNM's responses have been circulated to members.

E-Circulars

20 e-CTIMs were issued from the first quarter of 2018 to the first quarter of 2019 in relation to the International Standard to counter Harmful Tax Practices, Real Property Gains Tax, Stamp Duty, PIA, LBATA and other tax incentives (BioNexus, East Coast Economic Region, Green Technology, High Technology, Iskandar Development Region, MSC, Principal Hub, Sabah Development Corridor, etc).

TECHNICAL COMMITTEE - INDIRECT TAX (TC-IT)

The Committee held three (3) meetings during the term 2018-2019 and a total of 44 e-CTIMs on indirect tax have been issued since mid-April 2018 to March 2019. The summary of the key activities are as follows: -

CTIM Memorandum on Indirect Tax Issues arising from 2019 Budget

The CTIM Memorandum on Indirect Tax Issues arising from the 2019 Budget Speech & Finance Bill 2018 was finalised and submitted to the RMCD and the MOF in December 2018. The RMCD has responded to the Institute via a letter dated 31 December 2018 mentioning that the RMCD will consider and discuss on our issues raised in the memorandum.

GST to SST Transformation Working Group

The GST to SST Transformation Working Group (TWG) was set-up by the Institute to support the government on the transition from GST to SST. The TWG includes members from the TC-II.

The activities undertaken by the TWG include the following: -

- Contributed ten (10) articles on GST-SST in The EDGE, conducted roadshows to publicise SST, and organized seminars on Transitional Issues from GST to SST in several different locations nationwide;
- Meeting with the RMCD in June 2018 to discuss on the transitional issues on GST to SST; and issues on the transition out of GST including the RMCD's Frequently Asked Questions (FAQs) Transitional 6% - 0%.

REPORT OF THE COUNCIL FOR 2018 / 2019 *(cont'd)*

Sales Tax and Service Tax (SST) Implementation

• Mesyuarat Persediaan Pelaksanaan Dasar Baharu Cukai Jualan dan Cukai Perkhidmatan

The MOF invited the Institute to attend a “Mesyuarat Persediaan Pelaksanaan Dasar Baharu Cukai Jualan dan Cukai Perkhidmatan” in May 2018 to discuss on the Scope, Model and Mechanism of the Sales Tax and Service Tax (SST) that will be implemented on 1 September 2018. The Institute was represented by the President, TC-IT Chairman and the members of the TC-IT.

• SST Implementation Briefing Sessions

The Institute together with other professional bodies and stakeholders were invited by the RMCD to attend the SST implementation and handholding sessions in July 2018 and August 2018. The sessions were held to brief on the transition from GST to SST and the Proposed SST Bills.

• Participation in the Technical Committee on Sales Tax and Service Tax (SST) Implementation Meeting

The TC-IT submitted and raised technical issues for deliberation at the TC-SST Imp meeting (Mesyuarat Jawatankuasa Teknikal Isu Pelaksanaan Cukai Jualan & Cukai Perkhidmatan Bil. 1/2018) in December 2018 which was chaired by the RMCD. The issues were in relation to:

- a) Sales Tax Act 2018 – valuation of services for subcontracting arrangements; and time of sale, disposal and first used.
- b) Service Tax Act 2018 – IT services; disbursement and reimbursement; exemptions on intra-group services; employment services; export of services; accommodation and food and beverages; and service tax relief for intra-group services.
- c) Transitional issues (out of GST) - tax invoices on or after 1 September 2018; output tax in relation to retention sum; and bad debt relief.

• Memorandum on Feedback / Comments on the Sales Tax and Service Tax Regulations and Orders gazetted on 31 December 2018

The TC-IT submitted a Memorandum on Feedback / Comments on the Sales Tax and Service Tax Regulations and Orders gazetted on 31 December 2018 to the RMCD in February 2019. The issues raised for deliberation by the Committee covered matters relating to Sales Tax (Amendment) Regulations 2018, Service Tax (Amendment) (No. 3) Regulations 2018 and Service Tax (Persons Exempted From Payment of Tax) Order 2018. Other issues included in the Memorandum are in relation to intragroup exemptions, imported taxable service and provision of software.

Participation in the Customs-Private Sector Consultative Panel Meetings (CPSCP)

The Custom and Excise Working Group (a working group under the TC-IT) participated in the CPSCP Meeting No. 2/2018 on 19 December 2018, chaired by the RMCD. The issues deliberated included a proposal to impose stricter penalties against fraudulent declarations under the self-certification regime, different customs procedures adopted by Free Zones in different States, licensed manufacturing warehouse online application, customs exemption of import duty under “ATIGA”, request for standard operating procedures and requirements for company appointment of customs brokers for all customs stations, service tax for freight forwarders, integrated logistics support service approval, etc. The minutes of the meetings were uploaded on the Institute’s website and were circulated to members.

Meeting with the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC)

The Institute attended a “Sesi Perjumpaan Bersama Peniaga Mengenai Perancangan Dan Tindakan Persediaan Dalam Menghadapi Perubahan Cukai Barangan Dan Perkhidmatan (GST) Di Bawah Akta Kawalan Harga Dan Antipencatutan 2011”, chaired by MDTCC in May 2018. The meeting discussed on the enforcement of the Price Control and Anti-Profiteering Regulations (Mechanism to Determine Unreasonably High Profit for Good) 2016 in accordance with the change in GST rate from 6% to 0% effective on 1 June 2018.

TECHNICAL COMMITTEE – TRANSFER PRICING (TC-TP)

The Technical Committee - Transfer Pricing’s (TC-TP) area of focus is in relation to transfer pricing, advance pricing arrangement and mutual agreement procedure. It provides effective representation at dialogues with the authorities on issues faced by members and tax practitioners and recommends effective proposals to enhance the development of transfer pricing in the country.

Interaction with LHDNM and MOF

• TC-TP’s Feedback/Comments on LHDNM’s Frequently Asked Questions on TP Guidelines 2012 (Updated Version)

The Institute submitted the TC-TP’s feedback/comments on the LHDNM’s frequently asked questions as at 1 November 2018 on TP Guidelines 2012 (Updated Version) to the Department of International Taxation in mid-December 2018 for their consideration.

REPORT OF THE COUNCIL FOR 2018 / 2019 (cont'd)

- **Dialogue between TC-TP and LHDNM on Special Voluntary Disclosure Programme for TP Cases**

The TC-TP met with the Multinational Tax Branch and the Department of International Taxation at the end of December 2018 to discuss on issues arising from the Special Voluntary Disclosure Programme (SVDP) for TP cases. The TC-TP's minutes of the meeting have been adapted by LHDNM in the frequently asked questions on SVDP on LHDNM's website.

- **TC-TP's Feedback/Comments on LHDNM's Sample Company Return Form 2019**

The TC-TP's feedback/comments on the requirement for all companies undertaking controlled transactions under S.139 and S.140A of the Income Tax Act 1967 to complete the HK-N (Item F6 of the Sample Company Return Form 2019), which is similar to the Form MNE (Information on Cross Border Transactions), was submitted by the Institute to LHDNM in mid-February 2019 for their deliberation.

- **Feedback/comments on OECD's Proposals to Address the Tax Challenges of the Digital Economy**

The Institute was invited by MOF to provide feedback/comments on the OECD's proposals to address the tax challenges of the digital economy. These proposals considered, amongst others, the changes required to the profit allocation and nexus rules under TP aspects, based on the user participation model, marketing intangible method and/or significant economic presence method. The TC-TP contributed substantially to the Institute's feedback/comments paper which was submitted to MOF in early March 2019.

E-Circulars

6 e-CTIMs were issued from October 2018 to March 2019 in relation to TP Guidelines 2012 (Updated Version), Country-by-Country Reporting and SVDP for TP cases.

PUBLIC PRACTICE COMMITTEE (PPC)

The PPC is primarily focused on matters pertaining to the public practice of taxation services (including issues and best practices) as well as tax agent licensing and is involved in interaction with various authorities.

Members' Dialogue

A Members' Dialogue on income tax audit & investigation issues was initiated by the PPC and was successfully organised by the CTIM Sarawak Branch Committee in Kuching on 19 April 2018. The panelists comprising of the CTIM President and CTIM Sarawak Branch Committee members responded to members' technical and operational issues at the Dialogue.

- **CTIM "Practitioner's Series" in Collaboration with Bank Negara Malaysia (BNM)**

A CTIM "Practitioner's Series" in Collaboration with BNM on Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFPUAA) – Comply to Protect was organised by the PPC for members and held at the Institute's training room on 30 October 2018. This half-day event received positive feedback from members.

- **Knowledge-Sharing Session on Practitioners' Issues in Johor Bahru**

The CTIM Johor Branch Committee organised an interactive knowledge-sharing discussion with members on tax practitioners' issues in Johor Bahru on 14 March 2019. The PPC participated by being involved in facilitating this event.

Public Practice Circulars

4 e-CTIMs were issued from the third quarter of 2018 to the first quarter of 2019 in respect of the following matters:

- CTIM "Practitioner's Series" in collaboration with Bank Negara Malaysia on Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFPUAA).
- Interactive knowledge-sharing discussion with Johor members on tax practitioners' issues organised by CTIM Johor Branch Committee.

COMMITTEES 2018 / 2019

EXECUTIVE COMMITTEE

Council Members:

Seah Siew Yun (Chairman)
Farah Binti Rosley
Phan Wai Kuan
K. Sandra Segaran A/L Karuppiah
Chow Chee Yen

Total number of meetings held: 4

Terms of Reference

1. To consider and recommend to the Council major long-term objectives and overall policy of the Institute.
2. To recommend changes to the structure and composition of the Institute.
3. To review the Institute's Memorandum and Articles of Association.
4. To consider matters affecting the Institute and its members which are urgent in nature and outside the terms of reference or jurisdiction of any committee.
5. To ensure proper implementation of the policies of the Council and its committees and to provide direction where necessary.
6. To consider the recommendation and reports of the Executive Director relating to human resources, administration and financial matters of the Institute.

CONTINUING PROFESSIONAL DEVELOPMENT COMMITTEE

Council Members:

Chow Chee Yen (Chairman)
Farah Binti Rosley
Dr Zulfahmy Bin Ibrahim

Other:

Saravana Kumar Segaran

Total number of meetings held: 2

Terms of Reference

1. To organise and administer seminars and workshop programmes to enhance the skills and knowledge of members and tax professionals and to maintain their professional competency.
2. To profile the Institute through regional and international conferences.

OTHER CONFERENCE JOINT COMMITTEES

The National Tax Conference is jointly organised with the Lembaga Hasil Dalam Negeri Malaysia (LHDNM) and is managed by a separate joint committee. The following Council Members were nominated by the Council to this joint committee and are as follows:

- K. Sandra Segaran A/L Karuppiah (Co-Organising Chairman)
- Farah Binti Rosley
- Phan Wai Kuan

Other:

- Aruljothi A/L Kanagaretnam

EDITORIAL COMMITTEE

Council Members:

Yeo Eng Ping (Chairman)
K. Sandra Segaran A/L Karuppiah

Others:

Prof Dr Jeyapalan A/L Kasipillai
Saravana Kumar Segaran
M. Silverranie
Dr Nakha Ratnam S/O Somasundaram
Venkataraman Ganesan
Theneshkannaa A/L Kannan @ Renganathan Kannan
Kenneth Yong Voon Ken
Tan Hooi Beng
Lavindran Sandragasu

Total number of meeting held: 2

Terms of Reference

1. To consider all matters pertaining to the editorial policies of the journal so that the technical quality of the journal continues to be enhanced and is benchmarked to other similar reputable tax journals worldwide.
2. To improve the quality of the journal by soliciting well-researched technical articles.
3. To ensure that all articles submitted are placed through a stringent vetting process to determine suitability for publication.
4. To monitor the production process so that the journal is released on a timely basis.
5. To increase the circulation and subscriber base of the journal at all times.
6. To generate advertising revenue to make the journal self-sufficient eventually.

COMMITTEES 2018 / 2019 (cont'd)

EXAMINATIONS COMMITTEE

Council Members:
Soh Lian Seng (Chairman)

Others:
Prof Dr Jeyapalan A/L Kasipillai
Assoc Prof Dr Loo Ern Chen
Ravi Balakrishnan
Dr Nakha Ratnam S/O Somasundaram
Daniel Woo Tuck Cheong
Kenneth Yong Voon Ken
Chong Geok Chuang
Agnes Wong Ling Lee

Total number of meetings held: 3

Terms of Reference

1. To establish and review (from time to time) the examination syllabus of the Institute's Examination to ensure that it remains relevant in meeting the challenges and demands of the changing tax regime and tax laws so that graduates will be able to meet the current and future market expectations.
2. To establish and review rules and regulations of the Institute's Examinations.
3. To determine the eligibility of students sitting for the Institute's Examinations and to recommend to the Council the appropriate examination fees.
4. To consider and approve applications for exemption from the relevant examination papers.
5. To appoint chief examiners, examiners, invigilators, markers and moderators and to recommend to the Council the honorarium and fees payable.
6. To consider and approve the Institute's Examination papers set by the appointed examiners.
7. To consider any appeals relating to the examination results.
8. To consider and approve the publication of model answers and examiners' comments.
9. To determine the policy on safekeeping and confidentiality of examination papers and of answer scripts.
10. To determine prize winners and to publish the results of the examinations.

EDUCATION COMMITTEE

Council Members:
Dr Zufahmy bin Ibrahim (Chairman)
Zen Chow Tuck Him
Stefanie Low Geok Ping

Others:
Ananthan Chelliah
Dr Rani Diana Binti Othman
Abdul Halim Bin Husin
Norhayati Binti Abu Bakar
Saliza Binti Sulaiman

Total number of meetings held: 1

Terms of Reference

1. To look into the requirements of registered students and to assist them in facilitating their progression as members of the Institute.
2. To formulate strategies to promote the Institute's qualification to prospective students.
3. To determine accreditation processes and establish strategic alliances with institutions of higher learning for the provision of courses relating to the professional examination.
4. To source for contributions of published material to the Resource Centre of the Institute.

COMMITTEES 2018 / 2019 (cont'd)

MEMBERSHIP SERVICES COMMITTEE

Council Member:

Koong Lin Loong (Chairman)

Others:

Aruljothi A/L Kanagaretnam

K. Renganathan A/L Renganathan Kannan

Emily Wong Shiau Li

Total number of meetings held: 1

Terms of Reference

1. To review and recommend to Council the policies, procedures and qualifications recognized for admission of members.
2. To consider applications for membership and reclassification of membership for approval of the Council.
3. To consider and make recommendation to Council for removal of a member from the membership register for failing to pay the annual subscription in accordance with the regulations of the Institute.
4. To consider applications for re-admission by members who have been suspended or excluded from membership.
5. To review the membership fees from time to time and make recommendations to Council.
6. To develop and update the by-laws on professional conduct and ethics.
7. To promote membership of the Institute.
8. To enhance services provided to members.

TECHNICAL COMMITTEE - DIRECT TAXATION I [TC-DT (I)]

Council Members:

Phan Wai Kuan (Chairman)

Chow Chee Yen

Farah Binti Rosley

K. Sandra Segaran A/L Karuppiah

Lai Shin Fah @ David Lai

Leow Mui Lee

Mohd Noor Bin Abu Bakar

Nicholas Anthony Crist

Theneshkannaa A/L Kannan @ Renganathan Kannan

Others:

Beh Tok Koay

Carol Eng Hooi Ling

Chong Mun Yew

Daniel Woo

Ng Say Guat

Total number of meetings held: 3

To assist the TC-DT (I) in the execution of its duties, the Committee constitutes various working groups as and when required. These working groups deal with tax compliance and operations matters, public rulings, tax audits and tax investigations and other technical aspects.

Terms of Reference

1. The TC-DT (I) shall be responsible for all direct tax issues related to Income Tax, but excluding issues related to Stamp Duty, Real Property Gains Tax, Petroleum Income Tax, Labuan Income Tax & other matters relating to Labuan, Promotion of Investments Act 1986 & other tax incentives (eg MSC, Bionexus) and issues under the purview of Securities Commission and Bank Negara.
2. To provide effective representation at dialogues with Government authorities on tax issues faced by members, the business community and the public at large.
3. To recommend to the Government proposals for the review of tax policy, tax administration and other fiscal changes so as to promote certainty, clarity and transparency as well as to simplify the taxation system.
4. To issue tax information circulars to members on a timely basis and to issue guidance notes and other relevant technical publications when necessary.
5. To consider matters affecting tax practitioners and meet members to understand their requirements.

COMMITTEES 2018 / 2019 (cont'd)**TECHNICAL COMMITTEE - DIRECT TAXATION II
[TC-DT (II)]**

Council Members:

Nicholas Anthony Crist (Chairman)
Leow Mui Lee
Low Geok Ping
Phan Wai Kuan

Others:

Datuk Harjit Singh Sidhu A/L Bhagwan Singh
Koo Kian Ming
Sharon Yong

Total number of meetings held: 0

Terms of Reference

1. *The Technical Committee - Direct Tax (II) shall be responsible for all direct tax issues not under the purview of Technical Committee - Direct Tax (I), and includes Stamp Duty, Real Property Gains Tax, Petroleum Income Tax, Labuan Income Tax & other matters relating to Labuan, Promotion of Investments Act 1986 & other tax incentives (eg MSC, Bionexus) and issues under the purview of Securities Commission (SC) and Bank Negara.*
2. *To provide effective representation at dialogues with Government authorities on tax issues faced by members, the business community and the public at large.*
3. *To recommend to the Government proposals for the review of tax policy, tax administration and other fiscal changes so as to promote certainty, clarity and transparency as well as to simplify the taxation system.*
4. *To issue tax information circulars to members on a timely basis and to issue guidance notes and other relevant technical publications when necessary.*
5. *To consider matters affecting tax practitioners.*

**TECHNICAL COMMITTEE - INDIRECT TAXATION
(TC-IT)**

Council Members:

Lai Shin Fah @ David Lai (Chairman)
Theneshkannaa A/L Kannan @ Renganathan Kannan

Others:

Alan Chung
Brynnner Chiam
Grace Beatrice Dorall
Huang Shi Yang
Joanne Hooi
Ng Sue Lynn
Saravana Kumar Segaran
Sitartha Raja Kumaran
Tan Eng Yew
Yeoh Cheng Guan

Total number of meetings held: 3

Terms of Reference

1. *To provide effective representation at dialogues with Government authorities on indirect tax issues faced by members and the business community.*
2. *To recommend to the Government proposals for the review of indirect tax policy, indirect tax administration and other fiscal changes so as to promote certainty, clarity and transparency.*
3. *To issue indirect tax information circulars to members on a timely basis and to issue guidance notes and other relevant technical publications when necessary.*
4. *To consider matters affecting indirect tax practitioners.*

COMMITTEES 2018 / 2019 (cont'd)

TECHNICAL COMMITTEE – TRANSFER PRICING (TC-TP)

Council Members:

Leow Mui Lee (Chairman)
Theneshkannaa A/L Kannan @ Renganathan Kannan

Others:

Anushia Joan Soosaipillai
Bernice Tan
Bob Kee Lin Jen
Foo Meng Huei
Goh Lee Hwa
SM Thanneermalai
Venkataraman Ganesan

Total number of meetings held: 1

Terms of Reference

1. To provide effective representation at dialogues with the Government authorities on transfer pricing issues faced by members and the tax practitioners in the country.
2. To recommend to the Government effective proposals to enhance the development of transfer pricing in the country, including the review of legislations i.e Transfer Pricing Rules and Advance Pricing Arrangement Rules.
3. To issue transfer pricing information circulars to members on a timely basis, and to issue guidance notes and other relevant publications on transfer pricing where necessary.

PUBLIC PRACTICE COMMITTEE (PPC)

Council Members:

Chow Tuck Him (Chairman)
Lai Shin Fah @ David Lai
Theneshkannaa A/L Kannan @ Renganathan Kannan
Dr Zulfahmy Bin Ibrahim

Others:

Choo Ah Kow
Jalbir Singh Riar
Jesu Dason
Kellee Khoo Kee Lee
Kenny Chong Thian Poh
Lam Weng Keat
Lim Yan Kee @ Viviana
Wong Seng Chong

Total number of meetings held: 1

Terms of Reference

1. To provide effective representation at dialogues with the Government authorities on public practice issues faced by members and the tax practitioners in the country.
2. To recommend to the Government effective proposals to enhance the development of the tax profession in the country, including the review of tax agent licensing procedures, so as to promote certainty, clarity and transparency in the matter, and simplification of the licensing process.
3. To issue professional public practice information circulars to members on a timely basis, and to issue guidance notes and other relevant publications on public practice when necessary.
4. To recommend a code of best practices for members, with a view to assisting them in dealing with the clients and authority professionally as well as ethical issues faced in their practice.
5. To review the criteria for the issuance of the Public Practice Certificate and organisation of the one-day Public Practice Certificate Course for new applicants.
6. To identify issues pertaining to the management of a public practice i.e. risk management, revenue and cost management, staff recruitment and retention etc.

CALENDAR OF CPD EVENTS 2018/2019

Date	Training Programme	Venue
1.6.18	Workshop: Recent Updates of Tax Audits, Enforcement Actions by IRB & Statutory Appeal Process	Penang
1.6.18	Workshop: Transitional Issues of GST	Johor Bahru
4.6.18	Workshop: Transitional Issues of GST	Kota Kinabalu
6.6.18	Workshop: Transitional Issues of GST	Penang
6.6.18	Workshop: Recent Updates of Tax Audits, Enforcement Actions by IRB & Statutory Appeal Process	Johor Bahru
7.6.18	Workshop: GST Regime, Tax Holiday Period & the New SST Regime	Kuala Lumpur
26.6.18	Workshop: Transfer Pricing Documentation	Kuala Lumpur
28.6.18	Workshop: Public Rulings 2017 & 2018 - Understanding the Legal & Practical Aspects	Kuala Lumpur
5.7.18	Workshop: Public Rulings 2017 & 2018 - Understanding The Legal and Practical Aspects	Malacca
10.7.18	Workshop: Public Rulings 2017 & 2018 - Understanding The Legal and Practical Aspects	Penang
12.7.18	Workshop: Public Rulings 2017 & 2018 - Understanding The Legal and Practical Aspects	Johor Bahru
2.8.18	Workshop: Capital Allowances Maximisation	Penang
13.8.18	Workshop: Managing Tax Investigation & Tax Audits	Ipoh
20.8.18	Workshop: Managing Tax Investigation & Tax Audits	Kuala Lumpur
27.8.18	Workshop: Managing Tax Investigation & Tax Audits	Penang
28.8.18	Workshop: Capital Allowances Maximisation	Kuala Lumpur
3.9.18	Workshop: Capital Allowances Maximisation	Malacca
5.9.18	Seminar: Transitional Issues from GST to SST	Kuching
6.9.18	Seminar: Transitional Issues from GST to SST	Kuala Lumpur
7.9.18	Seminar: Transitional Issues from GST to SST	Kota Kinabalu
12.9.18	Seminar: Transitional Issues from GST to SST	Johor Bahru
13.9.18	Workshop: Capital Allowances Maximisation	Ipoh
20.9.18	Seminar: Transitional Issues from GST to SST	Penang
24.9.18	Seminar: Transitional Issues from GST to SST	Petaling Jaya
24.9.18	Workshop: Managing Tax Investigation & Tax Audits	Johor Bahru
25.9.18	Seminar: Transitional Issues from GST to SST	Malacca
26.9.18	Workshop: Practical Aspects of Transfer Pricing Documentation	Kuala Lumpur
28.9.18	Seminar: Transitional Issues from GST to SST	Ipoh
2.10.18	Workshop: Managing Tax Investigation & Tax Audits	Kuching
2.10.18	Seminar: Topical Tax Issues Facing SMEs	Kuala Lumpur
4.10.18	Seminar: Topical Tax Issues Facing SMEs	Malacca
8.10.18	Seminar: Topical Tax Issues Facing SMEs	Ipoh
17.10.18	Seminar: Topical Tax Issues Facing SMEs	Johor Bahru

CALENDAR OF CPD EVENTS 2018/2019 (cont'd)

Date	Training Programme	Venue
18.10.18	Seminar: Topical Tax Issues Facing SMEs	Penang
18.10.18	Seminar: Recent Tax Cases	Kuala Lumpur
22.10.18	Seminar: Topical Tax Issues Facing SMEs	Kota Kinabalu
23.10.18	Seminar: Topical Tax Issues Facing SMEs	Kuching
21.11.18	2019 Budget Seminar	Kuala Lumpur
29.11.18	Workshop: Recent Development and Practical Issues on Sales Tax & Service Tax	Kuala Lumpur
30.11.18	2019 Budget Seminar	Penang
03.12.18	2019 Budget Seminar	Kota Kinabalu
04.12.18	2019 Budget Seminar	Petaling Jaya
05.12.18	2019 Budget Seminar	Johor Bahru
07.12.18	2019 Budget Seminar	Subang
10.12.18	2019 Budget Seminar	Kuching
10.12.18	2019 Budget Seminar	Malacca
11.12.18	2019 Budget Seminar	Ipoh
12.12.18	2019 Budget Seminar	Kuala Lumpur
07.01.19	Workshop: Malaysian Property Tax, Income Tax, Estate & Trust	Malacca
10.01.19	Workshop: Managing Tax Audits & Investigation	Kuala Lumpur
14.01.19	Workshop: Malaysian Property Tax, Income Tax, Estate & Trust	Johor Bahru
16.01.19	Workshop: Public Rulings 2017 & 2018 - Understanding the Legal and Practical Aspects	Ipoh
17.01.19	Workshop: Dealing with the Complexities of Withholding Tax	Kuala Lumpur
18.01.19	Seminar: Analysis of Recent Tax Cases	Johor Bahru
24.01.19	Workshop: Managing Tax Audits & Investigation	Penang
29.01.19	Intensive SST & Customs Seminar 2019: Legal & Operational	Kuala Lumpur
31.01.19	Seminar: Analysis of Recent Tax Cases	Penang
18.02.19	Workshop: Malaysia Property Tax, Income Tax, Estate & Trusts	Kota Kinabalu
21.02.19	Workshop: Managing Tax Audits & Investigations	Ipoh
25.02.19	Workshop: Malaysia Property Tax, Income Tax, Estate & Trusts	Kuching
28.02.19	Workshop: Managing Tax Audits & Investigations	Malacca
04.03.19	Workshop: Malaysian Property Tax, Income Tax, Estate & Trusts	Penang
18.03.19	Workshop: Malaysian Property Tax, Income Tax, Estate & Trusts	Ipoh
21.03.19	Workshop: Managing Tax Audits & Investigations	Johor Bahru
21.03.19	Workshop: Employers Tax Statutory Requirements in 2019	Kuala Lumpur
22.03.19	Intensive SST & Customs Seminar 2019: Legal & Operational	Ipoh
25.03.19	Workshop: Malaysian Property Tax, Income Tax, Estate & Trusts	Kuala Lumpur
28.03.19	Workshop: Employers Tax Statutory Requirements in 2019	Johor Bahru

CALENDAR OF CPD EVENTS 2018/2019 (cont'd)

Date	Training Programme	Venue
10.4.19	Seminar: Intensive SST & Customs Seminar 2019: Legal & Operational	Johor Bahru
15.4.19	Seminar: Quarterly Tax Updates	Kuching
15.4.19	Seminar: Quarterly Tax Updates	Penang
17.4.19	Seminar: Quarterly Tax Updates	Malacca
17.4.19	Seminar: Quarterly Tax Updates	Johor Bahru
18.4.19	Seminar: Tax Agent Licence & Post-Licensing Issues	Kuala Lumpur
24.4.19	Seminar: Quarterly Tax Updates	Kuala Lumpur
2.5.19	Seminar: Quarterly Tax Updates	Kota Kinabalu
2.5.19	Workshop: The Art of Taxation and Staying Relevant in Changing Times	Johor Bahru
7.5.19	Workshop: The Art of Taxation and Staying Relevant in Changing Times	Penang
13.5.19	Workshop: The Art of Taxation and Staying Relevant in Changing Times	Malacca
14.5.19	Workshop: The Art of Taxation and Staying Relevant in Changing Times	Kuala Lumpur
17.5.19	Seminar: Quarterly Tax Updates	Ipoh
22.5.19	Seminar: Intensive SST & Customs Seminar 2019: Legal & Operational	Kota Kinabalu
23.5.19	Seminar: Intensive SST & Customs Seminar 2019: Legal & Operational	Kuching
23.5.19	Workshop: Employment Tax and Payroll Tax Malaysia	Johor Bahru
30.5.19	Seminar: Intensive SST & Customs Seminar 2019: Legal & Operational	Penang
17.6.19	Workshop: The Art of Taxation and Staying Relevant in Changing Times	Kota Kinabalu
18.6.19	Workshop: The Art of Taxation and Staying Relevant in Changing Times	Kuching
18.6.19	Workshop: Employment Tax and Payroll Tax Malaysia	Kuala Lumpur
24.6.19	Workshop: The Art of Taxation and Staying Relevant in Changing Times	Ipoh

CALENDAR OF CPD EVENTS 2018/2019 *(cont'd)*

COLLABORATION EVENTS

Date	Training Programme	Venue
16 & 17.7.18	National Tax Conference 2018 (jointly organised with IRBM)	Kuala Lumpur
Aug 2018	SST Educational Roadshows (jointly organised with ACCCIM-Sin Chew Media)	Various locations
Mar 2019	Half-day Talk on Taxable Online Business Income & Special Voluntary Disclosure Programme (jointly organised with IRBM & ACCCIM)	Various locations
6.3.19	Workshop: Submission of Return Forms 2018 (jointly organised with MAICSA)	Kuala Lumpur
15.3.19	Workshop: Tax Planning for Individuals (jointly organised with MAICSA)	Kuala Lumpur
4.4.19	National Indirect Tax Conference 2019 (jointly organised with RMCD)	Kuala Lumpur
14.5.19	Workshop: Tax Planning for Companies (jointly organised with MAICSA)	Kuala Lumpur



Pictorial **HIGHLIGHTS**









CHARTERED TAX INSTITUTE OF MALAYSIA (225750-T)

(Incorporated in Malaysia as a Company Limited by Guarantee)

FINANCIAL STATEMENTS

31 DECEMBER 2018

Council Members' Report	28 - 30
Statement by Council Members	31
Statutory Declaration	32
Independent Auditors' Report to the Members	33 - 34
Statement of Financial Position	35
Statement of Income and Expenditure	36 - 37
Statement of Changes in Accumulated Funds	38
Statement of Cash Flows	39
Notes to the Financial Statements	40 - 52

COUNCIL MEMBERS' REPORT

The Council members hereby present their report and the audited financial statements of the Institute for the financial year ended 31 December 2018.

PRINCIPAL OBJECTIVES

The principal objectives of the Institute are to promote, encourage and advance the status and interest of the taxation profession in Malaysia.

There have been no significant changes in the nature of these objectives during the financial year.

RESULTS

Surplus for the financial year RM 388,365

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Institute were made out, the Council members took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and are satisfied that all known bad debts had been written off and no allowance is required for doubtful debts.

At the date of this report, the Council members are not aware of any circumstances which would render the amount written off for bad debts, in the Institute, inadequate to any substantial extent or render it necessary to make an allowance for doubtful debts.

CURRENT ASSETS

Before the financial statements of the Institute were made out, the Council members took reasonable steps to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Institute, were written down to an amount that they might be expected to realise.

At the date of this report, the Council members are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Institute misleading.

VALUATION METHODS

At the date of this report, the Council members are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Institute misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Institute which has arisen since the end of the financial year.

No contingent liability or other liability of the Institute has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Council members, will or may substantially affect the ability of the Institute to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Council members are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Institute which would render any amount stated in the financial statements of the Institute misleading.

COUNCIL MEMBERS' REPORT *(Cont'd)*

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Council members:

- (i) the results of the operations of the Institute for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Institute for the financial year in which this report is made.

COUNCIL MEMBERS

The members who have served in the Council during the year up to the date of this report are:

Seah Siew Yun	
Phan Wai Kuan	
Nicholas Anthony Crist	
Yeo Eng Ping	
Farah Binti Rosley	
Koong Lin Loong	
K. Sandra Segaran A/L Karuppiah	
Lai Shin Fah @ David Lai	
Chow Chee Yen	
Mohd Noor Bin Abu Bakar	
Chow Tuck Him	
Leow Mui Lee	
Zulfahmy Bin Ibrahim	
Theneshkannaa A/L Kannan @ Renganathan Kannan	(Elected on 9.6.2018)
Soh Lian Seng	(Elected on 9.6.2018)
Low Geok Ping	(Elected on 9.6.2018)
Poon Yew Hoe	(Retired on 9.6.2018)
Goh Lee Hwa	(Retired on 9.6.2018)
Harjit Singh Sidhu A/L Bhagwan Singh	(Retired on 9.6.2018)

COUNCIL MEMBERS' BENEFITS AND INTERESTS

The Institute is a company limited by guarantee and thus has no shares in which the Council members could have an interest. The Institute has not issued any debentures.

No Council member has received or become entitled to receive a benefit by reason of a contract made by the Institute or a related corporation with the Council member, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

COUNCIL MEMBERS' REMUNERATION

None of the Council members or past Council members of the Institute have received any remuneration from the Institute during the financial year, except for examiners fee and tax guardian writer fee paid amounting to RM3,957 to 4 Council members.

None of the Council members or past Council members of the Institute have received any benefits otherwise than in cash from the Institute during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Institute by the Council members or past Council members of the Institute during the financial year.

INDEMNITY AND INSURANCE FOR COUNCIL MEMBERS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premium paid, during or since the end of the year for any person who is or has been the Council member, officer or auditor of the Institute.

COUNCIL MEMBERS' REPORT *(Cont'd)*

NUMBER OF EMPLOYEES, REGISTERED AND PRINCIPAL OFFICE

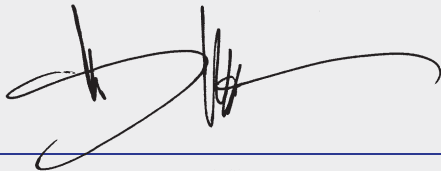
The number of persons employed by the Institute at the end of the financial year was 20 (2017: 20). The registered and principal office of the Institute is located at B-13-2, 13th Floor, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

AUDITORS

The auditors, Sekhar & Tan, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in the Statement of Income and Expenditure.

Signed in accordance with a resolution of the Council,



Seah Siew Yun



Farah Binti Rosley

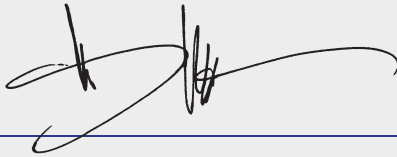
Kuala Lumpur

Date: 19 March 2019

STATEMENT BY COUNCIL MEMBERS

We, Seah Siew Yun and Farah Binti Rosley, being two of the Council members of CHARTERED TAX INSTITUTE OF MALAYSIA, do hereby state that in the opinion of the Council members, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Institute as at 31 December 2018 and of its financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Council,



Seah Siew Yun



Farah Binti Rosley

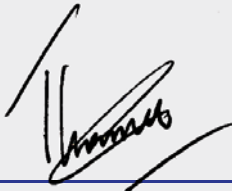
Kuala Lumpur

Date: 19 March 2019

STATUTORY DECLARATION

I, P Thomas Simon, the Executive Director primarily responsible for the financial management of CHARTERED TAX INSTITUTE OF MALAYSIA, do solemnly and sincerely declare that the accompanying financial statements are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed P Thomas Simon at Kuala Lumpur, in Wilayah Persekutuan on 19 March 2019.



P Thomas Simon

Before me,



Suite 6.08, 6th Floor
Semua House Jalan Bunus 6
50100 Kuala Lumpur

Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHARTERED TAX INSTITUTE OF MALAYSIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chartered Tax Institute of Malaysia, which comprise the statement of financial position as at 31 December 2018, and the statement of income and expenditure, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 35 to 52.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2018, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ["MFRSs"], International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Institute in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ["By-Laws"] and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ["IESBA Code"], and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Council members of the Institute are responsible for the other information. The other information comprises the information included in the Council members' report, but does not include the financial statements of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Institute does not cover the Council members' report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Institute, our responsibility is to read the Council members' report and, in doing so, consider whether the Council members' report is materially inconsistent with the financial statements of the Institute or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of the Council members' report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council members for the Financial Statements

The Council members of the Institute are responsible for the preparation of financial statements of the Institute that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Council members are also responsible for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Institute, Council members are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council members either intend to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Institute as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Institute, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHARTERED TAX INSTITUTE OF MALAYSIA *(cont'd)*

Report on the Audit of the Financial Statements *(Cont'd)*

Auditors' Responsibilities for the Audit of the Financial Statements *(Cont'd)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.
- Conclude on the appropriateness of Council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Institute or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Institute, including the disclosures, and whether the financial statements of the Institute represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the members of the Institute, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The engagement partner on the audit resulting in this independent auditors' report is Siew Kah Toong.



Sekhar & Tan
No. AF 0926
Chartered Accountants



Siew Kah Toong
No: 1045/03/2020 (J)
Chartered Accountant

Kuala Lumpur
Date: 19 March 2019

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM
Non-current assets			
Property, plant and equipment	5	1,701,570	1,781,281
Deferred tax asset	6	2,000	26,000
		1,703,570	1,807,281
Current assets			
Other receivables	7	202,765	565,933
Prepayment		39,494	139,275
Deposits with licensed banks	8	7,110,000	6,109,222
Cash and bank balances		657,118	761,832
Tax recoverable		226,433	211,042
		8,235,810	7,787,304
Current liabilities			
Other payables	9	1,074,082	1,088,492
Government grant		18,603	47,763
		1,092,685	1,136,255
Net current assets		7,143,125	6,651,049
		8,846,695	8,458,330
Financed by:			
Accumulated funds		8,846,695	8,458,330

STATEMENT OF INCOME AND EXPENDITURE YEAR ENDED 31 DECEMBER 2018

	Note	2018 RM	2017 RM
Operating income			
Courses and seminars		2,495,493	2,163,307
Examinations		191,703	208,114
Publications		159,200	218,916
Membership services		946,526	721,809
		3,792,922	3,312,146
Less: Operating expenditure			
Courses and seminars		(1,530,541)	(1,228,271)
Examinations		(125,422)	(88,168)
Publications		(168,441)	(162,145)
		(1,824,404)	(1,478,584)
Gross income over operating expenditure		1,968,518	1,833,562
Other income			
Interest on fixed deposits		200,680	212,785
National Tax Conference	10	485,841	509,472
National GST Conference	11	348,544	345,272
Marketing incentive		58,891	-
Sundry income		3,723	3,808
		1,097,679	1,071,337
Less: Administrative expenditure			
Advertisement		1,905	-
Annual General Meeting		55,587	50,088
Auditors' remuneration		13,000	13,000
Bank charges		2,532	2,071
Building service charges and sinking fund		14,920	14,858
Depreciation of property, plant and equipment		82,736	90,179
Equipment rental		11,616	11,616
Human Resource Development Levy		14,434	-
Insurance		2,615	2,615
I.T. maintenance		23,812	26,504
Legal and secretarial fees		3,173	3,100
Balance carried forward		226,330	214,031

STATEMENT OF INCOME AND EXPENDITURE
YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

	Note	2018 RM	2017 RM
Less: Administrative expenditure (cont'd)			
Balance brought forward		226,330	214,031
Marketing and publicity		700	8,470
Medical expenses		1,802	2,500
Meeting expenses		2,609	1,575
Newspaper, periodicals and subscriptions		33,596	42,363
Printing, postage and stationery		98,028	86,569
Professional fees		26,750	24,040
Property, plant and equipment written off		4,013	-
Quit rent and assessment		14,460	14,460
Staff costs:			
- Employees Provident Fund and SOCSO		237,248	225,154
- Staff remuneration		1,845,535	1,710,926
- Staff welfare and insurance		35,503	29,093
Telecommunication expenses		21,912	21,090
Travelling, parking and toll		34,634	22,681
Office expenses		23,042	25,422
Upkeep of office equipment		5,714	6,115
Utilities		22,259	23,509
		2,634,135	2,457,998
Surplus before tax		432,062	446,901
Less: Tax expenses	12	(43,697)	(15,854)
Surplus for the year		388,365	431,047

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
YEAR ENDED 31 DECEMBER 2018**

	Accumulated funds RM
At 1 January 2017	8,027,283
Surplus for the year	431,047
<hr/>	
At 31 December 2017/1 January 2018	8,458,330
Surplus for the year	388,365
<hr/>	
At 31 December 2018	8,846,695
<hr/>	

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2018

	2018	2017
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before tax	432,062	446,901
Adjustments for:		
Allowance for impairment loss	-	15,688
Bad debts written off	56,088	1,500
Depreciation of property, plant and equipment	82,736	90,179
Interest income	(200,680)	(212,785)
Property, plant and equipment written off	4,013	-
Reversal of allowance for impairment loss	(15,688)	-
Operating surplus before working capital changes	358,531	341,483
Changes in receivables	456,546	(147,410)
Changes in payables	(43,570)	205,088
Cash generated from operations	771,507	399,161
Tax paid	(35,088)	(74,986)
Net cash generated from operating activities	736,419	324,175
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in deposits with maturity more than 90 days	(650,778)	(48,040)
Purchase of property, plant and equipment	(7,038)	(35,935)
Interest income received	166,683	194,832
Net cash (used in)/generated from investing activities	(491,133)	110,857
NET INCREASE IN CASH AND CASH EQUIVALENTS	245,286	435,032
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,161,832	3,726,800
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,407,118	4,161,832
CASH AND CASH EQUIVALENTS ARE REPRESENTED BY:		
Cash and bank balances	657,118	761,832
Deposits with licensed banks (Note 8)	3,750,000	3,400,000
	4,407,118	4,161,832

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

1. Corporate Information

The principal objectives of the Institute are to promote, encourage and advance the status and interest of the taxation profession in Malaysia.

The financial statements were authorised for issue in accordance with a resolution of the Council on 19 March 2019.

2. Basis Of Preparation

(a) Statement of Compliance

The financial statements of the Institute have been prepared in accordance with Malaysian Financial Reporting Standards ["MFRSs"], International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

During the year, the Institute adopted all the new or revised MFRSs that are effective for the Institute's financial year beginning 1 January 2018.

The adoption of these new and revised MFRSs has no material effect on the financial statements.

As at the date of authorisation of these financial statements, the following Standards, Amendments to Standards and Issue Committee ["IC"] Interpretation have been issued by the Malaysian Accounting Standards Board ["MASB"] but are not yet effective and have not been early adopted by the Institute:

Effective for annual financial periods beginning on or after 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 3	Business Combinations*
Amendments to MFRS 11	Joint Arrangements*
Amendments to MFRS 112	Income Taxes*
Amendments to MFRS 123	Borrowings Costs*
IC Interpretations 23	Uncertainty over Income Tax Treatments

Effective for annual financial periods beginning on or after 1 January 2020:

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimate and Errors
Amendments to References to the Conceptual Framework in MFRS	

Effective for annual financial periods beginning on or after 1 January 2021:

MFRS 17	Insurance Contracts
---------	---------------------

Effective for a date yet to be confirmed:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
------------------------------------	---

* Annual Improvements to MFRS Standards 2015-2017 Cycle

MFRS 16 and 17, Amendments to MFRS 3, 10, 11, 123 and 128 and IC Interpretations 23 will not have any financial impact to the Institute as they are not relevant to the Institute's operations.

The Institute will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material financial effect to the financial statements of the Institute upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

YEAR ENDED 31 DECEMBER 2018

2. Basis Of Preparation *(cont'd)*

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis other than those disclosed in Note 3.

(c) Functional and Presentation Currency

These financial statements are presented in Ringgit Malaysia ["RM"], which is the Institute's functional currency.

3. Significant Accounting Policies

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in dealing with items that are considered material in relation to the financial statements.

(a) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the asset will flow to the Institute and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred. The carrying amount of the replaced part is derecognised.

Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Institute is obligated to incur when the asset is acquired, if applicable.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates are:

Freehold building	50 years
Office equipment	10 years
Furniture and fittings	10 years
Computer equipment and software	2.5 years
Renovation	10 years

At each reporting date, the carrying amount of an item of property, plant and equipment is assessed for impairment (see Note 3(c) on impairment on non-financial assets).

The residual values, useful lives and depreciation methods are reviewed at each year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying value is recognised in profit or loss.

(b) Financial Instruments

Financial assets

The Institute classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired:

- (i) Fair value through profit or loss
- (ii) Amortised cost
- (iii) Fair value through other comprehensive income

The Institute does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss. The Institute also does not have any financial assets classified at fair value through other comprehensive income at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

YEAR ENDED 31 DECEMBER 2018

3. Significant Accounting Policies *(cont'd)*

(b) Financial Instruments *(cont'd)*

Amortised cost

These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current receivables are recognised based on the simplified approach within MFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. Impairment provisions are recorded in a separate provision account with the loss being recognised in the statement of income and expenditure. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Institute's financial assets measured at amortised cost comprise receivables and cash and cash equivalents in the statement of financial position.

Financial liabilities

The Institute classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired:

(a) Fair value through profit or loss

The Institute does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

(b) Other financial liabilities

The Institute's other financial liabilities include payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(c) Impairment on Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

YEAR ENDED 31 DECEMBER 2018

3. Significant Accounting Policies *(cont'd)*

(c) Impairment on Non-Financial Assets *(cont'd)*

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash at banks and on hand, fixed deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value with original maturities of three months or less, and are used by the Institute in the management of its short term funding requirements. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(e) Leases

Operating lease

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term. The aggregate benefits of incentives provided by the lessor are recognised as a reduction of rental expense over the lease term on a straight-line basis.

(f) Grants

Grants from government are recognised at its fair value where there is a reasonable assurance that the grant will be received and the Institute will comply with all attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods in which the Institute recognised as an expense the related costs for which the grant is intended to compensate.

(g) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Institute recognises income when it transfers control over a good or service to a customer and specific recognition criteria have been met for each of the Institute's activities as follows:

Membership services and student subscription	-	Only subscription which is attributable to current financial year is recognised as income while subscription relating to periods beyond the current financial year is recognised as subscription in advance in deferred income.
Income from events and conferences	-	Recognised in the period the services are provided. Advanced payments received from events and conferences are recognised as deferred income.
Publications	-	Recognised when physical control of the publications passes to the purchasers.
Examination fees	-	Recognised when the examination is held.
Sponsorship	-	Recognised when the event is held.
Interest income	-	Recognised based on a time proportion basis that takes into account the effective yield on the asset.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

YEAR ENDED 31 DECEMBER 2018

3. Significant Accounting Policies *(cont'd)*

(h) Income Tax

Income tax comprises current and deferred tax.

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for the year. Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates that have been enacted or substantively enacted by the reporting date.

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax liabilities and assets are provided for, using the liability method, in respect of all temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unabsorbed tax losses and capital allowances unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reduction will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items recognised outside the profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

(i) Employee Benefits

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the employees have rendered the associated services.

Bonuses and gratuity are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

The Institute makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

(j) Provisions

Provisions are recognised when the Institute has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Contingencies

A contingent liability or asset is a possible obligation or benefit that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within control of the Institute.

Contingent liabilities and assets are not recognised in the statements of financial position of the Institute.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

YEAR ENDED 31 DECEMBER 2018

4. Critical Accounting Estimates And Judgements

The preparation of financial statements require management to make judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Critical judgements made in applying accounting policies

In the process of applying the Institute's accounting policies, which are described in Note 3, the Council members are of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are discussed below:

Impairment of loans and receivables

The Institute assesses as at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Institute considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis over its estimated useful lives. The management estimates the useful lives of these property, plant and equipment to be between 2.5 to 50 years. These are common life expectancies applied in businesses. The carrying amounts of the Institute's property, plant and equipment at 31 December 2018 are stated in Note 5 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
YEAR ENDED 31 DECEMBER 2018

5. Property, Plant and Equipment

	Freehold buildings RM	Office equipment RM	Furniture and fittings RM	Computer equipment and software RM	Renovation RM	Total RM
Cost						
At 1 January 2018	1,967,425	186,057	209,227	438,163	74,426	2,875,298
Additions	-	3,380	-	3,658	-	7,038
Written off	-	(85,422)	(103,297)	(402,345)	(41,063)	(632,127)
At 31 December 2018	1,967,425	104,015	105,930	39,476	33,363	2,250,209
Accumulated depreciation						
At 1 January 2018	340,775	130,245	151,035	413,833	58,129	1,094,017
Charge for the year	39,349	10,867	12,509	16,676	3,335	82,736
Written off	-	(84,081)	(101,098)	(401,873)	(41,062)	(628,114)
At 31 December 2018	380,124	57,031	62,446	28,636	20,402	548,639
Carrying amount						
At 31 December 2018	1,587,301	46,984	43,484	10,840	12,961	1,701,570
Cost						
At 1 January 2017	1,967,425	182,657	208,790	406,065	74,426	2,839,363
Additions	-	3,400	437	32,098	-	35,935
At 31 December 2017	1,967,425	186,057	209,227	438,163	74,426	2,875,298
Accumulated depreciation						
At 1 January 2017	301,427	119,863	138,556	389,203	54,789	1,003,838
Charge for the year	39,348	10,382	12,479	24,630	3,340	90,179
At 31 December 2017	340,775	130,245	151,035	413,833	58,129	1,094,017
Carrying amount						
At 31 December 2017	1,626,650	55,812	58,192	24,330	16,297	1,781,281

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
YEAR ENDED 31 DECEMBER 2018
6. Deferred Tax Asset/(Liability)

	2018	2017
	RM	RM
At 1 January	26,000	(12,086)
Recognised in statement of income and expenditure (Note 12):		
Current year	(24,000)	12,000
Over provision in respect of prior year	-	26,086
At 31 December	2,000	26,000

The components and movement of deferred tax asset/(liability) at reporting date are as follows:

	Property, plant and equipment	Deferred income	Unabsorbed capital allowance	Total
	RM	RM	RM	RM
At 1 January 2017	(12,086)	-	-	(12,086)
Recognised in statement of income and expenditure:				
Current year	4,000	8,000	-	12,000
Over provision in respect of prior year	11,086	15,000	-	26,086
At 31 December 2017/ 1 January 2018	3,000	23,000	-	26,000
Recognised in statement of income and expenditure	(12,000)	(16,000)	4,000	(24,000)
At 31 December 2018	(9,000)	7,000	4,000	2,000

7. Other Receivables

	2018	2017
	RM	RM
Other receivables	185,722	564,578
Less: Allowance for impairment losses	-	(15,688)
	185,722	548,890
Deposits	17,043	17,043
	202,765	565,933

The Institute's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	2018	2017
	RM	RM
At 1 January	15,688	-
(Reversal of allowance for impairment losses)/ charge for the year	(15,688)	15,688
At 31 December	-	15,688

The Institute has recognised a total bad debt written off of RM56,088 (2017: RM1,500) in the Statement of Income and Expenditure during the year.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

YEAR ENDED 31 DECEMBER 2018

8. Deposits With Licensed Banks

	2018 RM	2017 RM
As presented in statement of financial position	7,110,000	6,109,222
Deposits with maturity more than 90 days	(3,360,000)	(2,709,222)
As presented in statement of cash flows	3,750,000	3,400,000

In accordance with the guidance in FRSIC Consensus 22 "Classification of Fixed Deposits and Similar Instruments as Cash and Cash Equivalents", the Institute has excluded deposits with maturity more than 90 days from cash and cash equivalents.

Information on financial risks of cash and cash equivalents are disclosed in Note 14 to the financial statements.

9. Other Payables

	2018 RM	2017 RM
Other payables	899,278	827,749
Accruals	174,804	65,259
Deferred income	-	195,484
	1,074,082	1,088,492

Included in other payables is an amount of RM497,527 (2017: RM526,665) owing to Lembaga Hasil Dalam Negeri ["LHDNM"] being its share of profit from the National Tax Conference.

10. National Tax Conference

The National Tax Conference ["NTC"] is jointly organised by the Institute and LHDNM on a yearly basis. The income from NTC represents the Institute's share of net income after deducting expenditure and LHDNM's share of profits.

11. National GST Conference

The National GST Conference ["NGC"] is jointly organised by the Institute and Royal Malaysian Customs Department ["RMCD"] on a yearly basis. The income from NGC represents the Institute's share of net income after deducting expenditure and RMCD's share of profits. This is net of allowance for impairment loss of Nil (2017: RM15,688).

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

YEAR ENDED 31 DECEMBER 2018

12. Tax Expenses

	2018 RM	2017 RM
Malaysia income tax:		
Current year	8,380	60,200
Under/(over) provision in respect of prior year	11,317	(6,260)
	19,697	53,940
Deferred tax (Note 6):		
Current year	24,000	(12,000)
Over provision in respect of prior year	-	(26,086)
	24,000	(38,086)
	43,697	15,854

Malaysian income tax is calculated at the average tax rate of 6.57% (2017: 19.16%) on the first RM70,000 (2017: RM250,000) and at the statutory tax rate of 21% (2017: 24.5%) on the balance of the chargeable income of the estimated taxable surplus for the year.

The numerical reconciliation between the tax expenses in the statement of income and expenditure and income tax expenses applicable to surplus before tax of the Institute is as follows:

	2018 RM	2017 RM
Surplus before tax	432,062	446,901
Tax at average tax rate of 6.57% (2017: 19.16%) on the first RM70,000 (2017: RM250,000)	4,600	47,900
Tax at statutory tax rate of 21% (2017: 24.5%) on the balance of chargeable income	76,033	48,241
Non-taxation income	(84,766)	(70,265)
Expenses not deductible for tax purposes	36,513	22,324
Under/(over) provision of taxation in respect of prior year:		
Malaysia income tax	11,317	(6,260)
Deferred tax	-	(26,086)
Tax expenses	43,697	15,854

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

YEAR ENDED 31 DECEMBER 2018

13. Operating Lease Arrangements

The Institute has entered into non-cancellable operating lease arrangements for the use of photocopier machine. The lease is for a period of 5 years.

	2018 RM	2017 RM
Future minimum lease payment:		
Within one year	10,648	11,616
Between one and two years	-	10,648
	10,648	22,264

14. Financial Risk Management Objectives And Policies

The Institute's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Institute's operations whilst managing its interest rate, credit and liquidity risks. The Institute operates within clearly defined guidelines that are approved by the Council members and the Institute's policy is to not engage in speculative transactions.

(a) Interest Rate Risk

The Institute obtain financing through other financial liabilities. The Institute's policy is to obtain the financing with the most favourable interest rates in the market.

The Institute constantly monitor its interest rate risk and does not utilise swap contracts or other derivative instruments for trading or speculative purposes. At the end of the reporting period, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The Institute's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Institute's deposits and is managed through the use of fixed rate debts.

The following tables set out the carrying amount, the weighted average effective interest rates ["WAEIR"] of the Institute's financial instruments as at the reporting date and the periods in which they reprice or mature, whichever is earlier:

	Note	WAEIR Per Annum %	Within 1 year RM	1 - 5 years RM	Total RM
At 31 December 2018					
<u>Fixed rate:</u>					
Deposits with licensed banks	8	2.83%	7,110,000	-	7,110,000
At 31 December 2017					
<u>Fixed rate:</u>					
Deposits with licensed banks	8	2.83%	6,109,222	-	6,109,222

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
YEAR ENDED 31 DECEMBER 2018

14. Financial Risk Management Objectives And Policies (cont'd)

(b) Credit Risk

Credit risk is the risk of a financial loss to the Institute if a counterparty of a financial asset fails to meet its contractual obligations. The Institute's exposure to credit risk arises mainly from other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At reporting date, there were no significant concentration of credit risk.

The maximum exposure to credit risk for the Institute is the carrying amount of the financial assets shown in the statement of financial position.

(c) Liquidity Risk

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations as and when they fall due. Cash flow forecasting is performed by monitoring the Institute's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

The summary of the maturity profile of the Institute's financial liabilities at the reporting date based on contractual undiscounted repayments obligations is as follows:

	Note	Within 1 year RM	1 - 5 years RM	Total RM
At 31 December 2018				
Other payables	9	1,074,082	-	1,074,082
At 31 December 2017				
Other payables	9	1,088,492	-	1,088,492

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

YEAR ENDED 31 DECEMBER 2018

15. Financial Instruments

(a) Categories of Financial Instruments

	Note	2018 RM	2017 RM
Financial assets			
Amortised cost:			
Other receivables	7	202,765	565,933
Deposits with licensed banks	8	7,110,000	6,109,222
Cash and bank balances		657,118	761,832
		7,969,883	7,436,987
Financial liabilities			
Amortised cost:			
Other payables	9	1,074,082	1,088,492

(b) Fair value of Financial Instruments

The carrying amounts of the financial assets and financial liabilities are reasonable approximate of fair values, either due to short term nature or insignificant impact of discounting.

16. Capital Management

The objective of the Institute on capital management is to ensure that it maintains a strong credit rating and safeguard the Institute's ability to continue as a going concern, so as to support its operation and maximise accumulated fund.

The Institute manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Institute. There were no changes to the Institute's approach to capital management during the year.

NOTES

A series of horizontal dotted lines spanning the width of the page, intended for the user to enter notes or text.



ADMINISTRATIVE DETAILS OF THE ANNUAL GENERAL MEETING

Date : **Saturday, 22 June 2019**
Time : **9.30 a.m. (Refreshments will be provided from 8.30 a.m.)**
Venue : **Nusantara Ballroom 2, Level 2, Sheraton Imperial Hotel Kuala Lumpur, Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia**

Registration

1. Registration will start at 8.30 a.m. and close at 9.45 a.m.
2. Registration will be carried out according to membership numbers.
3. Please produce your Identity Card (IC) for verification and quote your membership number at the registration counter.
4. An identification tag will be issued upon registration.
5. No person will be permitted to enter or leave the meeting room without their identification tag.

Eligibility

Please note that in accordance with the Chartered Tax Institute of Malaysia's Memorandum and Articles of Association, a member whose subscription is overdue as at 1 May 2019 shall not be entitled to vote on any question either personally or by proxy at any General Meeting of the Institute or at a poll.

Important Notice

1. Please bring your Identity Card (IC).
2. Please quote your membership number during registration.
3. Please bring the 2018 Annual Report with you.

Quorum

Please note that under Article 48 (1) of the Chartered Tax Institute of Malaysia's Memorandum and Articles of Association, the quorum for this meeting shall be 30 members. Members are kindly requested to be punctual.

Form of Proxy

The duly completed form of proxy with the original signatures of the member and the witness must be deposited at **Boardroom Share Registrars Sdn Bhd (378993-D) (Formerly known as Symphony Share Registrars Sdn Bhd), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not later than 9.30 a.m. on Thursday, 20 June 2019.**

The proxy form is attached together with the Annual Report and a copy can also be downloaded from the Institute's Website under 'Members Only'.

Ballot Papers

1. Ballot papers will be given to each member present personally and for each valid proxy deposited by him/her.
2. The ballot paper will be deemed as invalid and the votes spoiled in the event of the following:-
 - There are more than four "X" marked on the ballot paper or otherwise stated. Only the mark "X" is valid;
 - Ink used on the ballot paper and marked "X" is not visible; and
 - Correction fluid or tape is used on the ballot paper.

Note:

The 26th Annual General Meeting (AGM) Minutes will not be tabled for discussion at the forthcoming AGM. Members are advised to review the Minutes of the 26th AGM held on 9 June 2018 on the Institute's Website and issues may be raised provided due notice is given to the Secretariat in accordance with item 5 of the Notice of Meeting.

CHARTERED TAX INSTITUTE OF MALAYSIA (225750-T)

FORM OF PROXY

I, CTIM Membership No.:
 hereby appoint CTIM Membership No.:
 or the Chairman* of the Meeting, as my proxy to vote on my behalf at the Twenty - Seventh Annual General Meeting of the Institute to be held on Saturday, 22 June 2019 at 9.30 a.m. (or at any adjournment thereof).

* Strike out whichever is not desired

No.	Resolution	For	Against
1.	To elect not more than four (4) Council Members for the 2019/2023 term by secret ballot. <i>(Ballot papers for secret ballot will be provided to each proxy holder on registration of the proxy holder on 22 June 2019 before the commencement of the Annual General Meeting at 9.30 a.m.)</i>	N/A	
2.	To re-appoint the Auditors for the ensuing year. (Note)		

Note: Please ensure that "X" is marked with legible ink for Resolution 2. The use of any other mark or correction fluid or tape will render this vote for Resolution 2 invalid.

Signed this day of 2019

Signature :

in the presence of(Name of *Witness),

CTIM Membership No. :

Signature of *Witness :Date :

* Witness shall be another member of the Institute entitled to vote at a meeting of the Institute

NOTES

- Article 34(2) provides that a Member may appoint a proxy who shall either be an Associate Member or Fellow Member of the Institute.
- Article 52 provides that subject to the provisions of Article 56 every member present in person and entitled to vote shall have one vote and upon a poll every member present or by proxy and entitled to vote shall have one vote.
- A member whose subscription is overdue as at 1 May 2019 shall not be entitled to vote on any question either personally or by proxy at any General Meeting of the Institute or at a poll.
- Appointment of proxy.
The following conditions shall apply to the appointment of a proxy:
 - the instrument appointing a proxy shall be in the form specified above and can be downloaded from the Institute's Website under 'Members Only';
 - the instrument of appointment shall be signed in the presence of another member of the Institute entitled to vote at a meeting of the Institute; and
 - the proxy may be appointed for a specified meeting and for any adjournment of such meeting.
- To be effective for the purpose of the Annual General Meeting to be held on Saturday, 22 June 2019, the instrument appointing a proxy must be deposited at Boardroom Share Registrars Sdn Bhd (378993-D) (Formerly known as Symphony Share Registrars Sdn Bhd), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not later than 9.30 a.m. on Thursday, 20 June 2019.



Chartered Tax Institute of Malaysia (225750-T)
Unit B-13-1, Block B, 13th Floor, Megan Avenue II
No. 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur, Malaysia.

Tel : +(603) 2162 8989
Fax : +(603) 2162 8990 / 2161 3207
E-mail : secretariat@ctim.org.my
Website : www.ctim.org.my